



## STERLITE POWER TRANSMISSION LIMITED

Our Company was incorporated as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated May 5, 2015, issued by the Registrar of Companies, Gujarat at Ahmedabad. The registered office of our Company was shifted from Silvassa, Dadra and Nagar Haveli to Pune, Maharashtra and a certificate of registration of Regional Director order for change of state was issued to us by the Registrar of Companies, Maharashtra at Pune on October 3, 2015. For details in relation to the changes in the registered office of our Company, please see the section entitled "History and Certain Corporate Matters" on page 227.

**Registered Office:** 4<sup>th</sup> Floor, Godrej Millennium, 9 Koregaon Road, Pune 411 001, Maharashtra, India; **Tel:** 011 499 622 00; **Website:** www.sterlitepower.com;  
**Corporate Office:** F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road New Delhi 110 065, India;  
**Contact Person:** Ashok Ganesan, Company Secretary and Compliance Officer; **E-mail:** secretarial.grid@sterlite.com;  
**Corporate Identity Number:** U74120PN2015PLC156643

### OUR PROMOTERS: TWIN STAR OVERSEAS LIMITED AND ANIL AGARWAL

**INITIAL PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF STERLITE POWER TRANSMISSION LIMITED ("OUR COMPANY" OR "THE COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 12,500.00 MILLION (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS "NET ISSUE". THE ISSUE AND NET ISSUE SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, CONSIDER A PRE-IPO PLACEMENT OF UP TO [●] EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 2,200.00 MILLION (THE "PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND THE PRE-IPO PLACEMENT, IF ANY, WILL BE UNDERTAKEN PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE NUMBER OF EQUITY SHARES ISSUED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE ISSUE, SUBJECT TO THE MINIMUM ISSUE SIZE CONSTITUTING AT LEAST [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 2 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE THE REGISTERED OFFICE IS LOCATED, EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the Lead Managers, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Lead Managers and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), the "QIB Portion", provided that our Company may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"). One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category. Post allocation to the Anchor Investors, the QIB Category will be reduced by such number of Equity Shares. Further, 5% of the QIB Portion (excluding Anchor Investor Portion) ("Net QIB Portion") shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, please see the section entitled "Issue Procedure" on page 475.

### RISKS IN RELATION TO THE ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 2. The Floor Price, Cap Price and Issue Price (determined by our Company in consultation with the Lead Managers and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process), as stated in the section entitled "Basis for Issue Price" on page 111 should not be considered as indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section entitled "Risk Factors" on page 36.

### OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, please see the section entitled "Material Contracts and Documents for Inspection" on page 495.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE ISSUE

<b>Axis Capital Limited</b> 1 <sup>st</sup> Floor, Axis House C 2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra India Tel.: +91 22 4325 2183 E-mail: sptl.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Simran Gadh/Akash Aggarwal SEBI Registration No.: INM000012029	<b>ICICI Securities Limited</b> ICICI Centre H.T. Parekh Marg, Churchgate Mumbai - 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: sterlitepower.ipo@icicisecurities.com Investor grievance E-mail: grievance@icicisecurities.com Website: www.icicisecurities.com Contact Person: Sumit Singh / Shekher Asnani SEBI Registration No.: INM000011179	<b>JM Financial Limited</b> 7 <sup>th</sup> Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030 E-mail: sterlite.ipo@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	<b>KFin Technologies Private Limited</b> (formerly known as "Karyv Fintech Private Limited") Selenium, Tower B Plot No- 31 and 32, Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India Tel.: +91 40 6716 2222 Fax: +91 40 2343 1551 Toll free number: 1800 309 4001 E-mail: sptl.ipo@kfintech.com Investor Grievance E-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221 CIN: U72400TG2017PTC117649

### BID/ISSUE PERIOD

<b>BID/ISSUE OPENS ON*</b>	[●]
<b>BID/ISSUE CLOSES ON**</b>	[●]

\* Our Company, may, in consultation with the Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\* Our Company may, in consultation with the Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation framed from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder. Notwithstanding the foregoing, the terms used in sections entitled “Basis for Issue Price”, “Statement of Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India and Brazil”, “Financial Information”, “Outstanding Litigation and Material Developments”, “Government and Other Approvals”, “Issue Procedure” and “Main Provisions of Articles of Association” on pages 111, 114, 121, 212, 295, 441, 451, 475 and 491 respectively shall have the meaning ascribed to them in the relevant section.*

*In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.*

#### Company Related Terms

Term	Description
“our Company” or “the Company”	Sterlite Power Transmission Limited, a public limited company incorporated under the Companies Act, 2013 and having its registered office at 4 <sup>th</sup> Floor, Godrej Millennium, 9 Koregaon Road, Pune 411 001, Maharashtra, India and its corporate office at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road New Delhi 110 065, India
“we”, “us”, “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries. Where the context indicates, refers to the Associates, Investee HoldCos and Investee SPVs as well
AMP Capital	AMP Capital Infrastructure Investment No.2 S.A.R.L
AMP Framework Agreement	Restated framework agreement dated March 30, 2021 entered into between our Company and AMP Capital
AMP Investment Agreements	Four investment agreements dated December 28, 2020, as amended on March 30, 2021, entered into between (i) our Company, AMP Capital, SGL13 and VNLTL; (ii) our Company, AMP Capital, SGL14 and UKTL; (iii) our Company, AMP Capital, SGL18 and LVTPL; and (iv) our Company, AMP Capital, SGL5, SGL29 and GTTPL
Articles of Association or AoA	Articles of association of our Company, as amended
Associates	Associates as consolidated in restated consolidated summary statements as per the relevant Ind AS 28 in the relevant reporting period
Audit Committee	Audit committee of our Board, as described in the section entitled “Our Management - Committees of the Board” on page 274
Auditors or Statutory Auditors	S R B C & CO LLP, Chartered Accountants, the statutory auditors of our Company
BDTCL	Bhopal Dhule Transmission Company Limited
Board or Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Chief Financial Officer or CFO	Chief financial officer of our Company, Anuraag Srivastava
Company Secretary	Company secretary of our Company, Ashok Ganesan
Corporate Promoter	Twin Star Overseas Limited
Demerger Scheme	Scheme of arrangement entered into between our Company and STL and their respective shareholders and creditors which was approved and sanctioned by the High Court of Bombay by way of its order dated April 22, 2016
Director(s)	Directors on our Board
ENICL	East-North Interconnection Company Limited



Term	Description
Equity Shares	Equity shares of face value of ₹ 2 each of our Company
GPTL	Gurgaon Palwal Transmission Limited
Group Companies	The group companies of our Company identified in terms of Regulation 2(1)(t) of the SEBI ICDR Regulations, including companies (other than the Corporate Promoter and the Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Summary Statements as covered under the applicable accounting standards, and any other companies as considered material by the Board, in accordance with the resolution dated August 7, 2021 passed by the Board, as described in the section entitled “ <i>Our Group Companies</i> ” on page 288
GTTPPL	Goa-Tamnar Transmission Project Limited
GTTPPL Project	The additional 400 kV feed to Goa and additional system for power evacuation from generation projects pooled at Raigarh (Tamnar) pool
GTTPPL TSA	Transmission services agreement dated June 28, 2017 entered into by GTTPPL with LTTCs and a transmission services agreement dated December 27, 2018, entered into by GTTPPL with PGCIL
IGL	IndiGrid Limited (formerly, Sterlite Grid 1 Limited)
IGL1	IndiGrid 1 Limited (formerly, Sterlite Grid 2 Limited)
IGL2	IndiGrid 2 Limited (formerly, Sterlite Grid 3 Limited)
IGT Framework Agreement	Framework agreement dated April 30, 2019 executed between Axis Trustee Services Limited, our Company and IndiGrid Investment Managers Limited, as amended on August 28, 2020
IM SSPA	Share subscription and purchase agreement dated April 30, 2019 entered into by our Company, the IndiGrid Investment Managers Limited and Electron IM Pte. Ltd.
Independent Director(s)	Independent directors on our Board. For details of the Independent Directors, please see the section entitled “ <i>Our Management</i> ” on page 269
IndiGrid or IGT	India Grid Trust
Individual Promoter	Anil Agarwal
Inter-se Agreement	Inter-se sponsor agreement dated April 30, 2019, between our Company and Esoteric II Pte. Ltd.
Investee Holdcos	SGL13 (from March 31, 2021), SGL14 (from April 6, 2021), SGL18 (from April 6, 2021) and SGL29 (from April 6, 2021)
Investee SPVs	GTTPPL (from April 6, 2021), UKTL (from April 6, 2021), LVTPL (from April 6, 2021), and VNLTL (from March 31, 2021)
Joint Ventures	Investee HoldCos and Investee SPVs
Key Managerial Personnel or KMP	Key managerial personnel of our Company shall have the meaning as set out under Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in the section entitled “ <i>Our Management – Key Managerial Personnel</i> ” on page 282
KTL	Khargone Transmission Limited
KTL Project	The transmission system strengthening in WR associated with Khargone TPP (1320 MW)
KTL TSA	Transmission services agreement dated March 14, 2016, entered into between KTL and LTTCs and a transmission services agreement dated April 27, 2017 entered into by KTL with PGCIL
LVTPL	Lakadia-Vadodara Transmission Project Limited
LVTPL Project	Transmission system strengthening for relieving overloadings in Gujarat Intra-State system due to RE injections in Bhuj PS
LVTPL TSA	Transmission services agreement dated April 23, 2019, entered into between LVTPL and LTTCs
Memorandum of Association or MoA	Memorandum of association of our Company, as amended
Merger Scheme	Scheme of arrangement entered into between our Company, SPGVL and their respective shareholders which was approved and sanctioned by the National Company Law Tribunal, Mumbai Bench by way of its order dated May 22, 2020
NER	NER II Transmission Limited

Term	Description
NER Share Purchase Agreement	Share purchase agreement dated March 5, 2021 executed between our Company, Axis Trustee Services Limited, IndiGrid Investment Managers Limited, SGL4
Nomination and Remuneration Committee or NRC Committee	Nomination and remuneration committee of our Board, as described in the section entitled “ <i>Our Management - Committees of the Board</i> ” on page 274
Non-executive Directors	Non-executive directors on our Board. For details of the Non-executive Directors, please see the section entitled “ <i>Our Management</i> ” on page 269
Preference Shares	Preference shares of our Company of face value ₹ 2 each
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 284
Promoters	Twin Star Overseas Limited and Anil Agarwal. For details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 284
Registered Office	4 <sup>th</sup> Floor, Godrej Millennium, 9 Koregaon Road, Pune, 411 001, Maharashtra, India
Registrar of Companies or RoC	Registrar of Companies, Maharashtra at Pune
Restated Consolidated Summary Statements	Restated Consolidated Summary Statements of our Company, its subsidiaries (collectively referred as “the Group”), its associates and its joint venture as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 comprising the restated consolidated summary statement of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, restated consolidated summary statements of profit and loss (including Other Comprehensive Income), and restated consolidated summary cash flow statements and restated summary statements of changes in equity for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of notes and other explanatory information derived from audited consolidated financial statements as at for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS and restated by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI
SGL10	Sterlite Grid 10 Limited
SGL11	Sterlite Grid 11 Limited
SGL12	Sterlite Grid 12 Limited
SGL13	Sterlite Grid 13 Limited
SGL14	Sterlite Grid 14 Limited
SGL15	Sterlite Grid 15 Limited
SGL16	Sterlite Grid 16 Limited
SGL17	Sterlite Grid 17 Limited
SGL18	Sterlite Grid 18 Limited
SGL19	Sterlite Grid 19 Limited
SGL20	Sterlite Grid 20 Limited
SGL21	Sterlite Grid 21 Limited
SGL22	Sterlite Grid 22 Limited
SGL23	Sterlite Grid 23 Limited
SGL24	Sterlite Grid 24 Limited
SGL25	Sterlite Grid 25 Limited
SGL26	Sterlite Grid 26 Limited
SGL27	Sterlite Grid 27 Limited
SGL28	Sterlite Grid 28 Limited
SGL29	Sterlite Grid 29 Limited
SGL30	Sterlite Grid 30 Limited

<b>Term</b>	<b>Description</b>
SGL4	Sterlite Grid 4 Limited
SGL5	Sterlite Grid 5 Limited
SGL6	Sterlite Grid 6 Limited
SGL7	Sterlite Grid 7 Limited
SGL8	Sterlite Grid 8 Limited
SGL9	Sterlite Grid 9 Limited
Shareholders	Shareholders of our Company, from time to time
SPGVL	Sterlite Power Grid Ventures Limited
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, as described in the section entitled " <i>Our Management - Committees of the Board</i> " on page 274
STL	Sterlite Technologies Limited
Subsidiaries	Subsidiaries of our Company, as of the date of this Draft Red Herring Prospectus, as identified under the provisions of the Companies Act and as described in the section entitled " <i>Our Subsidiaries and Joint Ventures</i> " on page 237.  For the purpose of financial information and restated summary statements, subsidiaries would mean subsidiaries as at or during the relevant fiscal year
Total Borrowings	Calculated as a sum of total non-current borrowings, total current maturities and total short term borrowings
UKTL	Udupi Kasargode Transmission Limited
UKTL Project	Transmission system for 400 kV Udupi (UPCL) – Kasargode D/C line
UKTL TSA	Transmission services agreement dated February 28, 2019, entered into between UKTL and LTTCs
VNLTL	Vapi II - North Lakhimpur Transmission Limited
VNLTL Project	Western Region Strengthening Scheme – XIX (WRSS – XIX) and North-Eastern Region Strengthening Scheme – IX (NRSS - IX)
VNLTL TSA	Transmission services agreement dated December 7, 2018, entered into between VNLTL and LTTCs
Whole-time Directors	Whole-time directors/ executive directors on our Board. For details of the Whole-time Directors, please see the section entitled " <i>Our Management</i> " on page 269

#### **Issue Related Terms**

<b>Term</b>	<b>Description</b>
Abridged Prospectus	The abridged prospectus to be issued by our Company in accordance with the provisions of the SEBI ICDR Regulations
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot or Allotment or Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the Lead Managers during the Anchor Investor Bid/Issue Period

<b>Term</b>	<b>Description</b>
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Issue	Collectively, Escrow Collection Bank(s), Public Issue Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue as described in the section entitled “ <i>Issue Procedure</i> ” on page 475
Bid	An indication to make an offer during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations

<b>Term</b>	<b>Description</b>
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●] a Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located, each with wide circulation.  Our Company, in consultation with the Lead Managers may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Issue Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and shall also be notified on the websites of the Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, which includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLMs or Lead Managers	Axis Capital Limited, ICICI Securities Limited and JM Financial Limited
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker.  The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid / Issue Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Lead Managers, the Bankers to the Issue and Registrar to the Issue, <i>inter alia</i> , for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, remitting refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	The Issue Price, finalised by our Company, in consultation with the Lead Managers, which shall be any price within the Price Band.  Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms

Term	Description
	The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Issue Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Issue Account(s) and / or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Issue
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated August 16, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue and includes any addenda or corrigenda thereto
Eligible Employee(s)	Permanent employees, working in India or outside India, of our Company or Subsidiaries and a Director of our Company, whether whole-time or not who is eligible to apply under the Employee Reservation Portion under applicable law, as on the date of the filing of the Red Herring Prospectus with the RoC, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount)
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	Our Company, in consultation with the Lead Managers, may offer a discount of up to [●]% to the Issue Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date
Employee Reservation Portion	The portion of the Issue being up to [●] Equity Shares aggregating up to ₹ [●] million, available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Issue Equity Share capital of our Company
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Accounts will be opened, in this case being [●]
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names

Term	Description
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Lead Managers
Isec	ICICI Securities Limited
Issue	The initial public offer of Equity Shares of up to [●] Equity Shares for cash at a price of ₹ [●], aggregating up to ₹ 12,500.00 million by our Company  Our Company may, in consultation with the Book Running Lead Managers, consider a Pre-IPO Placement of up to [●] Equity Shares for cash consideration aggregating up to ₹ 2,200.00 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to the minimum issue size constituting at least [●]% of the post-issue paid-up Equity Share capital of our Company
Issue Agreement	Agreement dated August 16, 2021 entered amongst our Company and the Lead Managers, pursuant to which certain arrangements have been agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price, which will be decided by our Company, in consultation with the Lead Managers, in terms of the Red Herring Prospectus and the Prospectus  The Issue Price will be decided by our Company, in consultation with the Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, please see the section entitled “ <i>Objects of the Issue</i> ” on page 106
JM	JM Financial Limited
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Net Proceeds	Proceeds of the Issue less the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, please see the section entitled “ <i>Objects of the Issue</i> ” on page 106
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non-Institutional Bidders or Non-Institutional Investors	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not more than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Pre-IPO Placement	A pre-IPO placement of up to [●] Equity Shares by our Company for cash consideration aggregating up to ₹ 2,200 million, in consultation with the Book Running Lead Managers. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued from the Pre-IPO

Term	Description
	Placement will be reduced from the Issue, subject to the minimum Issue Size constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company, in consultation with the Lead Managers, and will be advertised, at least two Working Days prior to the Bid/Issue Opening Date, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located, each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the Lead Managers, will finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	Bank account to be opened with the Public Issue Bank, under Section 40(3) of the Companies Act to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Bank	The bank with which the Public Issue Account(s) will be opened, in this case being [●]
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Issue comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), on a proportionate basis, (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the Lead Managers), subject to valid Bids being received at or above the Issue Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock-brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 and UPI Circulars issued by SEBI
Registrar Agreement	Agreement dated August 16, 2021 entered by and amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
Registrar to the Issue or Registrar	KFin Technologies Private Limited
Retail Individual Bidder(s) or RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Issue being not more than 10% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis



Term	Description
Revision Form	<p>Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.</p> <p>QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/Issue Closing Date</p>
Self-Certified Syndicate Bank(s) or SCSB(s)	<p>The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>, or at such other websites as may be prescribed by SEBI from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35as">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35as</a> updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time</p>
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms
Sponsor Bank	A Banker to the Issue, to be appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the Lead Managers, the Registrar and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI, namely, [●]
Syndicate or Members of the Syndicate	Together, the Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	Agreement to be entered into amongst our Company and the Underwriters and the Registrar to the Issue on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI

Term	Description
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.  In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Issue
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such
Working Day(s)	All days on which commercial banks in Mumbai are open for business provided however, with reference to (a) announcement of Price Band and (b) Bid/Issue Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI including the UPI Circulars

#### Technical/Industry Related Terms or Abbreviations

Term	Description
ANEEL	Agência Nacional de Energia Elétrica
ARR	Aggregate Revenue Requirement
BOO	Build, own, operate
BOOM	Build, own, operate and maintain
BPC	Bid process co-ordinator
BPTA	Bulk Power Transmission Agreement
COD	Commercial Operations Date
CRISIL / CRISIL Research	CRISIL Research, a division of Credit Rating Information Services of India Limited
CRISIL Report	Report entitled “ <i>CRISIL Research - Indian Power &amp; Transmission Sector</i> ” released in Mumbai in July 2021
Customs Act	Customs Act, 1962
CTU	Central Transmission Utility
D/C	Double Circuit
DC	Direct Current
DIC	Designated inter-state transmission system customers
DISCOM	Distribution companies
EHS	Environment, Occupational Health and Safety
EHV	extra high voltage
EPA or Environment Protection Act	Environment Protection Act, 1986
Environment Protection Rules	Environment (Protection) Rules, 1986
Fitch	Fitch Solutions Group Limited
Fitch Report	Report entitled “ <i>Brazil Power Report</i> ” issued by Fitch dated June 2021
GW	Giga watt
HVDC	High Voltage Direct Current
HVPNL	Haryana Vidyut Prasaran Nigam Limited
ISTS	Inter State Transmission Systems
LTTC	Long term transmission customer
MoP	Ministry of Power
MVA	Mega Volt Ampere

<b>Term</b>	<b>Description</b>
MW	Mega watt
NPCIL	Nuclear Power Corporation of India Limited
NRI/Non-Resident	A person resident outside India, as defined under the FEMA
PFC	Power Finance Corporation Limited
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
REC	REC Limited (Formerly Rural Electrification Corporation Limited)
RLDC	Regional Load Dispatch Centre
RSA	Revenue Sharing Agreement
SCOD	Schedules Commercial Operations Date
SEB(s)	State Electricity Boards
SLDC	State Load Dispatch Centre
TBCB	Tariff Based Competitive Bidding
TEECL	Techno Electric & Engineering Company Limited
TPGCL	Techno Power Grid Company Limited
TSA	Transmission Services Agreement
TSP	Transmission Service Provider
TSU	Transmission Systems User

#### **Conventional and General Terms or Abbreviations**

<b>Term</b>	<b>Description</b>
₹/Rs./Rupees/INR	Indian Rupees
£/Pounds	Pound Sterling
AIFs	Alternative Investments Funds
AGM	Annual general meeting
BRL/Real/R\$	Brazil Real
BSE	BSE Limited
Calendar Year	Unless stated otherwise, the period of 12 months ending December 31 of that particular year.
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Corporate Identity Number
Companies Act or Companies Act, 2013	Companies Act, 2013, along with the relevant rules notified thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules notified thereunder
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESAR	Employee Stock Appreciation Rights
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / Fiscal Year / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations

<b>Term</b>	<b>Description</b>
GAAR	General Anti-Avoidance Rules
Gazette	Gazette of India
GDP	Gross domestic product
GoI or Government or Central Government	Government of India
GST	Goods and services tax
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
HUF	Hindu Undivided Family
HNI	High net worth individual
Ind AS / Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP / IGAAP	Accounting standards notified under Section 133 of the Companies Act read with Companies (Accounting Standards) Rules 2006 and the Companies (Accounts) Rules, 2014 as amended
IPO	Initial public offer
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
MCA	Ministry of Corporate Affairs
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not applicable
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRE Account	Non-resident external rupee account
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
PAN	Permanent Account Number
PAT	Profit after tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

<b>Term</b>	<b>Description</b>
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI NCRPS Regulations	SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. Securities Act	United States Securities Act of 1933, as amended
U.S./USA/United States	United States of America
US GAAP	Generally Accepted Accounting Principles
USD or US\$	United States Dollars
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable and all references to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions. Further, all references to “Brazil” are to the Federative Republic of Brazil and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Consolidated Summary Statements.

Restated Consolidated Summary Statements of our Company, its subsidiaries (collectively referred as “the Group”), its associates and its joint venture as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 comprising the restated consolidated summary statement of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, restated consolidated summary statements of profit and loss (including Other Comprehensive Income), and restated consolidated summary cash flow statements and restated summary statements of changes in equity for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of notes and other explanatory information derived from audited consolidated financial statements as at for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS and restated by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI.

For further information on our Company’s financial information, please see the section entitled “*Restated Consolidated Summary Statements*” on page 295.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies, Ind AS, the Companies Act 2013 and the SEBI ICDR Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS please see the section entitled “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.*”. We urge the Investors to consult their respective advisors regarding such differences and their impact on our financial data.

Unless the context otherwise indicates, any percentage or amounts (excluding certain operational metrics), with respect to financial information of our Company in the sections entitled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 185 and 405, respectively, and elsewhere this Draft Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Summary Statements.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Consolidated Summary Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources. Our Statutory Auditors have provided no assurance or services related to any prospective financial information.

## Non-GAAP Financial Measures

Certain Non-GAAP Financial Measures and certain other statistical information relating to our operations and financial performance including EBITDA, EBITDA Margin, CAGR and others, have been included in this Draft Red Herring Prospectus as a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the year or any other measure of financial performance. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

## Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America;
- “£” or “Pounds” are to Pound Sterling, the official currency of the United Kingdom; and
- “BRL” or “Real” or “R\$” are to Brazil Real, the official currency of the Federative Republic of Brazil.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “lakh”, “million” and “crores” units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

## Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD (in Rupees per USD), Pound (in Rupees per Pound) and Real (in Rupees per Real):

Currency	As at		
	March 31, 2021	March 31, 2020	March 31, 2019*
1 USD	73.17	75.37	69.26
1 Pound	100.96	93.87	90.27
1 BRL	12.94	14.53	17.79

Source: <https://www.x-rates.com/>

\* In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the industry report entitled “Brazil Power Report” issued by Fitch and dated June 2021. Further, the information has also been derived from the industry report entitled “CRISIL Research - Indian Power & Transmission Sector” released in Mumbai in July 2021, which has been prepared by CRISIL, commissioned and paid for by us. For risks in relation to commissioned reports, please see the section entitled “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.” on page 59.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

In accordance with the SEBI ICDR Regulations, the section entitled “*Basis for the Issue Price*” on page 111 includes information relating to our peer group companies. Such information has been derived from publicly available sources. Accordingly, no investment decision should be made solely on the basis of such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section entitled “*Risk Factors*” on page 36. Accordingly, investment decisions should not be based solely on such information.

#### **Disclaimer of Fitch**

This Draft Red Herring Prospectus contains data and statistics from certain reports and the Fitch Report, which is subject to the following disclaimer:

*“All information, analysis, forecasts and data provided by Fitch Solutions Group Limited is for the exclusive use of subscribing persons or organisations (including those using the service on a trial basis). All such content is copyrighted in the name of Fitch Solutions Group Limited and as such no part of this content may be reproduced, repackaged, copied or redistributed without the express consent of Fitch Solutions Group Limited.*

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*This report from Fitch Solutions Country Risk & Industry Research is a product of Fitch Solutions Group Ltd, UK Company registration number 08789939 (‘FSG’). FSG is an affiliate of Fitch Ratings Inc. (‘Fitch Ratings’). FSG is solely responsible for the content of this report, without any input from Fitch Ratings.”*

#### **Disclaimer of CRISIL**

This Draft Red Herring Prospectus contains data and statistics from certain reports and the CRISIL Report, which is subject to the following disclaimer:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Sterlite Power Transmission Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

#### **Notice to Prospective Investors**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Issue, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any other applicable law of the United States and, unless so registered, may not be offered



or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act or another available exemption from the registration requirements under the U.S. Securities Act.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. All statements contained in this Draft Red Herring Prospectus that are not statements of historical or present fact constitute “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “objective”, “plan”, “seek”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Red Herring Prospectus that are not statements of historical fact are ‘forward – looking statements’.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate, incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- uncertainty in relation to the successful sale of our Ongoing Projects as they reach operational stages;
- cost overruns and delays in relation to our under-construction projects;
- risks in relation to the acquisition of land or irregularities in the title of land owned;
- risks in relation to our ability to successfully bid for projects in an increasingly competitive environment;
- uncertainty in relation to the extent to which the recent coronavirus (COVID-19) outbreak will impact our business, cash flows, results of operations and financial condition; and
- risks in relation to the construction, operation and maintenance of our transmission systems including injury caused to people or property.

For details regarding factors that could cause actual results to differ from expectations, please see the sections entitled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 185 and 405, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Issue.

## SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Issue and is neither exhaustive nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Financial Information”, “Outstanding Litigation and Material Developments”, “Issue Procedure” and “Main Provisions of Articles of Association” beginning on pages 36, 74, 89, 106, 121, 185, 295, 441, 475 and 491, respectively.

### Summary of the business of our Company

We have two business lines: Global Infrastructure and Solutions. Our Global Infrastructure business line bids for, designs, constructs, owns and operates power transmission assets and currently has operations in India and Brazil. Our Solutions business line consists of the products sub-segment, which manufactures and supplies a wide range of products including high performance power conductors, optical ground wire and extra-high voltage cables; and the Master System Integration sub-segment, which provides solutions for the upgrade, uprate and fiberization of existing transmission infrastructure projects. We also operate the Convergence business line, which leverages existing power utility infrastructure for telecommunications purposes by building optical fibre infrastructure on top of existing utilities networks.

### Summary of the industry in which our Company operates (Source: CRISIL Research and Fitch Solutions)

The power sector in India is governed by central and state regulatory agencies including the CERC, the CEA and the state electricity regulatory commissions. Robust generation capacity addition over the years and government’s focus on 100% rural electrification through last mile connectivity has led to extensive expansion of the transmission and distribution system across the country. The total length of domestic transmission lines rose from 3,39,737 ckm in fiscal 2016 to 4,41,821 ckm in fiscal 2021.

Brazil’s power sector is set to see robust growth over the coming decade, in which Fitch forecasts total electricity capacity will increase from 181.6GW in year-end 2020 to 238.5GW in 2030. Subsequently, electricity generation will reach 785TWh in 2030—up from 601TWh in 2020.

### Names of our Promoters

Our Promoters are Twin Star Overseas Limited and Anil Agarwal.

### Issue size

The following table summarizes the details of the Issue size:

Issue of Equity Shares <sup>(1)(2)(3)</sup>	Up to [●] Equity Shares aggregating up to ₹ 12,500.00 million
Employee Reservation Portion <sup>(2)</sup>	Up to [●] Equity Shares
Net Issue	Up to [●] Equity Shares aggregating up to ₹ [●] million

<sup>(1)</sup> The Issue has been authorised by our Board pursuant to resolution passed on July 2, 2021 and by our Shareholders pursuant to the resolution passed on August 1, 2021.

<sup>(2)</sup> In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ [●]), shall be added to the Net Issue. For further details, please see the section entitled “Issue Structure” on page 472.

<sup>(3)</sup> Our Company may, in consultation with the Book Running Lead Managers, consider a Pre-IPO Placement of up to [●] Equity Shares for cash consideration aggregating up to ₹ 2,200.00 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to the minimum issue size constituting at least [●]% of the post-issue paid-up Equity Share capital of our Company

The Issue shall constitute [●]% of the post Issue paid up Equity Share capital of our Company.

### Objects of the Issue

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Objects	Amount <sup>(1)</sup> (in ₹ million)
Repayment or pre-payment, in full or part, of certain borrowings availed by our Company and KTL	9,550.00
General corporate purposes <sup>(2)</sup>	[●]
<b>Total</b>	<b>[●]</b>

<sup>(1)</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the objects of the Issue prior to completion of the Issue.

<sup>(2)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

For further details, please see the section entitled “Objects of the Issue” on page 106.

### Aggregate pre-Issue shareholding of Promoters

The aggregate pre-Issue shareholding of Promoters and Promoter Group as a percentage of the pre-Issue paid-up Equity Share capital of our Company is set out below:

a) Promoters

Name of the Promoter	Number of Equity Shares held	Percentage of the pre-Issue paid-up Equity Share capital (%)
Twin Star Overseas Limited	43,670,398	71.38
Anil Agarwal	NIL	NIL
<b>Total</b>	<b>43,670,398</b>	<b>71.38</b>

b) Promoter Group

Name of the Member of Promoter Group	Number of Equity Shares held	Percentage of the pre-Issue paid-up Equity Share capital (%)
Vedanta Limited	952,859	1.56
Pravin Agarwal	836,105	1.37
Navin Agarwal	57,389	0.09
Suman Didwania	17,100	0.03
<b>Total</b>	<b>1,863,453</b>	<b>3.05</b>

Except as disclosed above, none of the members of our Promoter Group hold any Equity Shares as on date of this Draft Red Herring Prospectus.

For further details, please see the section entitled “Capital Structure” on page 89.

### Summary derived from Restated Consolidated Summary Statements

The following details are derived from the Restated Consolidated Summary Statements:

Particulars	(in ₹ million)		
	As at / For the Financial Year ended March 31, 2021	As at / For the Financial Year ended March 31, 2020	As at / For the Financial Year ended March 31, 2019
Equity Share capital	122.36	122.36	122.36
Total Equity	10,972.36	610.41	(6,756.77)
Total Income	38,169.59	51,583.16	35,714.60
Restated profit / (loss) for the year	8,701.24	9,429.73	(5,247.95)
Basic and diluted earnings per share (₹ / share)			
- Basic (in ₹)	142.22	154.13	(85.78)
- Diluted (in ₹)	142.22	154.13	(85.78)
Net asset value per Equity Share (basic)* (in ₹)	207.85	65.69	(88.43)
Net asset value per Equity Share (diluted)* (in ₹)	207.85	65.69	(88.43)
Total Borrowings	27,814.90	69,781.09	62,920.74

\* Net assets value per equity share (₹): Net assets at the end of the year/period divided by total number of weighted average equity share outstanding at the end of the year/ period.

For details, please see the section entitled “Restated Consolidated Summary Statements” on page 295.

### Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Summary Statements

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Summary Statements.

### Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, its Subsidiaries, Promoters, Directors, and Group Companies, as on the date of this Draft Red Herring Prospectus, is provided below:

Nature of cases	Number of outstanding cases*	Amount involved (in ₹ million)**
<b>Litigation involving our Company</b>		
<b>Litigation against our Company</b>		
Material civil proceedings	1	13.58
Criminal proceedings	1	Not quantifiable
Direct tax matters	2	2.48
Indirect tax matters	23	891.36
<b>Litigation filed by our Company</b>		
Civil Claims	1	124.17
Actions before regulatory or statutory authorities	1	Not quantifiable
<b>Litigation involving our Subsidiaries</b>		
<b>Litigation filed against our Subsidiaries</b>		
Direct tax matters	3	BRL 2.32 million
<b>Litigation filed by our Subsidiaries</b>		
Material civil proceedings	1	Not quantifiable
<b>Other matters where the outcome could materially and/or adversely affect the business, operations, performance, prospects or financial position or reputation of the Company (“Other Matters”)</b>		
Other Matters	6	2,040
<b>Litigation involving our Promoters</b>		
<b>Litigation against our Promoters</b>		
Material civil proceedings	1	13.58
<b>Litigation involving our Directors</b>		
<b>Litigation against our Directors</b>		
Material civil proceedings	1	13.58
<b>Litigation involving our Group Companies</b>		
Material Litigation involving the Group Companies	44	3,336.25

\* Apart from the litigation proceedings mentioned above, our Subsidiaries, Investee SPVs and Group Companies may also be involved in legal proceedings, in the ordinary course of their business. For further details, please see the section entitled “Outstanding Litigation and Material Developments” on page 441.

\*\* To the extent quantifiable, excluding interest and penalty thereon.

For further details, please see the section entitled “Outstanding Litigation and Material Developments” on page 441.

## Risk Factors

Specific attention of the investors is invited to the section entitled “Risk Factors” on page 36 to have an informed view before making an investment decision.

## Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 as at March 31, 2021 are set forth in the table below:

(in ₹ million)

S. No.	Particulars	As at March 31, 2021
1.	<b>Disputed liabilities in appeal</b>	
	Excise duty	76.40
	Value Added Tax (VAT) and Central sales tax	294.06
2.	<b>Bank guarantees given</b>	
	On behalf of India Grid Trust (“IGT”)	25.00
	To India Grid Trust (“IGT”) for various claim with respect to sale of investments	1,000.00
3.	<b>Corporate guarantees given</b>	
	Given on behalf of its related party revenue contract executed	188.60
	To India Grid Trust (“IGT”) for clearance of items mentioned in the share purchase agreement with respect to sale of ENICL	350.00
	On behalf of its subsidiary for issuance of non-convertible debentures during the year	2,000.00

For further details of our contingent liabilities as at March 31, 2021 as per Ind AS 37 – Provision, Contingent Liabilities and Contingent Assets, please see the section entitled “Restated Consolidated Summary Statements – Note 42: Contingent liabilities” on page 370.

## Summary of related party transactions

A summary of related party transactions as per the requirements of Ind AS 24 -Related Party Disclosures, read with the SEBI ICDR Regulations, derived from Restated Consolidated Summary Statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 are as follows:

(in ₹ million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>1) Sale of Services</b>			
Associate and joint venture/subsidiaries of associate and joint venture	17.79	5.16	-
<b>2) Purchase of Goods</b>			
Fellow Subsidiaries	5,711.24	10,149.31	11,127.25
<b>3) Sale of goods (net of taxes)</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	119.20	6.58
Fellow Subsidiaries	8.39	8.68	30.15
<b>4) Interest Income</b>			
Fellow Subsidiaries	19.23	21.98	11.05
<b>5) Loans and advances given</b>			
Associate and joint venture/subsidiaries of associate and joint venture	70.12	-	-
Fellow Subsidiaries	-	-	75.00
<b>6) Project Management fees received</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	-	33.50
<b>7) Management fees paid</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	0.50	-
Fellow Subsidiaries	-	-	30.00
<b>8) Investment Management Fees received</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	-	110.62
<b>9) Reimbursement of expenses paid to related parties</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	-	28.76
Fellow Subsidiaries	-	1.49	6.92
<b>10) Reimbursement of expenses recovered from related parties</b>			
Fellow Subsidiaries	2.73	0.19	-
<b>11) Purchase of power</b>			
Fellow Subsidiaries	26.12	34.14	16.83
<b>12) Rent Expenses</b>			
Fellow Subsidiaries	-	1.94	-
<b>13) Remuneration</b>			
KMP	89.06	69.25	71.21
<b>14) Sitting fees</b>			
KMP	14.65	8.85	3.70
<b>15) Commission</b>			
KMP	6.49	-	-
<b>16) Corporate guarantee given</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	-	280.00
Fellow Subsidiaries	-	188.60	-
<b>17) Purchase Consideration received</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	-	156.72
<b>18) Indemnification as per Share Purchase Agreement</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	-	53.47
<b>19) Dividend income</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	176.41	709.20
<b>20) Redemption of NCDs / loans in the SPVs sold</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	115.41	-
<b>21) Management fees income (excluding GST)</b>			
Associate and joint venture/subsidiaries of associate and joint venture	5.13	-	-
Fellow Subsidiaries	9.95	-	-
<b>22) Investment in equity shares of related parties</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	0.05	-
<b>23) Loans and advances received</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	6,200.00	-
Entities in which directors are interested	-	1,500.00	-
<b>24) Loan repaid</b>			
Associate and joint venture/subsidiaries of associate and joint venture	6,200.00	-	-
<b>25) Interest expenses</b>			
Associate and joint venture/subsidiaries of associate and joint venture	354.33	468.18	-
Entities in which directors are interested	130.18	103.08	-
Fellow Subsidiaries	136.90	258.64	-
<b>26) Purchase of fixed assets</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	8.00	-
<b>27) Sale of fixed assets</b>			
Fellow Subsidiaries	-	3.51	-

(in ₹ million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>28) Services availed</b>			
Entities in which directors are interested	1.30	4.61	-
<b>29) Security deposits</b>			
Associate and joint venture/subsidiaries of associate and joint venture	4.00	50.00	-
<b>30) Revenue from EPC contract with customer</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	1.19	-
<b>31) Capital advance paid</b>			
Associate and joint venture/subsidiaries of associate and joint venture	-	-	2.00

Further, the following are the details of the related party transactions eliminated during the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019:

**(1). NRSS XXIX Transmission Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)	Purchase of capital goods and services (net of indirect taxes)	-	-	1,445.35
		Conversion of loan into equity shares	-	-	177.80
		Loans given	-	-	2,757.62
		Unsecured loans taken	-	-	649.34
		Unsecured loans repaid	-	-	5,336.38
		Dividend paid	-	-	1,001.77
ii)	Sterlite Power Grid Ventures Limited	Management fees expenses (including tax)	-	-	4.72
		Purchase of capital goods and services (net of indirect taxes)	-	-	5,703.92
		Management fees expenses (including tax)	-	3.21	10.96

**(2). Odisha Generation Phase II Transmission Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)	Unsecured loans taken	-	-	1,048.70
		Conversion of loan into shares (including premium)	-	-	94.13
		Management fees expenses (including tax)	-	-	0.03
ii)	Sterlite Power Grid Ventures Limited	Purchase of capital goods and services (excluding indirect taxes)	-	-	192.34
		Management fees expenses (including tax)	-	1.25	2.18

**(3). East-North Interconnection Company Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Interest on compulsorily convertible debentures	-	0.01	0.01
		Management fees expenses (including tax)	-	17.39	10.47
		Loan availed	-	509.65	170.50
		Repayment of loan	-	395.00	608.70
		Reimbursement of expenses paid	-	2.60	68.46
		Purchase of goods for property, plant & equipments (including tax)	-	103.96	-
		Availing of services for property, plant & equipments	-	13.51	-
		Conversion of CCD and CCPS into equity shares (including share premium)	-	1,499.60	-
ii)	Sterlite Technologies Limited	Purchase of goods for property, plant & equipments (including tax)	-	0.19	-
iii)	Sterlite EdIndia Foundation	CSR Expenditure	-	2.30	-
iv)	Sterlite Power Transmission Limited	Professional Fees for design consultancy (including tax)	-	118	-
		Purchase of Conductor for property, plant & equipments	-	89.48	31.20

**(4). Gurgaon-Palwal Transmission Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 4 Limited	Conversion of loan into equity shares (including premium)	-	-	50.06
		Unsecured loans availed	-	237.44	1,005.38
		Unsecure loan repaid	1,941.59	-	-
		Management fees expense	-	-	0.01
		Reimbursement of expenses (paid or payable)	-	2.16	-
ii)	Sterlite Power Grid Ventures Limited	Management fees expense	-	5.31	-
		Purchase of capital goods and services (net of indirect taxes)	-	864.00	4,980.95

**(5). Khargone Transmission Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 4 Limited	Unsecured loans taken	352.03	713.57	1,303.89
		Management fees expense	-	-	0.01
ii)	Sterlite Power Grid Ventures Limited	Purchase of capital goods and services (net of taxes)	-	427.16	5,357.43
		Reimbursement of expenses (received or receivable)	-	-	1.89
		Management fees expense	-	3.18	-
iii)	Sterlite Power Transmission Limited	Management fees expense	7.69	-	-
		Purchase of capital goods and services (net of taxes)	17.67	-	-

**(6). NER II Transmission Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 4 Limited	Unsecured loan taken	1,341.85	105.51	1,950.45
		Conversion of loan into equity shares (including premium)	-	55.00	-
		Management fees expense	-	-	0.01
ii)	Sterlite Power Grid Ventures Limited	Purchase of capital goods and services (excluding taxes)	-	-	7,527.43
		Advance given against purchase of property, plant and equipment	-	460.00	-
		Purchase for property, plant and equipment (excluding of tax)	-	6,261.06	-
		Reimbursement of expenses (paid or payable)	-	-	3.38
iii)	Sterlite Power Transmission Limited	Purchase for property, plant and equipment (excluding of tax)	6,600.29	-	-
		Project management fees	0.27	-	-
iv)	Sterlite Grid 5 Limited	Purchase for property, plant and equipment (excluding of tax)	47.86	-	-
		Advance given against purchase of property, plant and equipment	-	90.37	-
v)	Sterlite Interlinks Limited	Initial license fees (net of tax)	4.50	3.19	-

**(7). Goa-Tamnar Transmission Project Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 5 Limited	Conversion of loan into equity shares including share premium	-	-	500.12
		Unsecured loans availed (net)	97.91	171.94	333.10
		Management fees expenses (including GST)	-	-	0.12
ii)	Sterlite Power Grid Ventures Limited	Advance given against purchase of property, plant and equipment	-	-	1,733.97
		Purchase of property, plant and equipment (net of taxes)	-	116.25	69.58
		Reimbursement of expenses (paid or payable)	-	-	0.05



(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
iii)	Sterlite Power Transmission Limited	Sale of one equity share of Sterlite EdIndia Foundation	0.00*	-	-
		Purchase of property, plant and equipment (net of taxes)	974.22	-	-

\* Amount is less than Rs. 0.01 million

**(8). Vapi II-North Lakhimpur Transmission Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 13 Limited	Conversion of loan into equity shares	490.53	-	-
		Unsecured loans availed	2,017.55	-	-
		Conversion of loan into compulsory convertible debentures	510.25	-	-
ii)	Sterlite Power Transmission Limited	Advance given against purchase of property, plant and equipment (including tax)	4,462.99	-	-
		Purchase for property, plant & equipment/ Capital work in progress (excluding tax)	5.64	-	-

**(9). Udupi Kasargode Transmission Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 14 Limited	Unsecured loan taken	509.80	87.26	-
		Conversion of promoter loan into equity shares	147.85	-	-
		Conversion of loan into compulsory convertible debentures	422.22	-	-
ii)	Sterlite Power Transmission Limited	Purchase of property plant and equipment (excluding taxes)	141.00	-	-
		Advance given property plant and equipment (excluding taxes)	430.85	-	-

**(10). Lakadia Vadodara Transmission Project Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 18 Limited	Conversion of loan into equity shares including share premium	35.78	379.38	-
		Conversion of loan into compulsory convertible debentures	1,171.68	-	-
		Unsecured loans availed	59.51	1,527.33	-
		Compulsory convertible debentures issued	185.00	-	-
ii)	Sterlite Power Grid Ventures Limited	Advance given against purchase of property, plant and equipment (net of tax)	-	2,317.22	-
		Purchase for property, plant & equipment/ Capital work in progress	-	23.99	-
iii)	Sterlite Power Transmission Limited	Advance given against purchase of property, plant and equipment (excluding tax)	655.53	-	-
		Purchase for property, plant & equipment/ Capital work in progress (excluding tax)	4,682.48	-	-

**(11). Sterlite Grid 16 Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.05	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.68	-

**(12). Sterlite Grid 17 Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.01	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.68	-

**(13). Sterlite Grid 18 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	564.66	-	-
		Conversion of CCD's and promoter loan into NCD's	2,092.25	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	1,527.59	-
		Conversion of loan into CCD's	-	1,527.59	-
iii)	Lakadia Vadodara Transmission Project Limited	Management fees income	-	0.02	-
		Unsecured loan given	59.50	1,147.95	-
		Investment into CCD	185.00	-	-
		Conversion of loan into Equity Shares	35.78	-	-
		Conversion of loan into CCD's	1,171.70	-	-

**(14). Sterlite Grid 19 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.01	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.68	-

**(15). Sterlite Grid 20 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.12	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.69	-

**(16). Sterlite Grid 21 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Repayment of unsecured loan availed	0.40	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.59	-

**(17). Sterlite Grid 22 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Repayment of unsecured loan availed	0.40	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.59	-

**(18). Sterlite Grid 23 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

\* Amount is less than Rs. 0.01 million

**(19). Sterlite Grid 24 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.59	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

\* Amount is less than Rs. 0.01 million

**(20). Sterlite Grid 25 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

\* Amount is less than Rs. 0.01 million

**(21). Sterlite Grid 26 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.59	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

\* Amount is less than Rs. 0.01 million

**(22). Sterlite Grid 27 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

\* Amount is less than Rs. 0.01 million

**(23). Sterlite Grid 28 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.59	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	-

**(24). Sterlite Grid 29 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

\* Amount is less than Rs. 0.01 million

**(25). Indgrid 1 Limited (formerly known as Sterlite Grid 2 Limited)***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Subcontracting charges	-	-	1,313.96
		Unsecured loan taken	-	-	650.04
		Unsecured loans repaid	-	4,365.03	4,680.01
		Unsecured loans given	-	-	4,365.03
		Dividend paid	-	-	2,270.19
ii)	NRSS XXIX Transmission Limited	Unsecured loans repaid	-	2,757.62	-
		Interest on loan taken	-	-	177.80
		Sale of services	-	-	1,445.35
		Unsecured loan taken	-	-	2,757.62
		Unsecured loans given	-	-	649.34
		Repayment of unsecured loans given	-	-	5,336.38
		Dividend received	-	-	1,001.77
Management fees income	-	-	4.00		
iii)	RAPP Transmission Company Limited	Advance received as per share purchase agreement	-	-	280.89

**(26). Indgrid 2 Limited (formerly known as Sterlite Grid 3 Limited)***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loans taken	-	-	1,048.89
		Unsecured loan repaid	-	2,403.85	-
ii)	Odisha Generation Phase II Transmission Limited	Conversion of loan given to subsidiary into equity share capital of subsidiary	-	-	94.13
		Management fees income	-	-	0.03
		Unsecured loans given	-	-	1,048.69
		Unsecured loan repaid	-	1,811.41	-

**(27). Sterlite Grid 4 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loans taken	-	2,855.82	4,260.62
ii)	Sterlite Power Transmission Limited	Unsecured loans taken (net)	2,630.61	-	-
		Unsecured loans repaid	14,811.62	-	-
		Inter-corporate deposit (ICD) given	678.33	-	-
iii)	Gurgaon-Palwal Transmission Limited	Conversion of loan into equity shares (including securities premium)	-	-	50.05
		Unsecured loan given	310.69	237.44	1,005.38
		Management fees income	-	-	0.01
iv)	NER II Transmission Limited	Conversion of loan into equity shares (including securities premium)	-	55.00	-
		Unsecured loan given	1,344.94	105.51	1,950.45
		Management fees income	-	-	0.01
v)	Khargone Transmission Limited	Unsecured loan given	352.03	713.57	1,303.89
		Management fees income	-	-	0.01

**(28). Sterlite Grid 5 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Contract expenses (net of taxes)	-	82.15	-
		Unsecured loan taken	-	1,013.45	315.06
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	-128.22	-	-
		Contract expenses (net of taxes)	43.51	-	-
		Revenue from domestic sale of trading goods	237.83	-	-
		Sale of one equity share of Sterlite Edindia Foundation	0.00*	-	-
iii)	Goa-Tamnar Transmission Project Limited	Management fees income	-	-	0.10
		Conversion of loan into equity shares including share premium	-	-	500.12
		Unsecured loan given	97.91	171.94	333.11
iv)	NER II Transmission Limited	Service revenue (net of taxes)	47.86	90.37	-
v)	Sterlite Brazil Participacoes S.A	Dividend income	232.93	82.05	-

\* Amount is less than Rs. 0.01 million

**(29). Sterlite Grid 6 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.60	0.84
ii)	Sterlite Power Transmission Limited	Repayment of unsecured loan availed	0.30	-	-
		Unsecured loan availed	0.11	-	-

**(30). Sterlite Grid 7 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	0.60
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.13	-	-

**(31). Sterlite Grid 8 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	0.50
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.16	-	-

**(32). Sterlite Grid 9 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	0.50
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.15	-	-

**(33). Sterlite Grid 10 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	0.80
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.11	-	-
		Repayment of unsecured loan taken	0.25	-	-

**(34). Sterlite Grid 11 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.87	1.07
ii)	Sterlite Power Transmission Limited	Repayment of unsecured loan taken (net)	0.12	-	-

**(35). Sterlite Grid 12 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.55	-
ii)	Sterlite Power Transmission Limited	Repayment of unsecured loan taken	0.84	-	-

**(36). Sterlite Grid 14 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	88.02	0.10
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	510.04	-	-
		Sale of one equity share of Sterlite Edndia Foundation	0.00*	-	-
		Subscription of NCD's through conversion of loan	571.06	-	-
iii)	Udupi Kasargode Transmission Limited	Unsecured loan given	509.81	87.26	-
		Investment in equity shares through conversion of loan given	147.85	-	-
		Investment in CCD's through conversion of loan given	422.22	-	-

\* Amount is less than Rs. 0.01 million

**(37). Sterlite Grid 15 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.72	0.09
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.13	-	-

**(38). Sterlite Grid 30 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	-

**(39). Sterlite Grid 13 Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Subscription of NCD's through conversion of loan	2,015.76	-	-
		Unsecured loan taken	2,018.04	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.12	0.10
iii)	Vapi II-North Lakhimpur Transmission Limited	Unsecured loan given	1,016.77	-	-
		Investment in equity shares through conversion of loan given	490.53	-	-
		Investment in CCD's through conversion of loan given	510.25	-	-

**(40). Sterlite EdIndia Foundation***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	CSR Contribution received	-	6.56	-
ii)	East-North Interconnection Company Limited	CSR Contribution received	-	2.30	-
iii)	Sterlite Power Transmission Limited	CSR Contribution received	18.80	-	-
iv)	Gurgaon-Palwal Transmission Limited	CSR Contribution received	1.12	-	-

**(41). Sterlite Investment Managers Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Management fees expenses (excluding goods and service tax)	-	14.91	63.27

**(42). Sterlite Convergence Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Short term borrowings availed	6.00	1.60	50.70
		Contract expenses for construction of network infrastructure	-16.44	40.64	72.15
		Purchase made for construction of network infrastructure	-	39.84	72.15
		Payment made	-	32.38	-

**(43). Sterlite Power Transmission Limited***(in ₹ million)*

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Investment Managers Limited	Loss on forfeiture of investment	-	25.78	-
		Management fees received	-	35.45	63.27
		Reimbursement of expenses recovered from related parties	-	3.03	-
ii)	Sterlite Power Grid Ventures Limited	Repayment of loan received	-	3,430.00	-
		Loan received	-	-	10,390.64
		Repayment of loan received	-	610.00	-
		Sale of project consultancy services	-	150.00	-
		Sale of goods (net of taxes)	-	899.82	1156.49
		Revenue from EPC contracts	-	4.44	-
		Advance received against supplies	-	924.41	145.68
		Management fees received	-	330.90	-
		Reimbursement of expenses paid to related parties	-	28.94	-
iii)	Sterlite Convergence Limited	Reimbursement of expenses recovered from related parties	-	-	26.17
		Loans and advances given	6.00	1.60	50.70
		Revenue from EPC contracts	-	81.17	144.23
		Advance received against supplies	-	30.00	-
iv)	East-North Interconnection Company Limited	Contract asset billed during the year	192.70	-	-
		Sale of project consultancy services	-	100.00	-
		Sale of goods (net of taxes)	-	0.76	26.42
v)	Sterlite Grid 4 Limited	Revenue from EPC contracts	-	69.78	-
		Loans and advances given	2,630.61	-	-
		Repayment of loans and advances given by the Company	14,811.62	-	-
vi)	Sterlite Grid 5 Limited	Loan received	678.33	-	-
		Loans and advances given	105.97	-	-
		Repayment of loans and advances given by the Company	234.19	-	-
		Revenue from EPC contract with Customer	43.51	-	-
vii)	Sterlite Grid 10 Limited	Purchase of goods (net of taxes)	237.83	-	-
		Bank guarantee given	100.00	-	-
viii)	Sterlite Grid 20 Limited	Bank guarantee given	105.00	-	-
ix)	Sterlite Grid 13 Limited	Loans and advances given	2,018.20	-	-

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
		Conversion of loan into Non- convertible debentures (NCD)	2,015.76	-	-
		Conversion of loan, CCD's and CCPS into equity shares	2.50	-	-
		Bank guarantee given	376.40	-	-
x)	Sterlite Grid 14 Limited	Loans and advances given	510.04	-	-
		Conversion of loan into Non- convertible debentures (NCD)	571.06	-	-
xi)	Sterlite Grid 18 Limited	Loans and advances given	564.76	-	-
		Conversion of loan into Non- convertible debentures (NCD)	2,092.25	-	-
xii)	Sterlite Brazil Participacoes S.A.	Dividend income	1,226.51	-	-
		Performance bank guarantee charge recovered from subsidiary	104.21	-	-
xiii)	Sterlite EdIndia Foundation	CSR expenditure	19.20	-	-
xiv)	Udupi Kasargode Transmission Limited	Revenue from EPC contract with Customer	141.00	-	-
		Advance received against contracts (excluding tax)	430.85	-	-
xv)	Khargone Transmission Limited	Revenue from EPC contract with Customer	17.67	-	-
		Management fees income (excluding GST)	6.52	-	-
xvi)	NER-II Transmission Limited	Revenue from EPC contract with Customer	6,600.29	-	-
xvii)	Vapi II North Lakhimpur Transmission Limited	Revenue from EPC contract with Customer	5.64	-	-
		Advance received against contracts (excluding tax)	4,082.39	-	-
xviii)	Goa-Tammar Transmission Project Limited	Revenue from EPC contract with Customer	974.22	-	-
xix)	Gurgaon-Palwal Transmission Limited	Revenue from EPC contract with Customer	-13.79	-	-
		Management fees income (excluding GST)	4.84	-	-
xx)	Lakadia Vadodara Transmission Project Limited	Revenue from EPC contract with Customer	4,682.47	-	-
		Advance received against contracts (excluding tax)	655.53	-	-
		Bank guarantee given	1.50	-	-

**(44). Sterlite Brazil Participacoes S.A.**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Dividend paid	1,226.51	-	-
		Bank guarantee charges	104.21	-	-
ii)	Sterlite Power Grid Ventures Limited	Dividend paid	-	432.12	2,270.20
ii)	Sterlite Grid 5 Limited	Dividend paid	232.93	82.05	-

**(45). Arcoverde Transmissao De Ebergia S.A.**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Loans and advance given	-	-	116.70
		Interest income	-	-	22.39

**(46). Se Vineyards Power Transmission S.A.**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Loans and advance given	-	-	182.14
		Interest income	-	-	32.69

**(47). Sterlite Power Grid Ventures Limited**

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Loans and advances given	-	-	10,390.64
		Loans and advances repaid	-	610.00	-
		Management fees expenses (excluding GST)	-	330.90	-
		Purchase of goods and services (net of taxes)	-	1,058.42	1,173.48
		Advance given against contracts	-	924.46	-

(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
		Reimbursement of expenses (Received or Receivable)	-	5.74	-
		Reimbursement of expenses (Paid or payable)	-	-	2.23
		Repayment of Redeemable preference shares	-	3,430.00	-
ii)	East-North Interconnection Company Limited	Management fees income (excluding GST)	-	14.74	8.87
		Loans and advances given	-	1,096.68	170.50
		Loans and advances repaid	-	757.54	608.70
		Sales of goods and services (Net of taxes)	-	99.55	-
		Reimbursement of expenses (Received or Receivable)	-	2.60	72.52
		Conversion of CCD'S and CCPS into Equity Shares	-	209.50	-
iii)	Sterlite EdIndia Foundation	CSR Payment	-	6.56	-
iv)	NRSS XXIX Transmission Limited	Management fees income (excluding GST)	-	2.84	9.29
		Sales of goods and services (Net of taxes)	-	-	5,703.92
v)	Gurgaon Palwal Transmission Limited	Management fees income (excluding GST)	-	4.75	-
		Sales of goods and services (Net of taxes)	-	864.00	4,980.95
vi)	Khargone Transmission Limited	Management fees income (excluding GST)	-	2.79	-
		Sales of goods and services (Net of taxes)	-	427.16	5,357.43
		Reimbursement of expenses (Paid or payable)	-	-	1.89
vii)	Odisha Generation Phase-II Transmission Limited	Management fees income (excluding GST)	-	1.04	1.84
		Sales of goods and services (Net of taxes)	-	-	192.34
viii)	NER-II Transmission Limited	Sales of goods and services (Net of taxes)	-	6,261.06	7,527.43
		Advance received against contracts (excluding tax)	-	460.00	-
ix)	Goa-Tammar Transmission Project Limited	Sales of goods and services (Net of taxes)	-	116.25	69.58
		Advance received against contracts (excluding tax)	-	-	1,733.97
x)	Lakadia Vadodara Transmission Project Limited	Sales of goods and services (Net of taxes)	-	23.99	-
		Advance received against contracts (excluding tax)	-	2,317.22	-
xi)	Sterlite Brazil Participicos,S.A., Brazil	Dividend income	-	432.12	2,270.20
		Sale of investment	-	-	0.05
xii)	Se Vineyards Power Transmission S.A., Brazil	Loans and advances given	-	-	182.14
		Interest income	-	-	32.69
xiii)	Arcoverde Transmissao De Ebergia S.A., Brazil	Loans and advances given	-	-	116.70
		Interest income	-	-	22.39
xiv)	Sterlite Novo Estado Energia S.A, Brazil	Performance bank guarantee given	-	-	2,449.44
xv)	Dunas Transmissão de Energia S.A	Performance bank guarantee given	-	-	1,072.29
xvi)	São Francisco Transmissão de Energia S.A.	Performance bank guarantee given	-	-	680.69
xvii)	Pampa Transmissão de Energia S.A.	Performance bank guarantee given	-	-	684.38
xviii)	Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)	Loans and advances given	-	-	650.04
		Loans and advances repaid	-	-	4,680.01
		Dividend received	-	-	2,270.20
		Repayment of non-convertible debentures by subsidiary	-	115.41	-
		Sales of goods and services (net of taxes)	-	-	1,313.96
		Loan received	-	-	4,365.03
xix)	Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)	Loans and advances given	-	250.10	1,048.90
xx)	Sterlite Grid 4 Limited	Loans and advances given	-	2,855.82	4,260.62
		Bank guarantee given	-	0.50	-
xxi)	Sterlite Grid 5 Limited	Loans and advances given	-	1,013.45	315.06
		Sales of goods and services (net of taxes)	-	82.15	-
xxii)	Sterlite Grid 6 Limited	Loans and advances given	-	0.60	0.84
		Bank guarantee given	-	-	164.40
xxiii)	Sterlite Grid 7 Limited	Loans and advances given	-	0.01	0.60
xxiv)	Sterlite Grid 8 Limited	Loans and advances given	-	0.01	0.50



(in ₹ million)

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
		Bank guarantee given	-	-	335.00
xxv)	Sterlite Grid 9 Limited	Loans and advances given	-	0.01	0.50
		Bank guarantee given	-	-	284.70
xxvi)	Sterlite Grid 10 Limited	Loans and advances given	-	0.01	0.80
		Bank guarantee given	-	-	357.90
xxvii)	Sterlite Grid 11 Limited	Loans and advances given	-	0.87	1.07
		Bank guarantee given	-	-	265.90
xxix)	Sterlite Grid 12 Limited	Loans and advances given	-	0.55	-
xxx)	Sterlite Grid 13 Limited	Loans and advances given	-	0.12	0.10
xxxii)	Sterlite Grid 14 Limited	Loans and advances given	-	87.92	0.10
		Bank guarantee given	-	261.00	-
xxxii)	Sterlite Grid 15 Limited	Loans and advances given	-	0.72	0.09
xxxii i)	Sterlite Grid 16 Limited	Loans and advances given	-	0.59	0.09
xxxii v)	Sterlite Grid 17 Limited	Loans and advances given	-	0.59	0.09
xxxv)	Sterlite Grid 18 Limited	Loans and advances given	-	1,527.50	0.09
		Bank guarantee given	-	472.50	-
xxxv i)	Sterlite Grid 19 Limited	Loans and advances given	-	0.59	0.09
xxxv ii)	Sterlite Grid 20 Limited	Loans and advances given	-	0.69	-
xxxv ii)	Sterlite Grid 21 Limited	Loans and advances given	-	0.59	-
xxxv x)	Sterlite Grid 22 Limited	Loans and advances given	-	0.59	-
xl)	Sterlite Grid 28 Limited	Loans and advances given	-	0.01	-
xli)	Sterlite Grid 30 Limited	Loans and advances given	-	0.01	-

For further details of the related party transactions, please see the section entitled “*Related Party Transactions*” on page 400.

### Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of our Promoter Group, our Directors, directors of our Corporate Promoter and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

### Weighted average price at which Equity Shares were acquired by our Promoters, in the last one year

The weighted average price at which the Equity Shares were acquired by our Promoters in the one year preceding the date of this Draft Red Herring Prospectus is:

Name of the Promoter	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹)*
Twin Star Overseas Limited	Nil	NA
Anil Agarwal	Nil	NA

\* As certified by KNPS and Associates, Chartered Accountants, by way of their certificate dated August 16, 2021.

### Average cost of acquisition of Equity Shares

The average cost of acquisition of Equity Shares of our Promoters as on the date of this Draft Red Herring Prospectus are as set forth in the table below:

Name of the Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
Twin Star Overseas Limited	43,670,398	4.60
Anil Agarwal	Nil	NA

\* As certified by KNPS and Associates, Chartered Accountants, by way of their certificate dated August 16, 2021.

**Details of pre-Issue Placement**

Our Company may, in consultation with the Book Running Lead Managers, consider a Pre-IPO Placement of up to [●] Equity Shares for cash consideration aggregating up to ₹ 2,200.00 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to the minimum issue size constituting at least [●]% of the post-issue paid-up Equity Share capital of our Company.

**Issuance of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued Equity Shares for consideration other than cash in the last one year.

**Split or Consolidation of Equity Shares in the last one year**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

## RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information in this Draft Red Herring Prospectus before making an investment in our Equity Shares. You should read this section in conjunction with the sections "Our Business", "Industry overview", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 185, 121, 295 and 405, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. The risks described in this section are those that we consider to be the most significant to our business, results of operations, cash flows and financial condition. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, cash flows and financial condition. If any or a combination of the following events occur, our business, results of operations, cash flows, financial condition and prospects could materially suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To the extent that the COVID-19 pandemic adversely affects our business, cash flows and financial results, it may also have the effect of heightening many of the other risks described in this section. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned herein. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved.*

*Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Prospective investors should pay particular attention to the fact that our Company and some of our Subsidiaries and Investee SPVs are incorporated under the laws of India and some of our subsidiaries are incorporated under the laws of Brazil and we are subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*Unless otherwise stated or unless the context requires otherwise, the financial information of our Company used in this section is derived from our Restated Consolidated Summary Statements. Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular the CRISIL Report and the Fitch Report.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see the section "Forward Looking Statements" beginning on page 19.*

### RISKS RELATED TO OUR BUSINESS

- 1. A significant portion of our total income in prior years is derived from net gain on the sale of our completed projects. There is no assurance that we will be able to successfully sell our Ongoing Projects as they reach operational stages going forward.***

We have sold our stake in various projects under various stages of development. As of the date of this Draft Red Herring Prospectus, we have completed 10 power transmission projects in India and one in Brazil, which we have sold. We have also sold three projects in Brazil under various stages of development. Further, we currently have 11 projects in various stages of construction and development (five in India and six in Brazil).

The sale of assets were made either to India Grid Trust (an infrastructure investment trust sponsored by us) in India or to marquee third parties in Brazil. We recognize the net gain on the sale of power transmission assets as part of our other income. In FY2019, FY2020 and FY2021, the net gain on the sale of power transmission assets amounted to 0.44%, 39.81% and 40.34% of our total income. In FY2021, we also received an additional consideration of Rs 1,047.29 million from India Grid Trust on sale of certain power transmission assets. The additional consideration pertains to earn-outs on account of CERC claims for increase in tariffs due to change in law, income tax refunds and VAT refunds. Going forward, we expect to continue our strategy to sell our stake in projects, on an opportunistic basis.

Our asset sale strategy is dependent on a number of factors, such as our ability to complete the construction of our projects in time, regulatory changes, general economic conditions in India and Brazil and the availability of willing purchasers or investors for these assets. Any difficulty in successfully implementing our asset sale strategy could have a material adverse effect on our business, results of operations, cash flows and financial condition, including exposing us to liquidity constraints in the near and medium term.

Further, during Fiscal 2020, we sold our equity stakes in Nova Estado and Arcoverde and established an escrow account of ₹ 478.44 million (₹ 482.50 million as of March 2021) to be released after a period of more than 12 months upon the fulfilment of certain conditions prescribed in the share purchase agreements. We have also signed an agreement to sell our stake (held through convertible debentures) in Vineyards and are in discussions for the sale of our stake in certain other Brazilian subsidiaries. There is no assurance that we will be able successfully consummate these security sales and realise the gains on the sale of these assets.

In addition, under the share purchase agreements entered into with the purchasers of our assets (such as IndiGrid or marquee third parties in Brazil), we typically provide indemnities to the purchasers where we would indemnify the purchasers from and against, among others, losses which relate to or arise from a breach of or inaccuracies or misrepresentations in any warranties provided and specified items including certain arbitration and litigation proceedings. In the event that a claim for indemnity is made against us pursuant to the relevant share purchase agreements, there could be a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

**2. *Our under-construction projects may be subject to cost overruns or delays.***

As of the date of this Draft Red Herring Prospectus, we have 11 Ongoing Projects that are under construction and development. The development of such projects is subject to substantial risks, including various planning, engineering and construction risks. Power transmission projects typically require substantial capital outlays and a long gestation period of between 18 to 60 months before the commencement of commercial operation. The owner of a power transmission project generally begins generating a return on investment after the commencement of commercial operation, which may be delayed due to various reasons. Further, we have followed and intend to continue to follow an asset sale strategy, pursuant to which we sell either our entire or majority stake in a number of our projects, on an opportunistic basis. Any delays or cost overruns in the completion of our projects may adversely affect our ability to generate returns from the sale of these projects.

Several key steps must be taken before power transmission projects start to operate, including:

- conducting surveys and investigations for the proposed route;
- entering into construction contracts and long-term service agreements with contractors with sufficient expertise;
- purchasing necessary transmission equipment;
- acquiring land with satisfactory land use permissions from landowners and local authorities;
- securing necessary project approvals, licences and permits in a timely manner;
- procuring sufficient equity, debt, mezzanine and other necessary financing on competitive terms;
- entering into or securing transmission and tariff-related arrangements including, TSAs, RSAs and tariff orders and PPAs or other arrangements on acceptable terms; and
- completing transmission on identified lines or construction on schedule.

During the construction and development phases of a project, we may also suffer from the unavailability of equipment or supply, work stoppages, labour or social unrest, environmental activism, adverse weather conditions such as cyclones and monsoons, natural calamities, delays in construction, delays in clearances, unforeseen construction-related and/or operational delays and defects, delivery failures by contractors, increased cost of raw materials, unavailability of adequate funding, inability to secure rights of way for certain portions of the transmission line, failure to complete projects within budget and in accordance with the required specifications, additional interest costs incurred due to project delays, legal actions brought by third parties, changes in government, regulatory and tax policies, foreign exchange movements, adverse trends in the power transmission industry or general economic conditions in India and Brazil. Some of our projects have experienced time and cost overruns in the past. For example, we faced a delay of two years in the completion of the KD line of KTL from the scheduled date of completion and accordingly the loan against the KTL project became a restructured standard asset in July 2021. In respect of the KTL Project, KTL had requested its lenders for extension of (i) SCOD; and (ii) repayment of its borrowings, up till June 30, 2021 by way of letters dated July 2, 2019, June 25, 2020 and February 25, 2021. KTL has requested for such extensions on account of certain force majeure and change in law events such as, amongst other things, the outbreak of the COVID 19 pandemic and consequent delays in receipt of certain regulatory approvals and change in land compensation methodologies. Further, in relation to the GTTPL project in Goa, we are currently facing a delay of one year and four months in the completion of the Xeldum – Narendra LILO line, a delay of nine months in the completion of the TD line, a delay of one year in the completion of the Xeldum-Mapusa line and a delay of one year in the construction substation in Goa. In respect of the GTTPL Project, GTTPL has intimated the relevant LTTC and requested its lenders for extension of (i) SCOD up to March 31, 2023; and (ii) repayment of its borrowings by way of letters dated November 28, 2019 March 19, 2020 and June 8, 2021. GTTPL has requested for such extensions on account of certain events such as, amongst other things, the outbreak of the COVID 19 pandemic and the delays in receipt of certain regulatory approvals. We have also faced significant delays in the commissioning of (a) the BDTCL and JTCL transmission lines due to delays in obtaining approvals and clearances from the relevant authorities, (b) the OGPTL transmission line due to

heavy rainfall and flood in Odisha and a delay in the grant of forest clearance to OGPTL, in respect of the forest land acquired for the construction of the transmission line, and (c) the 400 kV D/C Aligarh-Prithala line, 400/220 GIS Prithala Substation, Prithala-Kadarpur 400 kV D/C HTLS line and 400/220 kV substation at Kadarpur by GPTL due to, among other factors, delay in obtaining the required forest approval for diversion of the forest along the Agra canal largely due to lack of administrative clarity and failure of HPVL in sharing the Control and Relay Protection System in a timely manner.

Further, any delays in procuring approvals and permits for our projects could impact construction timelines, which could constitute an event of default under the TSA and lead to the imposition of liquidated damages. The TSAs generally provide that it will be an event of default on our part if, among others, (a) after having taken up the construction of the project, we or our contractors abandon the construction of the project for a continuous period of a certain number of months and such default is not rectified within a prescribed period, or (b) we fail to commission any element of the project within a certain number of months after its scheduled commercial operation date. Should an event of default under the TSA occur, among other actions that may be imposed on us, the TSA may be terminated, which will have a material adverse effect on our business, financial condition, cash flows, prospects and results of operations. In addition, as per our EPC contracts with our Investee SPVs, we must pay for any costs including liquidated damages that are charged to the SPVs on account of project delays caused by us. In some cases, we have also provided commitments to our lenders to fund cost overruns over and above the estimated project costs. A delay of more than two years from the scheduled commercial operation date may cause the asset loan to be classified as restructured by the lenders and we may need to refinance our loan.

Furthermore, we have limited control over the land acquisition process, both in terms of timing and ability to obtain the land on commercially acceptable terms, since our transmission projects are required to obtain authorisation under Section 164 of the Electricity Act, through the Ministry of Power. Similarly, we have limited control over obtaining forest and wildlife clearances that may block our projects. We may not be able to acquire power-line crossing and other utility crossing approvals or acquire the land required for substations, obtain forest and wildlife clearances for diversion of forest land or secure the required rights of way in a timely manner or at all. Delay in constructing infrastructure, such as bay ends at connecting substations, which are not within the scope of the project, but are critical for the operation of the project may also delay the construction of the project.

The foregoing factors may also give rise to risks in the building and construction phase of power transmission projects and create delays in the completion of such projects. Construction disruptions or delays could impede our ability to either operate such projects to sell these off to third parties pursuant to our asset sale strategy, and in turn materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

In addition, there may be legal defects and irregularities of title to the land on which we have developed or intend to develop our projects, which they may not be able to fully identify or assess. Our rights in respect of such land may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties or other defects that we may not be aware of. Any defects or irregularities of title, any inability to identify and/or rectify defects or irregularities of title, and any acquisition of land based on inaccurate, incomplete or outdated information may result in the loss of development rights over land and require us to write off substantial expenditures in respect of such projects, causing a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Further, we are dependent on the readiness of upstream and downstream transmission elements linked to the transmission project. Where a line is commissioned on time or early and the upstream and downstream elements are not ready, the line will be declared as deemed commissioned and the payments are made by the delayed entity through bilateral billing. Where the commissioning of a line is delayed, and the upstream and downstream elements are ready, the transmission charges of the upstream and downstream elements are to be paid, unless the delay in commissioning of the line is waived by the CERC under the force majeure clause in the TSA.

**3. *We may not be able to identify or correct defects or irregularities in the title to the land which we own or intend to acquire in connection with our projects.***

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, or may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners.

Further, non-executed or improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. As a result, notwithstanding any due diligence we have undertaken prior to acquisition of the relevant land, potential disputes or claims over title to the land on which our projects are located or the projects that we plan to construct may arise including legal disputes on account of eviction notices by local authorities in relation to government land, scheduled castes/scheduled tribes land or grazing land apart from issues of non-conversion for industrial use. Any defects in, or irregularities of, title may result in loss of development or operating rights over land. Further, the Government may exercise its rights of eminent domain, or compulsory acquisition in respect of land on which our plants are or will be located. Any such development may have an adverse effect on our business, results of operations, cash flows and financial condition. Certain parcels of the land owned by us are classified as agricultural land in accordance with applicable laws. While we have made applications for conversion of the classification of such land as 'non-agricultural land', we cannot assure you that we will be able to obtain such permissions in a timely manner or at all.

**4. *We operate in a highly competitive environment, and increased competitive pressure could adversely affect our business and our ability to successfully bid for projects and execute our growth strategy.***

The market for investing in power transmission projects, and energy infrastructure generally, is highly competitive, and the number and variety of investors for energy infrastructure assets has been increasing, which may therefore affect our ability to sustain or increase the growth of our business.

Pursuant to the National Tariff Policy, 2006 (the "**Tariff Policy**"), all future inter-state transmission systems ("**ISTS**") and intra-state transmission systems ("**InSTS**") are ordinarily required to be developed pursuant to a competitive bidding process. However, the GoI may exempt certain projects of strategic importance from competitive bidding, such as technical up-gradation or works required to be done in response to an urgent situation, on a case-by-case basis. If the GoI reduces or ceases the number of projects available for competitive bidding, our business, prospects, financial condition, cash flows and results of operations may be materially adversely affected. Transmission projects which are to be developed through the competitive bidding process are implemented under the tariff based competitive bidding ("**TBCB**") scheme. Under the TBCB scheme, tariffs for projects are not set on a cost-plus basis but rather bidders are required to quote for tariffs over a period of 35 years for establishing transmission lines on a build, own, operate and maintain ("**BOOM**") basis. Further, the Ministry of Power has recently released certain guidelines and notifications for purposes of, amongst other things, encouraging private investment in transmission system and changing the mode of execution of transmission projects from a BOOM basis to a build-own-operate-transfer basis. If we are not successful in bidding competitively against our competitors, including Indian and international companies which may have greater resources and expertise than us, for new transmission projects under the TBCB scheme or if we are awarded projects based on bids that we later determine to be unviable or if our revenues and expense reimbursements from such projects are not on commercial terms favorable to us, our ability to complete awarded projects profitably or at all may be adversely affected, which could materially adversely affect our business, prospects, financial condition, cash flows and results of operations.

In selecting contractors or developers for major transmission projects, tender to bidders may be limited to pre-qualified bidders based on several criteria, including experience, technological capacity and performance, financial strength and size of previous contracts for similar projects. As a result, we may not be considered for projects where we do not meet such pre-qualification criteria. As we have sold a significant number of Completed Projects in the past, such projects are not considered towards the pre-qualification criteria. Further, the criteria for the size of transmission assets required may be revised in the future. Our failure to meet applicable pre-qualification criteria may have a material adverse effect on our cash flows, as well as on our business, prospects, financial condition, cash flows and results of operations. Further, the GoI may make changes to the standard bid document from time to time and such changes may have a material adverse effect on our ability to successfully bid for projects against our competitors.

The enactment of the Electricity Act has resulted in structural changes in the power sector in India, including the de-licensing of generation, competition in supply, open access to distribution and transmission systems, the reorganization of the SEBs and the introduction of franchising in electricity distribution. While giving us flexibility in the electricity transmission business, the provisions of the Electricity Act have increased the scope for competition in the transmission sector. Accordingly, we may face increased competition in our transmission business. Large Indian businesses and international companies, among others, including some that already have a presence in the Indian power sector, may seek to enter or expand their operations in the Indian transmission sector, including by pursuing forward integration strategies to extend their presence along the electricity supply chain. In addition to private sector competitors, we may also face competition from the PGCIL, which may be able to achieve better economies of scale than our Company. Our financial condition and operating results would therefore be dependent on our ability to effectively compete with other parties to win projects under the TBCB scheme and to manage their construction and operating expenses on projects awarded to them. Further, transmission projects in Brazil are awarded through a bidding process (on a build-own-operate-transfer ("**BOOT**") basis) conducted in two lots that occur in June and December of each year. The

Brazilian Electricity Regulatory Agency ("ANEEL") regulates and oversees electricity concessions, permissions and services. There is no assurance that we will be able compete successfully in bidding for future projects in Brazil.

**5. *The extent to which the recent coronavirus (COVID-19) outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.***

The rapid and diffused spread of the recent coronavirus (COVID-19) and global health concerns relating to this outbreak have had a severe negative impact on, among other things, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on the business, cash flows, results of operations and financial condition of our Company and our subsidiaries. The extent to which the COVID-19 outbreak impacts our cash flows, results of operations and financial condition will depend on future developments, including the duration and spread of the COVID-19 pandemic, its severity, the economic effects of the pandemic on India and Brazil, the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 in India by the GoI, the CERC, the RBI, healthcare providers, health system participants, other businesses and individuals, as well as the response of the government of Brazil and corresponding stakeholders in Brazil, all which are uncertain and cannot be predicted.

As of the date of this Draft Red Herring Prospectus, COVID-19 continues to impact the global economy and accordingly, our business, financial condition, cash flows and operations continue to be adversely affected. During the first lockdown ordered by the Government of India (from March to May 2020), our plants and offices in India ceased operations from March 25, 2020 to mid-April 2020. As electricity is considered as an essential commodity by the GoI, our operations relating to manufacturing and supply of components for generation and supply of electricity and other transmissions construction sites resumed in a phased manner since then. However, in subsequent periods, we have faced situations of labour shortage due to lockdowns and movement restrictions and a delay in the return of migrant labour, which have led to losses in productivity and time and cost overruns in relation to some of our Ongoing Projects. Some of our approvals were also delayed due to the impact of COVID-19 and related restrictions.

There can be no assurance that there will not be a continued occurrence or a recurrence of an outbreak of COVID-19, or another significant global outbreak of a severe communicable disease. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, we cannot predict if stricter lockdowns will not be re-introduced or extended in the future. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe. Further, as India and Brazil are developing economies, the effects of the COVID-19 pandemic on both have the potential to be more severe than in more developed economies. Our Subsidiary and the Investee SPVs that operate our transmission business in India are regulated by the Ministry of Power and the CERC. While the Government of India has declared power transmission and power generation as an essential service, any restrictions on the availability of labour, free movement of goods or timely approval of permits and consents could delay the construction process as well as our ability to deliver on project progress. Our business may also be adversely impacted due to factors such as delays in receipt of operations and maintenance services, non-availability of staff due to illnesses and non-availability of sufficient funds for future project funding

In assessing the liquidity position for the next one year and the recoverability of the Group's assets such as investments, loans, Property, plant and equipment, trade receivables, inventory etc., the Group has considered internal and external information. The Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020 and the same was availed by the Group.

Based on assessment performed by the management, the availability of labour force and supply chain for majority of the purchase requirements is evaluated to be less effected and management believes that it has taken all the possible impact of known events arising from COVID 19 pandemic on its financial position, results of operation and liquidity. Based on the above, the management has estimated its future cash flows for the Group, which indicates no major change in the financial performance as estimated prior to COVID-19 impact. However, notwithstanding the Group's assessment of the impact of COVID-19, the actual impact of COVID-19 on our cash flows, results of operations and financial condition may be different from any expected or anticipated impact. For more details on the impact of COVID-19 on our cash flows, results of operations and financial condition, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

**6. *The construction, operation and maintenance of our transmission systems involves significant risks that may cause injury to people or property and that may lead to significant disruption to our business and consequent decreases in our revenues.***

The construction, operation and maintenance of our transmission lines and power substations involves significant risks and a number of factors could increase our maintenance needs, reduce the availability of our transmission systems, or result in forced outages, suspension of our operations, personal injury, loss of life, or damage to property. For example,

some of our under-construction transmission lines have been damaged in the past due to heavy rainfall and floods, which have caused disruptions in our operations.

In addition, our business requires our employees and contractors to work under potentially dangerous circumstances (such as being exposed to radiation), with highly flammable and explosive materials. Our operations are subject to hazards associated with the handling of dangerous materials, working on heights and working on live lines. If improperly handled or subjected to unsuitable conditions, such dangerous materials, which are used in our power substations and in our transmission equipment, could injure our employees, contract labourers or other persons, damage our properties and properties of others or harm the environment. Other hazards associated with our business include electrocution, falls, confined spaces, difficult and dangerous terrains (areas with wildlife, mountains, riverbeds, submerged dams, areas under social unrest), fire and explosions, strains and fractures. Despite compliance with requisite safety requirements and standards, due to the nature of the materials and circumstances our employees and contractors work under, we may be liable for certain costs, including costs for health-related claims, or removal or treatment of hazardous substances, including claims and litigation from our current or former employees for injuries arising from occupational exposure to materials or other hazards at our power substations and transmission facilities. This could subject us to significant disruption in our business and to legal and regulatory actions, which could materially adversely affect our business, prospects, financial condition, cash flows and results of operations.

**7. *Our business is subject to sectoral regulators and strict policy regimes.***

Our business is subject to extensive sectoral regulators and a wide variety of laws, rules, directives, standards and codes issued by government and relevant regulatory authorities. To conduct our business, we must obtain various licenses, permits and approvals. Even when we obtain the required licenses, permits and approvals, our operations are subject to continued review and the governing regulations.

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by any unfavourable changes in or interpretations of existing laws, or the promulgation of new laws. Any such changes in the regulatory regime and the related uncertainties in applicability, interpretation or implementation of any laws, rules and regulations to which we are subject may have a material adverse effect on our business, financial condition, cash flows and results of operations. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business, cash flows and results of operations.

The laws and regulations governing the power industry have become increasingly complex and govern a wide variety of issues, including billing and collections, allocation of transmission charges among LTTCs, rights of way, land acquisitions, calculations of availability and forest and wildlife clearances. Any change in policy for such issues may result in our inability to meet such increased or changed requirements and the operation of our subsidiaries may be adversely affected. Further, there can be no assurance that the governments under which we operate, including the GoI, state governments in India, Brazilian government and state/provincial governments in Brazil, will not implement new regulations and policies that will require us to obtain additional approvals and licences from the government and other regulatory bodies or impose onerous requirements and conditions on our operations, which could result in increased compliance costs as well as divert significant management time and other resources.

Our business is subject to changes in laws and regulations or force majeure events, and the failure or apparent failure to address any regulatory changes or enforcement initiatives could have an adverse impact on our business and future financial performance, harm our reputation, subject us to penalties, fines, disciplinary actions or suspensions or increase the risk of litigation and have an adverse effect on our business. As a result, we may be required to file various petitions before the CERC for compensation with respect to the additional costs or losses. As of the date of this Draft Red Herring Prospectus, one of the Investee SPVs has one case pending before the CERC in relation to force majeure and change in law. Any delay or denial in such claims could have adverse impact on our financial condition, cash flows and results of operations.

Our assets may also not continue to perform as they have in the past. Our business is governed by several technical specifications and there is a risk of non-conformance of technical norms, which may have a material adverse effect on the project or result in penalty, operational delay, maintenance needs, unplanned outages, cost overruns or other operational issues due to difference in implementation of technical standards, norms, latent defects, design error or operator error, early obsolescence, equipment failure, wear and tear or force majeure events.

In addition, regulatory policies in India such as the National Electricity Policy, 2005, currently encourage private investment in the transmission sector. There is no assurance that the GoI and state governments in India will continue to allow favourable policies to be applicable to us. If any of these policies are amended or eliminated, our business, prospects, financial condition and results of operations may be adversely impacted. The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the company towards Provident



Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020, on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**8. *Delays in obtaining, or a failure to maintain, governmental approvals and permits required to construct and operate our projects may adversely affect the development, construction and operation of our projects.***

The design, construction and operation of our projects are highly regulated, require various governmental approvals and permits. We cannot assure you that we will be able to obtain and comply with all necessary licenses, permits and approvals required for our projects in a timely manner, or at all, due to factors beyond our control like delay on the part of departments, or changes in the governing regulations or the methods of implementation. Under Section 68 of the Electricity Act, 2003, we are required to obtain prior approval of the Government to set up overhead transmission lines. There may also be delays on the part of governmental authorities in reviewing applications and granting approvals. If we fail to obtain or renew required licenses, approvals, registrations and permits in a timely manner, we may not be able to commence or continue operating our projects in accordance with schedules or at all, which could adversely affect our business, cash flows and results of operations. Any delay or failure in the issuance of a permit essential to a project or the imposition of onerous conditions may impair our ability to develop the project. For example, the CERC ceased functioning from August 28, 2020 to February 2021 as a result of a Supreme Court order (leading to the CERC not having the required quorum of members), which led to delays in obtaining several regulatory approvals. Further, we experienced a delay in obtaining national highway crossing approvals from NHAI for the construction of part of the 765kV D/C Khandwa Pool - Indore Transmission Line due to NHAI requiring KTL, our subsidiary, to submit certain performance guarantees to NHAI.

The TSAs which our Subsidiary and JP SPVs have entered into provide for force majeure relief to the inter-state transmission service licensees and inter-state transmission service customers (the "**Affected Parties**") affected by the occurrence of a force majeure event. For more details, see "*Our Business – Key Contractual Arrangements*". Upon the occurrence of a force majeure event, we may file for a time extension with the relevant counterparty or regulatory authority to, among others, provide us with more time to complete or restore the project. However, there is no assurance that such time extensions will always be granted in which case, we may be subject to penalties and our business, cash flows and financial performance could be materially adversely affected.

**9. *Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons. The loss of key personnel may have an adverse effect on our business, results of operations, financial condition, cash flows and growth prospects.***

Our performance depends on the continued service of our Individual Promoter, Directors, senior management and other Key Managerial Personnel, for setting our strategic business direction and managing our business. In particular, our Individual Promoter and Key Managerial Personnel have extensive experience in the transmission and infrastructure sector. The loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, financial condition, cash flows, results of operations and prospects. We also face a continuous challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we implement our growth and expansion strategy. Generally, there is significant competition for management and other skilled personnel in India and Brazil and in the businesses in which we operate, and it may be difficult to attract and retain the skilled personnel we need. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with us. In particular, even if we were to increase our pay structures to attract and retain such personnel, we may be unable to compete with other companies for suitably skilled personnel to the extent they are able to provide more competitive compensation and benefits. Furthermore, we may not be able to redeploy and retrain our employees to keep pace with continuing changes, evolving standards and changing customer preferences. The loss of key personnel may have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. For further details, see "*Our Management*" on page 269.

**10. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

We strive to keep our technology up to date with the latest international technological standards. Our success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. For more information, see "*Our Business – Technology Initiatives*" on page 208.

We need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging power transmission and distribution industry standards and practices in a cost-effective and timely manner that is competitive with other transmission, distribution and substation projects. The development and implementation

of such technology entails significant technical and business risks. We may not be able to successfully implement new technologies effectively or adapt our processing systems to customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, prospects, financial condition, cash flows and results of operations could be materially adversely affected.

The power transmission equipment, design and other technologies that we use may become obsolete and the technology in which we invest may not perform as expected or may be superseded by competing technologies before our investment costs have been recouped. Our ability to adopt and/or implement new technology in a timely manner may also be adversely impacted by government policy and bureaucracy. In addition, the cost of implementing new technologies, upgrading networks or expanding network capacity to effectively respond to technological changes may be substantial. Our ability to meet such costs will, in turn, depend upon our ability to obtain additional financing on commercially acceptable terms. Moreover, new technologies may not develop according to anticipated schedules, or perform according to expectations or be commercially accepted. If we fail to adopt and successfully implement new technologies in a cost-effective manner, our results of operations and financial condition could be negatively affected. Further, our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products (as part of our MSI business) on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge that will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly. Further, the development of new or improved products or technologies by our competitors may render our products obsolete or less competitive.

To keep abreast of the most updated technology and respond effectively to changing customer preferences and requirements, we must be able to develop and produce new products to meet our customers' demand in a timely manner. While we continuously seek to launch new products, there can be no assurance, that these new products will be successful with our customers or that we will be able to install and commission the equipment needed to produce products for our customers in time for the start of production. As a result, we may incur and have in the past incurred capital expenditures to develop products to meet customer demands and those demands may be delayed at the customers end due to delays in product launches. Our failure to successfully develop and produce new products could materially adversely affect our results of operations.

**11. *We derive a significant portion of our products revenues from sales to a limited number of customers.***

We are dependent on a limited number of customers who purchase our manufactured product (as part of our Solutions business line). For Fiscal Years 2019, 2020 and 2021, revenues from our top three customers in our solutions (products) business amounted to 32.44%, 20.66% and 27.42% of our revenue from operations in our Solutions business, respectively. If these customers stop purchasing or significantly reduce their purchases for any reason, we may not be able to find other customers to replace them, which may adversely affect our business, financial condition, cash flows, prospects and results of operations.

**12. *We depend on various third-party contractors to construct and develop our projects, some of whom supply sophisticated and complex machinery to us. We also depend on third-party logistics providers.***

Some of our projects depend on the availability and skills of third-party contractors for the development and construction of our transmission lines and supply of certain key equipment. Although contractual arrangements are in place, we do not have direct control over the timing or quality of services, equipment or supplies provided by these contractors. We cannot assure you that such contractors will continue to be available at reasonable rates in the areas where we conduct our operations, and we may be exposed to risks relating to the quality of their services, equipment and supplies. In addition, we require the continued support of certain original equipment manufacturers to supply necessary services and parts to maintain our projects at an affordable cost. If we are unable to procure the required services or parts from these manufacturers (for example, due to bankruptcy of the manufacturer), or if the cost of these services or parts exceeds the budgeted cost, there may be a material adverse impact on our business, financial condition, cash flows and results of operations. Furthermore, if we are not able to award projects to competent contractors on a timely basis, or on terms that provide for the timely and cost-effective execution of the projects, the relevant project may be delayed and the applicable returns on those projects may be adversely affected. Our budgeted costs for our projects are calculated on the basis of management estimates and the occurrence of any contingencies beyond our control may adversely affect the returns from the affected project.

We also rely on a network of third-party logistics providers for the supply of raw materials and delivery of our products. For this purpose, we enter into logistics agreements with such parties which can be extended pursuant to mutual consent. There can be no assurance that such arrangements will continue to be successful or be renewed after expiry of the stipulated term. There can be no assurance that such third parties will perform their obligations as parties may default on their obligations for any number of reasons, and any delay in enforcing our current agreements could expose us to potential losses. Any alteration to or termination of our current agreements with agents or any failure to enter into new and similar agreements on commercially favorable terms or at all, could materially adversely affect our business, financial condition, cash flows, prospects and results of operations.

**13. *We are subject to performance risk from third-party contractors, and operational risks associated with the engagement of third-party contractors and our employees.***

We enter into contracts with the third-party contractors for the supply of equipment, materials and other goods and services. We also rely on third-party contractors and our employees for the development, construction and operation of our projects as well as other business operations. While we maintain a diversified set of vendors, we remain subject to the risk that the third-party contractors will not perform their obligations. If the third-party contractors do not perform their obligations (including regulatory compliances) or if they deliver any components that have a manufacturing defect or do not comply with the specified quality standards and technical specifications, we may have to enter into new contracts with other contractors at a higher cost or suffer schedule disruptions. Changing a contractor may incur additional costs in finding a replacement service provider or experience significant delays.

In addition, if any of our employees or third-party contractors take, convert, or misuse funds, documents, or data, or fail to follow protocol when interacting with consumers and regulators, we could be liable for damages and subject to regulatory actions and penalties. We could also be subject to civil or criminal liability. It is not always possible to identify and deter misconduct or errors by employees or third-party contractors, and the precautions we take to detect and prevent these activities may not be effective in controlling unknown or unmanaged risks or losses. Our resources, technologies and fraud prevention tools may be insufficient to accurately detect and prevent fraud. Any of these occurrences could diminish our ability to operate our business, increase our potential liabilities to consumers and merchants, and may lead to an inability to attract future projects, cause reputational damage, attract regulatory intervention, and cause financial harm, any or all of which could negatively impact our business, cash flows, financial condition, prospects and results of operations.

We may not be able recover all or any losses that we may incur in respect of a breach by third-party contractors of their obligations, in particular if we have not obtained appropriate indemnities from such contractors. Furthermore, while contractors are generally subject to liquidated damages for failure to achieve timely completion or performance shortfalls, the liability of contractors is generally limited to a specified amount or a percentage of the contract price or order value. As a consequence, we may not be able to recover the full amount of losses that we may suffer due to any failure on the part of a contractor or supplier. Any disruption in our business relationships with our third party contractors may also result in delays or disruption of their services to us, which may adversely affect our business, cash flows, financial condition, prospects and results of operations.

**14. *Our expansion plans require significant financial, management and other resources; Any future acquisitions or bids may expose us to risks and have an adverse impact on our operations.***

We continue to participate in TBCB bidding processes to acquire new projects. We expect that the execution of new projects pursuant to our growth strategy will place significant strains on our management, financial and other resources. There is no assurance that we will be able to obtain the requisite financing to support our expansion plans, on favourable terms or at all, or maintain the funding flexibility we currently have, which may have a material adverse effect on our business, cash flows, financial condition and results of operations. Further, in order to manage the execution of new projects and grow effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to implement and improve these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our expected schedule of project implementation, hire or retain employees, pursue new business, complete future strategic agreements or operate our business effectively. Our management, operational and financial systems, procedures and controls may not be adequate to support future operations or establish or develop business relationships beneficial to our future operations.

While our focus remains to grow our business through organic growth initiatives, we also endeavour to opportunistically pursue acquisition opportunities focused on high returns. For more details on our strategies, see "*Our Business – Our Strategies*" on page 192. However, there can be no assurance that we will be able to implement this strategy. Any future acquisitions or bids may entail integration and management of these future assets to realize economies of scale and control costs, as well as other risks, including diversion of management resources otherwise available for ongoing development of our business. The expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to achieve or may not be achieved at all.

Despite pre-acquisition due diligence, we do not believe that it is possible to fully understand an asset before it is owned and operated for an extended time. Future acquisitions or bids (in particular, greenfield and brownfield projects through the IBC process) may expose us to the risk of unanticipated business uncertainties or legal liabilities including defects in title and lack of appropriate approvals/ licenses in place for which the relevant parties in relation to such future assets may or may not indemnify us.

In addition, our growth initiatives may be subject to governmental approvals and permits and we may not be able to obtain the relevant governmental approvals or permits, in a timely manner at all. For more details, see "*Risk factors – Delays in obtaining, or a failure to maintain, governmental approvals and permits required to construct and operate our projects may adversely affect the development, construction and operation of our projects.*" on page 42. For example, STL's application to transfer its equity stake in MTCIL to our Company was not approved by the Department of Telecommunication. However, STL's right to re-apply is not prejudiced.

**15. *Opposition from local communities and other parties may adversely affect our financial condition, results of operations and cash flows.***

The construction and operation of our power transmission systems and substation projects may have significant consequences on grazing, logging, agricultural activities, mining and land development as well as on the ecosystem of the affected areas. Further, the construction and operation of our power transmission systems may disrupt the activities and livelihoods of local communities, especially during the project construction period. Repair work on a project may be delayed in order to resolve local community concerns. Any such opposition may adversely affect our financial condition, results of operations and cash flows, and harm our reputation.

We could be subject to opposition, such as through litigation or by other means, from public interest groups, local communities or non-governmental organizations, in relation to the environmental impact of their transmission projects or in relation to land acquisition, change in land use, acquisition and use of rights of way and construction activities for their projects and the consequent impact on the livelihood of affected communities. For details, see "*Legal and Other Information – Outstanding Litigation and Material Developments*" on page 441.

**16. *Our operations are subject to environmental, health and safety laws and regulations, and we have been subject to environmental notices in respect of certain of our transmission lines and may be subject to further notices in the future.***

Our production facilities and transmission lines are subject to a wide range of increasingly strict environmental, health and safety requirements in India and Brazil where we operate. The environmental impact of a particular project typically depends on the location of the project and the surrounding ecosystem. These requirements address, among other things, air emissions, wastewater discharges, releases into the environment, human exposure to hazardous materials, the storage, treatment, transportation and disposal of wastes and hazardous materials, the investigation and clean-up of contamination, process safety and the maintenance of health and safety conditions in the workplace. We are also required to obtain and comply with environmental permits for certain of our operations. For regulations and policies applicable to our Company, see "*Key Regulations and Policies in India and Brazil*" on page 212.

Environmental laws and regulations in India and Brazil have, and may continue to become, more stringent. Many of our operations require permits and controls to monitor or reduce pollution. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us. We have incurred, and will continue to incur, expenditures to ensure compliance with current and future environmental, health and safety laws and regulations or their more stringent enforcement. Violations of these laws and regulations could result in the imposition of significant fines and penalties, the suspension, revocation or non-renewal of our permits, production delays or limitations, imprisonment, or the closure of our plants. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials we need for our manufacturing process. Violations of such laws and regulations may occur, among other ways, from our use of incorrect methodologies or defective or inappropriate measuring equipment, errors in manually capturing results, or other mistaken or unauthorized acts of our employees, suppliers or agents. Any failures to follow regulations could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

In connection with our operations, we could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage or damage to natural resources resulting from our operations, facilities or products. The regulator may order closure of our unit where it is found to be non-compliant with the applicable norm. In some instances, such a fine or sanction could adversely affect our business, reputation, financial condition, results of operations or cash flows. In addition, these requirements may become more stringent over time and there can be no assurance that we will not incur significant environmental costs or liabilities in the future. The discovery of previously unknown violations, or the imposition of new obligations to investigate or remediate contamination at our facilities, could also result in substantial unanticipated costs. We could be required to

establish or substantially increase financial reserves for such obligations or liabilities and, if we fail to accurately predict the amount or timing of such costs, the related adverse impact on our business, prospects, cash flows, financial condition and results of operations could be material. For further details, please see the section entitled "*Risk Factors – The construction, operation and maintenance of our transmission systems involves significant risks that may cause injury to people or property and that may lead to significant disruption to our business and consequent decreases in our revenues*" on page 40.

**17. *Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by employees or other disputes with employees as well as COVID-19.***

We may experience disruptions in our operations due to disputes or other problems with labour, and efforts by workers to modify compensation and other terms of employment may divert management's attention and increase operating expenses. The occurrence of such events could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

We also enter into contracts with independent contractors to complete specified assignments in respect of our operations and these contractors are required to source the labour necessary to complete such assignments. Although we do not engage these labourers directly, under Indian law they may be held responsible for wage payments to labourers engaged by contractors, should the contractors default on wage payments. Any requirement to fund such payments may materially and adversely affect the business, prospects, financial condition, results of operations and cash flows. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, our Company and our subsidiaries may be required to absorb a portion of the wage payments due to such contract labourers that are engaged by independent contractors, as if they were their employees. In addition, we may face situations of work stoppages and labour shortages due to COVID-19. For further details, see "*The extent to which the recent coronavirus (COVID-19) outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted*" on page 40.

**18. *We have a substantial amount of outstanding borrowings, which requires significant cash flows to service, and limits our ability to operate freely.***

As of March 31, 2021, our Total Borrowings were ₹ 27,814.90 million. For further details in relation to the financial indebtedness of our Company (including the maturity of such indebtedness), please see the section entitled "*Financial Indebtedness*" on page 401.

We intend to finance the majority of the cost of our future acquisitions of power transmission through debt and therefore expect to incur substantial additional borrowings in the future. There is no assurance that we will be able to obtain such financing, on favourable terms, or at all. Further, our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. If we fail to meet our debt service obligations or if a default otherwise occurs, our lenders could declare us in default under the terms of our borrowings and accelerate the maturity of our obligations. Any such default and acceleration could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Further, we may be required to refinance our outstanding borrowings in the future. There is no assurance that we will be able to obtain such financing, on favourable terms, or at all, which may have a material adverse effect on our business, cash flows, financial condition and results of operations and may result in a lower rate of return to shareholders. We cannot assure you that we will generate sufficient cash to service existing or proposed borrowings or fund other liquidity needs, which could have an adverse effect on our business, cash flows and results of operations.

**19. *We have unsecured loans that may be recalled by the lenders at any time, which may affect our business, cash flows, financial condition and results of operations.***

We have availed unsecured borrowings which may be recalled by the lenders at any time. If the loans are recalled on demand by the lenders and we are unable to repay the outstanding amounts under the respective facility at that point, it would constitute an event of default under the respective loan agreements. If such loans are accelerated, our cash flows, financial condition and results of operations may be adversely affected. As on March 31, 2021, we had unsecured loans amounting to ₹ 1,918.73 million. For further details, see "*Financial Indebtedness*" on page 401.

**20. *We are subject to certain restrictive covenants in relation to the interests of our equity shareholders and our loans.***

The borrowings availed by us, our Subsidiaries and our Investee SPVs are typically secured by, amongst others, (i) first ranking *pari passu* charge over all present and future immovable assets; (ii) first ranking *pari passu* charge on all tangible movable assets, including movable plants and machinery, machinery spares, tools and accessories and all other movable assets and current assets, both present and future; and (iii) first charge, including by way of hypothecation, over all accounts, both present and future, that may be opened in accordance with the loan documents;

(v) assignment by way of security or charge by way of hypothecation, over all right, title, interest, claims, benefits and demands relating to, (a) the agreements in relation to the Project (the "**Project Agreements**"); (b) clearances obtained pertaining to the project; (c) any letter of credit, guarantee, including contractor guarantees, liquidated damages, consent agreements, side letters or performance bond provided by any party to the Project Agreements; and (d) insurance contracts and insurance proceeds pertaining to the project; and (vi) pledge of up to 51% of the equity share capital of our subsidiaries, in terms of the financing agreements.

We are subject to certain restrictive covenants in our any agreement for short-term (secured and unsecured) and long-term borrowings. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of the banks/financial institutions for various activities, including, amongst others, (a) formulating or effecting any scheme of amalgamation or merger or reconstruction or reconstitution; (b) effecting any change in the shareholding composition or capital structure of our Subsidiaries; (c) any transfer of the controlling interest or the change in management set up; (d) undertaking of guarantee obligations on behalf of any other person; (e) undertaking of any material change in business; (f) permitting creation of security interest on the assets secured with the existing lenders; (g) amendment of the constitutional documents of the relevant entities in a manner that would be detrimental to interest of the lenders; (h) undertaking of any long term contractual obligation which is prejudicial to the lenders or enter into any profit sharing, management, partnership, royalty agreements; (i) availing of any additional facilities or borrowings, other than the permitted indebtedness as set out in the relevant documentation; (j) declaration of dividend for any year subject to certain conditions; and (k) transfer or dilution of the shareholding of the promoters/directors of the Company, etc. Such restrictive covenants may restrict our operations or ability to expand and may adversely affect our business, financial condition, results of operations, cash flows and prospects. For further details, please see the section entitled "*Financial Indebtedness*" on page 401.

In the event of a default under these borrowing agreements, there is a risk that the lenders could enforce the security charged in their favor, including pledge by way of court procedure followed by a public auction of the pledged shares. Further, we may be required to pledge the shares of our subsidiaries for any refinanced or additional indebtedness. If we lose ownership or control of our subsidiaries, or of all or some of their assets as a result of the enforcement of security by a lender, our business, financial condition, results of operation, cash flows and ability to make distributions to our shareholders would be adversely affected.

We are currently not and in the past have not been in compliance with certain covenants under our financing arrangements including, among others, covenants relating to our inability to create security and/or maintain ratios within the time limits prescribed under the financing agreements and information covenants and may not be able to comply with such covenants in the future. Our failure to comply with these covenants may constitute an event of default under the relevant loan agreements and as a consequence, may trigger cross defaults under certain other financing agreements. As of the date of this Draft Red Herring Prospectus, none of our lenders have issued any notice of default or required us to repay any part of our borrowings as a result of such breaches. However, there can be no assurance that our lenders will not do so, which could have an adverse effect on our business, cash flows and results of operations.

Under these financing agreements, consents from the respective lenders are required for and in connection with the Issue. As on the date of this Draft Red Herring Prospectus, our Company has made applications to the relevant lenders for seeking their consent in relation to the Issue. Consents from some of these lenders in connection with the Issue has not been received by our Company, as on the date of this Draft Red Herring Prospectus. Although our Company expects to receive the consents from these lenders in connection with the Issue prior to filing the Red Herring Prospectus with SEBI, there is no assurance that such lenders will provide the requisite consents in a timely manner, or at all.

In addition, the AMP Capital Investment Agreements provide for certain obligations that may be imposed on our Company in the event that there is change of control of our Company, which is defined as the change pursuant to which Volcan Investments Limited no longer has the ability to ensure that the activities and business of our Company are conducted in accordance with its directions, directly or indirectly. These obligations may include, at the option of AMP Capital, the purchase of all the securities held by AMP Capital in the relevant Investee HoldCo by the Company or the sale of all the securities held by the Company in the relevant Investee HoldCo to AMP Capital which in each case, could have a material adverse effect on our business, cash flows, prospects, financial condition and results of operations. Similar obligations apply on our Company in the event Pratik Pravin Agarwal ceases to be associated with the business of our Company in any manner (except for reasons attributable to restrictions under applicable law or due to death or disability) prior to the project under the Investee HoldCo achieving COD. For details, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements – Key terms of other subsisting material agreements*" on page 234.

**21. *Our Company has, in the past, withdrawn its application for listing its redeemable preference shares.***

Our Company was required to list its redeemable preference shares (“RPS”) pursuant to the Demerger Scheme. For details on the Demerger Scheme, please see the section entitled “History and Certain Corporate Matters” on page 227. Our Company received the in-principle approval from NSE for listing of the RPS subject to compliance with certain conditions, including seeking a relaxation under applicable provisions of the SEBI NCRPS Regulations from SEBI. Accordingly, our Company made an application before SEBI for such relaxation which was not acceded to by SEBI due to alleged violations of certain provisions of the Companies Act, the SEBI NCRPS Regulations and the SEBI Listing Regulations. The High Court of Bombay issued a directive for our Company to arrive at an acceptable solution in light of the peculiar circumstances pertaining to the RPS and accordingly, our Company proposed an exit mechanism for the RPS holders. In light of the same, our Company, after several communications with SEBI and NSE on this matter, decided to withdraw its application for listing of the RPS and vary the terms of the RPS by providing for an early redemption at the redemption value set out in the Demerger Scheme. Such withdrawal was acceded to by SEBI by way of its letter dated December 22, 2017 and the RPS were redeemed. Any disputes in the future related to this may result in litigation or other adverse consequences.

**22. *Upgrading or renovation work or physical damage to our power transmission projects may disrupt their operations.***

Our transmission systems may need to undergo upgrading or renovation work from time to time to maintain the assets for 35 years in accordance with the TSA and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop due to design defects, changes in weather conditions, natural disasters, sabotage, physical and cyber terrorist attacks or other events that can cause physical damage to our products, network failures, breakdowns or unplanned outages. The frequency of such renovation or maintenance work typically depends on the line length and geography, among other things.

Our transmission systems may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or renovation work. In addition, physical damage to our transmission systems and major equipment such as transformers, reactors and transmission towers that result from fire, severe weather or other causes may lead to a significant disruption to business and operations and, together with the foregoing, may result in unforeseen costs which may have a material adverse effect on our business, cash flows, prospects, financial condition and results of operations. Any service disruption in our transmission systems may cause loss or damage to our customers, who may seek to recover damages, directly or indirectly, from our Company, which may harm our business and reputation.

**23. *Our ability to ensure that our power transmission systems are fully operational at all times may be subject to the limitations of the power grid, existing equipment or operational risks outside of our control.***

Power grid outages at the state, regional or national level disrupt the transmission of electricity and could result in performance being below expected levels. For example, there could be failure in the transmission towers, power conductors or insulators. In addition, power transmission projects rely on sophisticated machinery that may be built by third parties, which may malfunction.

The operation of our projects also involves many operational risks, some of which are outside our control, including explosions, fires, damages due to earthquakes, floods, solar winds and other natural disasters, the breakdown or failure of transmission or generation equipment or other equipment or processes, operating below expected levels, labour disputes, civil unrest, terrorism and war. For example, ENICL, an asset which we have flipped to IndiGrid, has experienced damage to its transmission towers on its 400 KV D/C Purulia – Bihar Sharif transmission line due to flooding and heavy rainfall. The occurrence of any of the above events could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**24. *We may lose tariff revenues or fail to receive payments and incur significant repair and replacement costs in the event there is a delay in commissioning or a shift in the scheduled commercial operation date due to unforeseen circumstances.***

The development or operation of our power transmission projects may be delayed or rendered inoperable due to reasons beyond our control including explosions, fires, earthquakes, local riots and other disasters or force majeure events, breakdown, failure or substandard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks, and labour disputes. In addition, our projects may also be targets of terrorist attacks or other civil disturbances.



In the event that our projects are delayed or rendered inoperable due to force majeure events, there can be no assurance that we will be able to successfully apply to obtain a deemed availability certificate to receive tariffs under the force majeure provisions under the applicable TSA or that our insurance will reimburse us for repair and replacement costs, either partially or fully for the period of such force majeure event, which could materially affect our business, prospects, financial condition, results of operations and cash flows. We cannot assure you that such instances will not occur in the future and that any future force majeure events will not have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**25. *Revenues for transmission projects are derived from tariff payments received from LTTCs and a delay in payments of PoC charges to the CTU by users and customers may adversely affect our cash flows and results of operations.***

In accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 which came into effect from November 1, 2020 (the "**Sharing of Charges and Losses Regulations**") and the CERC's point of connection ("**PoC**") payment system, transmission licensees are entitled to recover their approved tariffs from ISTS charges collected by the CTU. The CTU collects transmission charges from customers, including the LTTCs, on a regular basis and pays such transmission charges to the transmission licensees. The payment mechanism is structured, in accordance with the Tariff Regulations to incentivize the end consumers to make timely payments through rebates, and a surcharge that is levied on untimely payments by LTTCs.

The LTTCs under the PoC mechanism include various state utilities, other distribution licensees and TSUs. These LTTCs have experienced periods of financial weakness in the past. Notwithstanding that we have not experienced any defaults under the PoC mechanism, there can be no assurance that such defaults will not occur in the future. A failure or delay on the part of any LTTCs to make timely payments or on the part of distribution licensees or TSUs to make the requisite payments to the CTU could affect the capability of the CTU to make the corresponding payments to transmission licensees, including our subsidiaries. As a result, factors beyond our control that affect the business, prospects, financial condition, results of operations or cash flows of the LTTCs could result in the delay or failure of our subsidiaries to receive tariff payments. In addition, for intra-state transmission projects, there may be a higher risk of delay or failure to receive tariff payments as intra-state transmission projects do not benefit from the PoC system, and the LTTCs of such projects are typically state utilities who have experienced periods of financial weakness. As a result of these and similar factors that may be beyond our control, our business, prospects, financial condition, results of operations and cash flows may be adversely affected.

**26. *Due to the long construction periods of our power transmission systems and substation projects, the operation and maintenance costs of our projects may change significantly after commissioning of the assets. As the terms and conditions, including the tariff structure under our TSAs are generally fixed, we may not be able to offset increases in costs, including operation and maintenance costs, solely from tariffs payable to us under the TSAs.***

The tariff structure under our TSAs is largely fixed for the entire term of the TSAs. Operation and maintenance costs of our power transmission projects may increase due to factors beyond our control, including the following:

- increase in the cost of labour, materials and insurance;
- restoration costs in case of events such as, floods, natural disasters and accidents;
- increase in raw material costs;
- adverse weather conditions;
- unforeseen legal, tax and accounting liabilities; and
- other unforeseen operational and maintenance costs.

We may not be able to offset increased operation and maintenance costs as the tariff is generally fixed under our TSAs, and given the escalable component forms only a small portion of the overall tariff payable to us, it may be insufficient to offset such cost increases. Additionally, as the escalable portion of our tariff is linked to inflation, there can be no assurance that adjustments of the escalable tariff will be sufficient to cover increased costs resulting from inflation. Significant increases in operation and maintenance costs may reduce our profits. Any increased volatility or rate of inflation of global commodity prices, in particular oil and steel prices, could adversely affect our customers, contractual counterparties and end users. Any slowdown in India's growth, inflation volatility or fluctuation or sustained periods of hyperinflation adversely impact our business, prospects, financial condition, results of operations and cash flows.



**27. *Any change in interest rates may have a significant impact on our profit from the sale of assets.***

Our business model involves selling projects at some point after completion of construction. Remuneration from the project assets may comprise interest income which is recognized at the market interest rate that reflects the economic volatility of the future flow from the service. The discount rate is represented by a market rate that considers the risks and premiums specific to the assets. Any change in interest rates may negatively affect the expected future income of the assets and as a result have a significant impact on our profit from the sale of assets.

**28. *Our insurance policies may not cover all possible economic losses.***

During construction and operation, our projects may incur damage and losses. We rely upon insurance coverage to insure against such damage and losses that may occur, other than as excluded in the insurance policies. We also purchase insurance coverage to meet our obligations under our financing arrangements. For more details, see "*Our Business – Insurance*" on page 209.

The insurance we obtain may not be sufficient enough to protect us completely from all losses including but not limited to losses arising from force majeure or change in law events that we may incur in the future. Losses suffered due to inadequate coverage may have a material adverse impact on our business, prospects, financial condition, results of operations and cash flows.

We may also not be able to renew our insurance arrangements, which typically extend for a period of one year, on similar terms or at all. If our losses significantly exceed our insurance coverage, cannot be recovered through insurance, occur during a period during which insurance coverage had lapsed, our business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected.

In addition, we may not be able to maintain insurance of the types or at levels which are necessary or adequate for our business or at rates which are reasonable, in particular, in case of significant increases in premium levels at the time of renewing insurance policies or the lack of availability of insurance companies to underwrite these risks. The costs of higher insurance premiums could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Furthermore, the occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**29. *We may be required to record significant charges to earnings in the future when we review our power transmission assets for potential impairment.***

Under Ind AS, we are required to review our power transmission assets for impairment whenever circumstances indicate the carrying value is lower than the future economic benefits. Various uncertainties, including deterioration in global economic conditions that result in upward changes in the cost of capital, change in rate of interest, increases in cost of completion of such power transmission assets and the occurrence of natural disasters that impact our power transmission assets, could impact expected cash flows to be generated by such assets, and may result in impairment of these power transmission assets in the future. In the Fiscals 2019 and 2020, we recognized impairment of property, plant and equipment (including capital work in progress) amounting to ₹ 1,873.65 million and ₹ 669.40 million, respectively.

**30. *We are dependent on Vedanta Limited for a significant portion of our aluminum supplies***

We are dependent on Vedanta Limited ("**Vedanta**") as a supplier of aluminum for the manufacture of our conductors which are used in our solutions (products) and convergence business. For Fiscal Years 2019, 2020 and 2021, Vedanta provided 78.46%, 75.67% and 79.45% of our total aluminum supplies. Any disruption to the supply of aluminum from Vedanta may lead to delays in our manufacturing and an increase in the price of our products. Any such changes may adversely affect our business, results of operations, cash flows and reputation.

**31. *We are dependent on a small number of suppliers for our manufacturing of high-voltage cables.***

We rely on domestic suppliers and international suppliers such as Borouge and DOW Chemical International Private Limited for our manufacturing operations of cables. If we lose access to these suppliers for any reason, we may not be able to continue manufacturing high-voltage cables to the same quality, which may adversely affect our business, results of operations, cash flows and reputation.

**32. *We expend extensive resources to improve and maintain our information systems. Failure to successfully do so may result in a negative impact on our results of operations, financial condition, cash flow and reputation with our customers and/or regulators.***

Our operations rely on the quality of our information systems and the employees that are responsible to manage them. If any of our system improvement projects are unsuccessful, or if our processes for managing and maintaining our information systems are inadequate, we could be subjected to:

- inaccurate forecasts of expected costs for developing our transmission or distribution systems;
- inaccurate or untimely financial accounting and reporting information;
- inaccurate or untimely customer billing information;
- customer complaints;
- increased regulatory scrutiny; or
- inaccurate forecasts of expected customer consumption requirements, potentially resulting in the need to purchase power from the open market to meet increased demand, which may impact our gross profits.

We cannot guarantee that we will be able to maintain or successfully develop our information systems. Interruptions and/or failures of our information systems could disrupt our operations. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our projects, products and other proprietary information could be compromised. The occurrence of any of these events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation. Upgrading or renovation work or physical damage to our transmission or distribution systems may disrupt our operations. For further details, please see the section entitled "*Risk Factors – Upgrading or renovation work or physical damage to our power transmission projects may disrupt their operations*" on page 48.

**33. *Critical aspects of our power transmission projects in India have a limited duration.***

Our TSAs have a term of 35 years. There can be no assurance that we can replace our physical assets or renew our TSAs on acceptable terms, if at all. While the TSAs have a duration of 35 years, the transmission licenses issued by CERC are valid for a period of 25 years from the date of issue of the transmission license. There can be no assurances that these licenses will be renewed.

**34. *We face risks associated with expansion of our business to new areas.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth depends, amongst other factors, on increasing and expanding our presence in India and Brazil, by upgrading existing power delivery networks, manufacturing bare overhead conductors, creating bespoke solutions for brownfield transmission infrastructure projects, providing telecommunications services, increasing our market share, achieving cost efficiency and improving productivity and penetrating new markets. For further information, see "*Our Business – Our Business Operations*" on page 193. Our ability to achieve growth will be subject to a range of factors, including our ability to identify trends and demands in the industry; compete with existing companies in our markets; consistently exercise effective quality control; hire and train qualified personnel and recognition of our brand in new regions. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Our future growth also depends on expanding our sales and distribution network to enter new markets, and recognition of our brand. We may face increased risks when we enter new markets in India, and may find it more difficult to hire, train and retain qualified employees in new regions. As a result, the products we introduce in new markets may be more expensive to produce and/ or distribute and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viability of these operations or our overall profitability.

Further, our expansion plans and business growth could strain our managerial, operational and financial resources. For information on our expansion plans, see "*Our Business– Our Strategies*" on page 192. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, cash flows, financial condition and profitability.

35. ***Our EPC operations with Investee SPVs and our Subsidiaries expose us to certain cost and cash flow risks.***

We are a holding cum operating company with a 50% or 100% equity interest in project companies. We undertake in-house EPC-related services on a lump-sum turnkey basis, which exposes us to certain risks. As a result, we are subject to fluctuations in cost that could be caused by various factors including:

- increases in the price and availability of labour, equipment and materials;
- inaccuracies in drawings and technical information;
- delays in the delivery of equipment and materials to project sites;
- unanticipated increases in equipment costs;
- delays caused by local and seasonal weather conditions;
- any other unforeseen design and engineering issues, or physical, site and geological conditions that may result in delays;
- change in wind zones and wind profiles over the life of concession/TSA;
- changes in law, technical parameters, specification, standards and its interpretation there off;
- non-completion of upstream and downstream connectivities resulting in a potential delay in PoC induction;
- any claim made to CERC on account of force majeure or change in law conditions and is rejected by CERC; and
- any cost to the Investee SPV due to failure to meet its obligations.

In addition, a substantial portion of our cash flows are dependent on the receipt of funds against lump-sum turnkey contract invoices from such project companies.

36. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the past entered into transactions with related parties. For more details, see "*Related Party Transactions*" on page 400. We cannot assure you that we might have obtained more favorable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future.

While we endeavor to not enter into related party transactions which are against our interests and the interests of minority Shareholders, we cannot assure you that such transactions in the future, individually or in the aggregate, will always be in the best interests of minority Shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. Such related party transactions in the future may potentially involve conflicts of interest.

37. ***Our Promoters may have conflicts of interest and may not always act in the best interests of our Company.***

As on the date of this Draft Red Herring Prospectus, the Promoters and Promoter Group beneficially hold 73.72% of our issued and outstanding Equity Shares. After the completion of the Issue, the Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in us. As a result, our Promoters will continue to exercise significant control over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. Our Promoters may take or block actions with respect to our business, which may conflict with the interests of other minority Shareholders. We cannot assure you that our Promoters will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

For further details, please refer to the sections "*Related Party Transactions*", "*Our Business*", "*Our Promoters and Promoter Group*", and "*Our Subsidiaries and Associates*" on pages 400, 185, 284 and 237, respectively.

**38. *Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

We have declared and paid dividends in FY2021. However, the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

**39. *Significant increases or fluctuations in prices of, or shortages of, or delay or disruption in supply of primary raw materials could affect our estimated costs, expenditures and timelines which may have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our solutions operations are dependent upon the price and availability of the primary raw materials that we require for the production of our conductors and power cables.

Our primary raw materials are (i) aluminium, (ii) steel, (iii) copper, and (iv) polyvinyl chloride (“PVC”) compound. As commodity metals, the prices of copper and aluminium may be linked to the prices on the London Metal Exchange (“LME”), while the price of PVC Compounds may be linked to crude oil prices. As such, we may experience cost fluctuations for these raw materials due to volatility in the commodity markets or crude oil prices, as the case may be. While we seek to generally manage the cost increase by hedging the commodity risk and currency exposure on some of the raw materials, there can be no assurance that we will be able to do so. If we are unable to hedge the exposure on all the primary raw materials or are unsuccessful in managing the effects of raw material price fluctuations, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

The prices and supply of these primary raw materials are also affected by, among others, general economic conditions, competition, production costs and levels, transportation costs, indirect taxes and import duties, tariffs and currency exchange rate. Further, as we source our raw materials from third parties, our supply chain may be interrupted by circumstances beyond our control. Poor quality roads and other transportation-related infrastructure problems, inclement weather, natural disasters and road accidents may disrupt the transportation of raw materials. While we usually maintain adequate inventory for all our primary raw materials, we have experienced instances of shortages in a limited manner. During such periods of shortages in raw materials, we may not be able to manufacture our products according to our pre-determined time frames, at our previously estimated product costs, or at all, which may adversely affect our business, results of operations, cash flows and reputation.

**40. *Any disruption, breakdown or shutdown of our manufacturing facilities may have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In addition, our facilities and operations require constant power supply. Any disruption in the supply of power may disrupt our operations, requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. While we believe we have adequate stand-by power supply, this may not be adequate if the disruption in the supply of the power is for a longer period. Additionally, such standby power supply may not be sufficient to enable us to operate our facilities at full capacity and any such disruption in the primary power supply available at our production facilities could materially and adversely affect our business, financial condition, results of operations and cash flows.

Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. While we seek to ensure a continuous supply of products to our customers, our customer relationships, business and financial results may be materially adversely affected by any disruption of operations of our product lines, including due to any of the factors mentioned above.

**41. *We are dependent on the performance of the conductor and cables market. Any adverse changes in the conditions affecting the wires and cables market can adversely impact our business, financial condition, results of operations, cash flows and prospects.***

We derive a significant portion of our revenue from operations from the sale of conductors and power cables. For Fiscals 2019, 2020 and 2021, revenue from sale of conductors and power cables accounted for 44.86%, 22.73% and 31.98%, respectively of our total income. As a result, our business and financial condition is impacted by the performance of the conductors and cables market globally and in India and we are exposed to fluctuations in the

performance of these markets. In the event of a decrease in demand for conductors and cables in India or abroad, we will experience pronounced effects on our business, results of operations, financial condition, cash flows and prospects.

The conductors and cables market may be affected by, among others, changes in government policies, government initiatives, economic conditions, income levels and interest rates, which may negatively affect the demand for and the valuation of our products. These and other factors may negatively contribute to changes in the prices of and demand for our conductors and cables and may materially adversely affect our business, financial condition, results of operations and cash flows.

**42. *We face significant competitive pressures in our Solutions business line. Our inability to compete effectively would be detrimental to our business and prospects for future growth.***

We face significant competition in our business from other power transmission suppliers, manufacturers and suppliers of electrical products and providers of MSI services. For details, see “*Industry Overview*” beginning on page 121. The industry and markets for our products are characterized by factors such as rapid technological change, the development of new end-products and their rapid obsolescence, evolving industry standards and significant price erosion over the life of a product. We primarily compete based on the following:

- product functionality, quality and reliability;
- design, technical, research and production capabilities;
- ability to meet customers’ order requirements and delivery schedules;
- distributor, dealer and customer relationships and services; and
- product price.

There can be no assurance that we will maintain our competitiveness in any of these areas with respect to any of our products. While we work consistently to offset pricing pressures, produce new products, advance our technological capability, improve our services or enhance our production efficiency to reduce costs, such efforts may not be successful. Also, as we plan to expand our offerings to launch new products, we may face strong competition from other players in the same markets. Many of our existing and potential competitors may seek to equal or exceed us in terms of their financial, production, sales, marketing and other resources. If we fail to compete effectively in the future, our business and prospects could be materially and adversely affected.

**43. *In relation to our Solutions business line, we operate in a labour-intensive industry and are subject to stringent labour laws and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.***

Our manufacturing processes and MSI service business are labour intensive in nature. Any labour migration may result in a temporary labour shortage that could affect production in our manufacturing facilities. Further, if we or our contractors are unable to negotiate with the labour or their sub-contractors, it could result in work stoppages or increased operating costs due to higher than anticipated wages or benefits.

During periods of shortages in labour, we may not be able to manufacture our products according to our previously determined time frames, at our previously estimated product costs, or at all, which may adversely affect our business, results of operations, cash flows and reputation.

We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. If labour laws become more stringent, it may become more difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

In addition, the Company has entered into contracts with independent contractors under the Contract Labour (Regulation and Abolition) Act, 1970 and the Company may be liable for defaults, if any with respect to such contractors. If we are unable to renew the contracts with our independent contractors at commercially viable terms or at all, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

**44. *We are subject to strict quality requirements for our products and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or warranty and exposure to potential product liability claims.***

We face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage. We and our component suppliers may not be able to meet regulatory quality standards in India or abroad, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If any of our products do not meet regulatory standards or are defective, we may be, *inter alia*, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products or (iii) incur significant costs to defend any such claims.

We have provided up to 24 month guarantees/ warranties related to manufacturing defects on our products. Any defect in our finished products may result in customers making a guarantee / warranty claim. While there have not been any warranty claims made against our products or any cancellation of existing or future orders resulting in a material adverse impact on our business, financial condition, results of operations and cash flows in the past three years, there can be no assurance that this will continue in the future. There can be no assurance that we or our component suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. Because of the longer useful life of some of our products, it is possible that latent defects might not appear for several years. There is no guarantee that any future non-compliance with quality standards will not result in a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The failure by us or any of our suppliers to achieve or maintain compliance with regulatory requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, with a component supplier, until a new supplier has been identified and evaluated. The quality of raw materials and the goods we trade in will have an impact on the quality of the finished products and in turn affect our brand image, business and revenue. There is no assurance that our products will always meet the satisfaction of our customers' quality standards. Our or our component supplier's failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including warning letters, fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able to locate new suppliers in compliance with regulatory requirements in a timely manner, or at all. Failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

**45. *Our inability to handle risks associated with our export sales could negatively affect our sales to customers in foreign countries, as well as our operations and assets in such countries.***

We export our conductors and power cables internationally. Our international sales are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations in general. Our international operations are subject to, among other risks and uncertainties, the following:

- Demand for our products by our customers located outside India;
- Social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations. For example, such a disruption may prevent us from production or delivery of our products to our customers;
- Compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, may impose onerous and expensive obligations on our foreign subsidiaries. If we are unable to comply with such laws, our business, results of operations, financial condition and cash flows could be adversely affected;
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate; and
- Fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our results of operations, the value of our foreign assets, the relative prices at which we and our competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations.

Any of these risks could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

**46. *Our failure to keep our technical knowledge confidential could erode our competitive advantage.***

We possess extensive technical knowledge about our products. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long term.

Certain proprietary knowledge may be leaked, either inadvertently or willfully, at various stages of the production process. While the manufacture of conductors, cables and OPGW is based on international and national standards that limit changes to designs, we have developed certain products using technical knowledge that we protect through IP. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. While we may enter into non-disclosure agreements with our suppliers, there can be no assurance that such agreements will be successful in protecting our technical knowledge. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. If the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition, cash flows and/or prospects.

**47. *We are exposed to risks arising from credit terms extended to our customers from our cables and MSI businesses, which mostly comprise State Transco's and distribution companies.***

Due to the nature of, and the inherent risks in, the agreements and arrangements with our customers, we are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations and cash flows.

There is no assurance that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause them to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from them. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our balances and our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

**48. *Our Company and certain of our subsidiaries have had negative cash flows in the past. We have also incurred losses and had a negative net worth in the past.***

We have in the past, and may in the future, experience negative cash flows from operating activities. The following table sets forth certain information relating to our cash flows from operating activities for the years indicated:

Particulars	Fiscal Year		
	2019	2020	2021
	(₹ million)		
Net cash flow from/(used in) operating activities	(6,207.82)	(7,270.77)	5,533.08

Negative cash flows over extended years, or significant negative cash flows in the short term, may materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

In Fiscal Year 2019, we incurred a restated loss for the year amounting to ₹ 5,247.95 million and we had a net worth of ₹ (5,410.16) million. Any future losses may adversely impact our business and the value of the Equity Shares.

For further details, see "Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 396 and 405, respectively.

**49. *Certain of our Directors are involved in one or more ventures which are in the same line of business as that of our Company.***

Our Directors, Alampallam Ramakrishnan Narayanaswamy and Zhao Haixia are directors on the boards of Facor Power Limited and Pavilion Energy Pte. Ltd., respectively. While not Promoter Group or Group Companies, these are companies which are in the same line of business as that of our Company. There can be no assurance that our Directors will be able to address conflicts of interests that arise because of their positions in such ventures, in an impartial manner. Also, there can be no assurance that our Directors will not engage in any competing business activity or acquire interests in competing ventures in the future. For further details regarding other directorships of our Directors, see "Our Management" on page 269.

**50. *We have not been able to obtain certain records of the educational qualifications of a Director.***

Our Director, Pravin Agarwal (Chairman and Non-executive Director), has been unable to trace copies of documents pertaining to his educational qualifications, namely his bachelor's degree in commerce. Accordingly, reliance has been placed on certificates furnished by him to us and the BRLMs to disclose details of his educational qualifications in this Draft Red Herring Prospectus. While he has written a letter to the concerned university requesting for a copy of his degree certificate, a copy of which has been provided to us and the BRLMs, a response from the university is awaited and there is no assurance that the university will respond to such letter in a timely manner or at all. Further, there can be no assurances that our Director will be able to trace the relevant documents pertaining to his educational qualifications in future, or at all.

**51. *We have not been able to obtain certain records from our Corporate Promoter in relation to the build-up of their share capital.***

Our Corporate Promoter has purchased 1,789,848 Equity Shares of our Company on March 3, 2017. While such purchase of Equity Shares is reflected in the demat statement of our Corporate Promoter, our Corporate Promoter has been unable to trace any records, including amongst others, share purchase agreements or transfer forms, pertaining to such purchase. Accordingly, the details of this acquisition, including the name of the relevant selling entity, have not been disclosed in this Draft Red Herring Prospectus. There can be no assurances that our Corporate Promoter will be able to trace the relevant documents pertaining to such acquisition in future, or at all.

**52. *We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialise, may adversely affect our results of operations, financial condition and cash flows.***

We have incurred, and expect to continue to incur on occasion, various contingent liabilities, relating primarily to tax, bank guarantees and corporate guarantees, as well as certain indemnities given to IndiGrid. For details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities (as per Ind AS 37)" on page 436. If a significant portion of these contingent liabilities materialise, it could have an adverse effect on our business, cash flows, financial condition and results of operations.

**53. *Our business, results of operations, cash flows and financial condition could be affected by adverse results of legal proceedings.***

Our Company, Subsidiaries, Promoters, Directors and Group Companies are involved in litigation, claims and other proceedings relating to the conduct of their business, including compensation claims, civil matters, criminal matters and tax disputes as on the date of this Draft Red Herring Prospectus. Any claims could result in litigation against us, our Promoters, Directors and Group Companies, and could also result in regulatory proceedings being brought against us by various government and state agencies that regulate our businesses. Often, these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant time from our operation and management. Litigation and other claims and regulatory proceedings against us could result in unexpected expenses and liabilities and could also materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Currently, there are outstanding legal proceedings against our Company, Promoters, Subsidiaries and Directors that are incidental to their business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. In addition, our Group Companies, are involved and may become involved in litigation, claims and other proceedings relating to the conduct of their respective businesses, including compensation claims, civil matters and tax disputes. Any such litigation and/or regulatory proceedings could harm our reputation and materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and



other material pending litigation involving our Company, Subsidiaries, Directors, and Promoters For details of outstanding litigation involving Our Company, Subsidiaries Directors and Group Companies, please see the section entitled “Legal and Other Information – Outstanding Litigation and Material Developments” on page 441.

Nature of cases	Number of outstanding cases*	Amount involved (in ₹ million)**
<b>Litigation involving our Company</b>		
<b>Litigation against our Company</b>		
Material civil proceedings	1	13.58
Criminal proceedings	1	Not quantifiable
Direct tax matters	2	2.48
Indirect tax matters	23	891.36
<b>Litigation filed by our Company</b>		
Civil Claims	1	124.17
Actions before regulatory or statutory authorities	1	Not quantifiable
<b>Litigation involving our Subsidiaries</b>		
<b>Litigation filed against our Subsidiaries</b>		
Direct tax matters	3	BRL 2.32 million
<b>Litigation filed by our Subsidiaries</b>		
Material civil proceedings	1	Not quantifiable
<b>Other matters where the outcome could materially and/or adversely affect the business, operations, performance, prospects or financial position or reputation of the Company (“Other Matters”)</b>		
Other Matters	6	2,040
<b>Litigation involving our Promoters</b>		
<b>Litigation against our Promoters</b>		
Material civil proceedings	1	13.58
<b>Litigation involving our Directors</b>		
<b>Litigation against our Directors</b>		
Material civil proceedings	1	13.58
<b>Litigation involving our Group Companies</b>		
Material Litigation involving the Group Companies	44	3,336.25

\* Apart from the litigation proceedings mentioned above, our Subsidiaries, Investee SPVs and Group Companies may also be involved in legal proceedings, in the ordinary course of their business.

\*\* To the extent quantifiable, excluding interest and penalty thereon

In addition, our financial performance and results of operations may be adversely impacted due to indemnities that we have provided to IndiGrid or other marquee investors pursuant to our asset sale strategy. For example, in terms of the share purchase agreement entered into on March 23, 2020 among us, Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to IndiGrid) and IndiGrid Investment Managers Limited (in its capacity as investment manager of IndiGrid), we have agreed to indemnify IndiGrid for losses arising from certain specified matters, including an ongoing arbitration proceeding in relation to a dispute between ENICL and Simplex Infrastructure Limited (“Simplex”) In July 2019, Simplex filed an arbitration claim of approximately ₹ 2,150 million against ENICL, and ENICL filed a counter claim and set off of approximately ₹ 2,040 million. For more details, see “Legal and Other Information – Outstanding Litigation and Material Developments” on page 441.

**54. Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may adversely affect our business.**

Our Company has filed applications under the Patents Act 1970 for the grant of patents for some of our methods and technologies. We cannot assure you that our application for grant will be successful or that we will be able to obtain the patent in a timely manner, or at all.

Any failure to protect or enforce our rights to own or use our logo, trademarks, patents, copyrights and identities could have an adverse effect on our business and competitive business. Further our efforts to protect our intellectual property may not be adequate and any third parties may infringe or copy our registered trademarks. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property rights, which may adversely affect our goodwill, business, cash flows, financial condition, results of operations, cash flows and prospects. Any of the foregoing could have an adverse effect on our business and competitive position

**55. We are exposed to foreign currency fluctuation risks, particularly in relation to our investment in Brazil subsidiaries, import of raw materials and export of products, which may adversely affect our results of operations, financial condition and cash flows.**

A substantial portion of our revenue comes from our operations and investments in Brazil. We face foreign exchange rate risk to the extent that our revenue, expenses, assets or liabilities are denominated in a currency other than the Indian Rupee. Our financial statements are presented in Indian Rupees. However, a significant portion of our

investments are made in Brazilian subsidiaries. Any fluctuation in Brazilian Real could impact the valuation of assets and liabilities in Brazil.

In addition, with respect to transactions/firm commitments, the majority of our sales and purchases are priced by reference to benchmarks quoted in U.S. dollars and Euros. Therefore, our expenditures are largely influenced by the value of the U.S. dollar and Euro. For Fiscals 2019, 2020 and 2021, our foreign exchange forward contract balances have varied with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

We use commodity future contracts entered on the London Metal Exchange measured at fair value, the futures contract balances of which vary with the level of expected quantity of purchases of aluminum and copper. However, any steps undertaken to hedge the risks due to fluctuations in currencies may not adequately hedge against losses we incur due to such fluctuations. Net movement on effective portion of cash flow hedges in Fiscals 2019, 2020 and 2021 were ₹ (475.83) million, ₹ (3,497.46) million and ₹ 2,416.44 million, respectively. For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures about Market Risk*" on page 438.

Depreciation of the Indian Rupee against the U.S. dollar, Brazilian Real and Euro may adversely affect our results of operations by increasing the cost of the raw materials we import, value of investments or any proposed capital expenditure in foreign currencies. Although we generally seek to pass exchange rate fluctuations through to our customers through increases in our prices, there can be no assurance that we will be able to do so immediately or fully, which could adversely affect our business, financial condition, results of operations and cash flows.

**56. *We face risks of our bids in India being rejected due to potential conflicts of interest with IndiGrid.***

As of the date of this Draft Red Herring Prospectus, Indigrd Investment Managers Limited ("**IIML**"), the investment manager of IndiGrid, is our associate. For more details, see "*About our Company – Our Subsidiaries and Associates*". In the event that IndiGrid (or its SPVs) bids for the same project as us, there is a risk that the relevant authorities in India may reject the bids submitted by both IndiGrid (or its SPVs) and us as a result of perceived conflicts of interest.

For example, in 2021, PFC Consulting Limited and UP Power Transmission Corporation Limited rejected the response submitted by our wholly-owned subsidiary, Sterlite Grid 20 Limited ("**SGL20**"), due a perceived conflict of interest between SGL20 and the consortium between IndiGrid 1 Limited (a holding company in IndiGrid) and Techno Electric and Engineering Company Ltd to the Request for Quotation issued with respect to a project in Uttar Pradesh. The rejection order stated that the responses were rejected due to a conflict of interest. For more details, see "*Legal and Other Information – Outstanding Litigation and Material Developments*" on page 441. While SGL20 is still contesting the rejection order and the matter is currently pending, there can be no assurance that we will not be rejected or disqualified from participating due to perceived conflicts of interest between us and IIML or IndiGrid in the future.

**57. *Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third-party research agency, CRISIL, to prepare an industry report titled "*CRISIL Research - Indian Power & Transmission Sector*" released in Mumbai in July 2021 for purposes of inclusion of such information in this Draft Red Herring Prospectus. We have also relied on an industry report titled "*Brazil Power Report*" dated June 2021 by Fitch Solutions, and information from this report has been included in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions (including assumptions as to the severity and duration of the COVID-19 pandemic in India and its impact on the power sector) that are subjective in nature and may turn out to be incorrect. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. Further, the CRISIL Report and the Fitch Report provide information in relation to certain peer companies that have been selected. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics or financial parameters (including pertaining to peer companies) in the CRISIL Report and the Fitch Report may be inaccurate or may not be comparable to statistics or financial parameters produced for other economies and should not be unduly relied upon. Further, there is no assurance that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

58. ***We do not own our Registered Office and if our rights over this property is revoked, our business activities may be temporarily disrupted.***

We do not own the premises on which our Registered Office is situated. By a resolution passed on September 21, 2015, STL has consented to our Company's use of the Registered Office. If the consent is revoked, there may be temporary disruption in our operations. We may be unable to locate suitable alternate facilities on favourable terms, or at all, and this may have an adverse effect on our business, results of operations and financial condition.

59. ***Our Statutory Auditor has included certain emphasis of matters in our Consolidated Financial Statements.***

Our Statutory Auditor has included emphasis of matters in its audit reports on our Consolidated Financial Statements (i) for the financial year ended March 31, 2020, (a) describing the impact of COVID-19 pandemic, and its consequential impact on our Company's operations and carrying value of its assets, (b) describing a scheme of amalgamation involving, *inter alia*, our Company and the related accounting treatment of goodwill recognised on account of a merger during the financial year ended March 31, 2016 which is amortised over a period of five years from the appointed date in accordance with the order approved by Honourable Bombay High Court dated April 22, 2016 with effect from an appointed date of April 1, 2015; and (ii) for the financial year ended March 31, 2019, describing a scheme of amalgamation involving, *inter alia*, our Company and the related accounting treatment of goodwill recognised on account of a merger during the financial year ended March 31, 2016 which is amortised over a period of five years from the appointed date in accordance with the order approved by Honourable Bombay High Court dated April 22, 2016 with effect from an appointed date of April 1, 2015. We cannot assure you that our Statutory Auditor's observations for any future financial period will not contain similar remarks, emphasis of matters or modification to the other matters, prescribed under the Companies (Auditors Report) Order, 2016, and will not be included in the auditor's report on our financial statements for the future financial periods and that such matters will not otherwise affect out results of operations.

60. ***Some of our Directors have interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits.***

Some of the Directors may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits. Pravin Agarwal, the Chairman and Non-executive Director and Pratik Pravin Agarwal, the Managing Director, may be deemed to be interested to the extent of Equity Shares held by them, directly or indirectly, in the Company. As on the date of this Draft Red Herring Prospectus, Pravin Agarwal, the Chairman and Non-executive Director holds 1.37% and Pratik Pravin Agarwal, the Managing Director, holds 0.97% of our issued and paid-up Equity Share capital. We cannot assure you that the Directors, if they are also our shareholders, will exercise their rights as shareholders to our benefit and best interest. For further details, see "*Our Management - Interest of Directors*" on page 273.

## **RISKS RELATED TO INDIA**

61. ***We are exposed to risks associated with the power industry in India.***

We derive and expect to continue to derive in the foreseeable future, a significant portion of our revenues and operating profits from India. Changes in macroeconomic conditions generally impact the power industry and could negatively impact our business. Accordingly, our business is highly dependent on the state of development of the Indian economy and the macroeconomic environment prevailing in India. Changes in government policies that favor the development of power generation, including large-scale power projects that generally require increased transmission facilities for evacuating the electricity they generate, may have an adverse impact on demand for transmission facilities. Since the use of our transmission systems, our Solutions business, our expansion plans and future projects depend or will depend on the operation of power generation projects, the financial health of distribution companies ("**DISCOMs**"), macroeconomic factors that may negatively impact demand for electricity or more generally the development of power generation projects in India or the timely commencement of their operations (such as fuel price fluctuations, volatility and other market conditions that may adversely impact power generation projects), could in turn have a material adverse effect on our growth prospects, business and cash flows. For instance, due to the current COVID-19 pandemic, the CERC issued an order, directing amongst others, the reduction in late payment surcharge for payments overdue from DISCOMS. For further details, please see the section entitled "*Risk Factors – The extent to which the recent coronavirus (COVID-19) outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted*" on page 40. In addition, access to financing may be more expensive or not available on commercially acceptable terms during economic downturns. Any of these factors and other factors beyond our control could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**62. *Our performance and growth are dependent on the factors affecting the Indian economy.***

Our performance and the growth are dependent on the performance of the Indian economy, which, in turn, depends on various factors. The Indian economy has been affected by global economic uncertainties, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture and various other macroeconomic factors as well as regulatory changes.

Conditions outside India, such as a slowdown or recession in the economic growth of other major countries and regions, especially in Europe and China, also have an impact on the growth of the Indian economy, and GoI policy may change in response to such conditions. While recent Indian governments have been focused on encouraging private participation in the industrial sector, any adverse change in policy could result in a further slowdown of the Indian economy. GoI corruption, scandals and protests against certain economic reforms have occurred in the past, and could in the future slow the pace of liberalization and deregulation. The rate of economic liberalization could decrease, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. In the power industry, there can be no assurance that the GoI's engagement with and outreach to private sector operators, including us, will continue in the future. A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the power industry, could disrupt business and economic conditions in India generally and our business in particular.

Additionally, an increase in trade deficit or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any downturn in the macroeconomic environment in India could materially and adversely affect the business, prospects, financial condition, results of operations and cash flows.

**63. *Social, economic and political conditions and natural disasters could have a negative effect on our business.***

Our business may be adversely affected by social, economic and political conditions in India and its neighboring countries. Specific risks, such as the following could adversely influence the Indian economy, thereby having a material adverse effect on our business, financial condition, results of operations and cash flows:

- political instability, riots or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion or revolution;
- government interventions, including expropriation or nationalization of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing regulatory regimes;
- underdeveloped industrial and economic infrastructure;
- changes in exchange rates and controls, interest rates, government policies, taxation and economic and political developments;
- changes in policies such as, fiscal and economic policy, industrial policy, direct and indirect taxes and the export-import policy; and
- changes in state-specific regulation and conditions.

Natural disasters such as floods, earthquakes or famines have in the past had a negative impact on the Indian economy. Potential effects may include damage to infrastructure and the loss of business continuity and business information. If our facilities are affected by any of these events, our operations may be significantly interrupted, which could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

**64. *Any downgrading of our or India's debt rating by rating agencies could have a negative impact on our business.***

Any adverse revisions to our or India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Our credit rating is "IND A" with a "stable" outlook (India Ratings & Research). However, our rating was downgraded in March 2020 to "IND BBB" from "IND A-" and placed on "Rating Watch Evolving". Any adverse change in India's credit ratings by international rating agencies, or to our own credit rating, may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely

manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

**65. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares. Any economic downturn or other factors adversely affecting investments in this sector may result in a decrease in the demand for our services and adversely affect our business, results of operations and financial condition.

**66. *If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses. While the escalable component of the tariff is linked to the wholesale price index and consumer price index, there can be no assurance that an increased escalable tariff will sufficiently offset our increased costs due to inflation which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**67. *Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

The Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus have been derived from audited consolidated financial statements and restated in accordance with SEBI ICDR Regulations and Guidance Note on Report in Company Prospectuses (Revised), issued by the Institute of Chartered Accountants in India.

We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Consolidated Summary Statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

**68. *Changing laws, rules and regulations and legal uncertainties including adverse application of tax laws and regulations, may adversely affect our business results of operations, cash flows and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the tax rate (on a gross basis) for Indian companies from 30% to 22% (exclusive of applicable health and education cess and surcharge). There can be no assurance that the central or the state governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations.

The GAAR took effect on April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in the denial of tax benefit, amongst other consequences. Given the recent implementation of GAAR, there can be no assurance as to the manner in which this tax regime will be implemented, which could create uncertainty.

The Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in

significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions turn out to be greater than anticipated, it could affect the profitability of such transactions. The MoEF has issued a draft of the Environment Impact Assessment Notification, 2020, which is yet to be brought into effect.

Additionally, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, 2021, has introduced various amendments to taxation laws in India. As such, there is no certainty on the impact that the Finance Bill, 2021 may have on our business and operations or on the industry in which we operate.

In addition, tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action, including by retrospective legislation, by the governmental or tax authorities, may result in tax risks in the states in which we operate being significantly higher than expected.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. In addition, we may have to incur capital expenditure to comply with the requirements of any new regulations.

**69. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition in India, is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which, directly or indirectly, involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or, directly or indirectly, results in bid-rigging or collusive bidding, is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreements, abusive conduct or combinations occurring outside India if such agreements, conduct or combinations have an appreciable adverse effect on competition in India. However, there can be no assurance as to the impact of the provisions of the Competition Act on the agreements that our Company or our Subsidiaries have entered into. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements they have entered into. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or any prohibition or substantial penalties are levied under the Competition Act. This could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

**70. *Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.***

Our Articles of Association and Indian law govern our corporate affairs. Indian legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions may not be as extensive under Indian law as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a company in another jurisdiction.

## **RISKS RELATED TO BRAZIL**

**71. *Brazil's economy is vulnerable to external and internal shocks, which may have a material adverse effect on Brazil's economic growth and on the liquidity of, and trading markets for, securities.***

In a volatile global context exacerbated by the COVID-19 pandemic, Brazil faces challenges and risks that could affect its economic recovery and, as a result, the results of operations of our business. Brazil's economy is vulnerable to

external shocks, including adverse economic and financial developing levels in other countries and market developments. A significant increase in interest rates in the international financial markets may adversely affect the liquidity of, and trading markets for, securities. In addition, a significant drop in the price of commodities produced by Brazil could adversely affect the Brazilian economy. A significant decline in the economic growth or demand for imports of any of Brazil's major trading partners, such as China, the European Union, the United States or Argentina, could also have a material adverse impact on Brazil's exports and adversely affect Brazil's economic growth.

In addition, because international investors' reactions to the events occurring in one emerging market country sometimes produce a "contagion" effect, in which an entire region or class of investment is disfavored by international investors, Brazil could be adversely affected by negative economic or financial developments in other countries. Brazil has been adversely affected by such contagion effects on a number of occasions, including following the 1997 Asian crisis, the 1998 Russian crisis, the 2001 and 2019 Argentine crisis and the 2008 global economic crisis.

We cannot assure you that any situations like those described above will not negatively affect investor confidence in mature market economies, emerging markets or the economies of the principal countries in Latin America, including Brazil. In addition, we cannot assure you that these events will not adversely affect Brazil's economy.

Brazil's economy is also subject to risks arising from the development of several macroeconomic factors in Brazil. These include general economic and business conditions of the country, the level of consumer demand, the confidence that domestic consumers and foreign investors have in the economic and political conditions in Brazil, present and future exchange rates, the level of domestic debt, domestic inflation, the ability of the Brazil government to generate budget surpluses, the level of foreign direct and portfolio investment, the level of domestic interest rates, the degree of political uncertainty in Brazil.

Any of these events may lead to timely interventions by the Brazilian Government over monetary, credit, foreign exchange and other policies to influence the Brazilian economy. For instance, recently the Central Bank has established through the Monetary Policy Committee (*Comitê de Política Monetária*) the basic rate of interest in order to achieve the inflation goals determined by the National Monetary Council (*Conselho Monetário Nacional*) (the "CMN"). We have no control over, and cannot assume, which other measures or policies the Brazilian Government may take in the future to balance the Brazilian economy.

Our operating conditions have been, and will continue to be, affected by the growth rate of GDP in Brazil, because of the great relation between this variable and the demand for energy. Therefore, any change in the level of economic activity may adversely affect the liquidity of, and the market for, our securities and consequently our financial conditions and the results of our operations.

**72. *The Brazilian federal government has exercised, and continues to exercise, significant influence over the Brazilian economy. Political and economic conditions and investor perception of these conditions can have a direct impact on our business, financial condition, cash flows, results of operations and prospects.***

The Brazilian federal government frequently intervenes in the country's economy and occasionally makes significant changes to monetary, credit, exchange, fiscal, regulatory and other policies to influence Brazil's economy. The Brazilian Government's actions to control inflation have in the past included wage and price controls, depreciation of the real, controls over remittances/repatriation of funds abroad, intervention by the Central Bank to affect base interest rates and other measures.

According to the Brazilian Institute of Geography and Statistics, Brazil's growth rate was 1.8% and 1.9% in 2018 and 2019, respectively, and the economy contracted by 4.1% in 2020. The World Bank forecasts that the economy will grow 3.7% in 2021. We cannot assure investors that Brazil's economy will resume its growth in the future. Another recession could result in a material decrease in Brazil's fiscal revenues, or a significant depreciation of the real over an extended period of time could adversely affect Brazil's debt/Brazilian GDP ratio, which could have a material adverse effect on public finances and on the market price of our securities. The continuation of the current scenario may lead the Brazilian Government to adopt countercyclical policies to attempt to reestablish the country's growth.

Uncontrolled inflation, large exchange variations, social instability and other political, economic and diplomatic events, as well as the Brazilian Government's response to those events, could also negatively affect our business and our strategy. Our business, results of operations, cash flows, and financial condition may be adversely affected by changes in government policies, as well as other factors including, without limitation:

- expansion or contraction of the global or Brazilian economy;
- economic and social instability;
- changes in labour regulations;
- fluctuations in the exchange rate;

- inflation;
- changes in interest rates;
- fiscal policy;
- political elections;
- other political, diplomatic, social and economic developments which may affect Brazil or the international markets;
- liquidity of the domestic markets for capital and loans;
- development of the electricity sector;
- public health, including as a result of epidemics and pandemics, such as the COVID-19 pandemic;
- controls on foreign exchange and restrictions on remittances out of the country; and/or
- limits on international trade.

Uncertainty on whether the Brazilian Government will make changes in policy or regulation that affect these or other factors in the future might contribute to the economic uncertainty in Brazil and to greater volatility of the Brazilian securities markets and the markets for securities issued outside Brazil by companies. Measures by the Brazilian Government to maintain economic stability, actions taken or not by the Brazilian Government in response to crises or situations of social or economic instability, such as the COVID-19 pandemic, and also speculation on any future acts of the Brazilian Government, might generate uncertainties in the Brazilian economy, and increase the volatility of the domestic capital markets, adversely affecting our business, results of operations, cash flows and financial condition. We have no control over and cannot predict what measures or policies the Brazilian Government may take in the future.

**73. *Political instability may adversely affect the Brazilian economy as well as our business, results of operations and the trading price of the notes.***

The Brazilian political environment has historically influenced and continues to influence the Brazilian economy as well as the trust of the investors and the general public, resulting in economic slowdowns and price volatility for securities issued by Brazilian companies.

In particular, there has been increased volatility and lack of liquidity in the trading price of securities issued or guaranteed by Brazilian companies due to uncertainty generated by ongoing investigations by the Brazilian Federal Police and the Brazilian Federal Prosecutor's Office. These investigations have affected Brazil's economic and political environment. Some members of the Brazilian government and National Congress, as well as executives from major public and private companies, are facing corruption charges for reportedly accepting bribes in exchange for government concession agreements with companies in the infrastructure, oil, gas and construction industries, among others.

The potential outcome of these and other investigations remains uncertain. There can be no assurance that these ongoing investigations will not lead to further political and economic instability, or whether new allegations against government officials and executives and/or private companies will emerge in the future.

Furthermore, in October 2018, elections were held in Brazil for federal and state deputies, two thirds of senators, governors and the President of Brazil, for terms beginning in January 2019. Following a disputed presidential election, Congressman Jair Bolsonaro took office as the president of Brazil on January 1, 2019. It is not clear whether and for how long the political polarization that arose during these elections will remain under the presidency of Mr. Bolsonaro and the effects that any such polarization will have on his ability to govern Brazil and implement reforms that require congressional approval.

The fragmentation of power in the Brazilian Congress and the number of political parties that exist in Brazil demand considerable effort from any interested stakeholder, including the President to obtain the required support to pass reforms and new legislation. Among the reforms that require Legislative approval are administrative, tax and public security reforms, which are yet to be implemented. The failure to implement the reforms could significantly reduce overall investment in the economy and job creation, with an impact on the Brazilian securities market and us.

Political polarization could result in political stalemate and unrest as well as massive demonstrations and/or strikes that could adversely affect our results of operations. Uncertainties regarding the Legislative and Executive government's implementation of changes in monetary, fiscal and social security policies, as well as the relevant legislation, may contribute to economic instability. These uncertainties and new measures may increase the volatility and lack of liquidity for securities issued by Brazilian companies.



The President of Brazil has the power to establish policies and perform governmental acts related to the performance of the Brazilian economy and, consequently, adversely affect our results of operations and financial condition.

As of the date of this Draft Red Herring Prospectus, President Bolsonaro is being investigated by the Brazilian Supreme Court for improper conduct following allegations brought forward by the former Minister of Justice, Mr. Sergio Moro. According to Mr. Moro, the President Bolsonaro allegedly attempted to influence the appointment of members of the Brazilian federal police for his own benefit and that of his family. If the investigation determines that President Bolsonaro improperly interfered with the appointments, any resulting consequences, including a potential impeachment proceeding or trial by the Brazilian Supreme Court, may have material adverse effects on the political and economic environment in Brazil and Brazilian companies, including us. As this and other investigation develops, political instability in Brazil has intensified and may continue to destabilize the Brazilian political and economic environment.

Moreover, Brazilian President Bolsonaro has been criticized both in Brazil and internationally, and the destabilizing effects of the COVID-19 pandemic have increased political uncertainty and instability in Brazil, particularly after the departure of several high-level federal ministers and allegations of corruption, and the pursuit of investigations, against President Bolsonaro.

In addition, there can be no assurance that President Bolsonaro will succeed in passing the reforms promised in his campaign nor as to which policies he will adopt or whether such policies or changes to current policies will have an adverse effect on the Brazilian economy or on us.

**74. *The stability of the Brazilian real is affected by its relationship with the U.S. dollar, inflation and Brazilian Government policy regarding exchange rates. Our business could be adversely affected by any recurrence of volatility affecting our foreign currency-linked receivables and obligations.***

Our investments in Brazil are unhedged and subject to the risk of exchange fluctuations of the Brazilian real against the U.S. dollar.

In the past, the Brazilian Government implemented several economic plans, using different exchange control mechanisms to control the large volatility of the Brazilian currency. After a 5-year period of exchange rate stability that ended in 1999, the real returned to volatility against the U.S. dollar during the global financial crisis of 2008, in 2014 and 2015 and more recently in the middle of 2017. During 2015, the *real* depreciated by 32%, ending the year at an exchange rate of R\$3.9048 per U.S.\$1.00. During 2016, the *real* appreciated by 20%, ending the year at an exchange rate of R\$3.2591 per U.S.\$1.00. During 2017, the *real* depreciated by 1.5%, ending the year at an exchange rate of R\$3.3080 per U.S.\$1.00. During 2018, the *real* further depreciated by 14.6%, ending the year at an exchange rate of R\$3.8748 per U.S.\$1.00. During 2019, the *real* appreciated by 3.7%, ending the year at an exchange rate of R\$4.0190 per U.S.\$1.00. During 2020, the *real* further appreciated by 29.2%, ending the year at an exchange rate of R\$5.1942 per U.S.\$1.00. As of June 30, 2021, the exchange rate is R\$5.0022 per U.S.\$1.00 (*Source: Central Bank of Brazil*). There is no guarantee that the *real* will not depreciate, or appreciate, in relation to the U.S. dollar in the future.

Because of the volatility and the uncertainty of the factors that impact the exchange rate, it is difficult to predict future movements in the exchange rate. In addition, the Brazilian Government may change its foreign currency policy. Any governmental interference, or the implementation of exchange control mechanisms or remittance of debt, could influence the exchange rate and the investments in the country. The different exchange rate scenarios may have adverse effects on us as they may affect the value of our receivables from Brazil, which are denominated in U.S. dollars, as well as any of our indebtedness denominated in U.S. dollars.

**75. *Inflation, and the Brazilian Government's measures to curb inflation, including by increasing interest rates, may further contribute significantly to economic uncertainty in Brazil and materially adversely impact our operating results.***

The Brazilian government's measures to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby limiting the availability of credit and reducing economic growth. Inflation, actions to combat inflation and public speculation about possible additional actions have also contributed materially to economic uncertainty in Brazil in the past and to heightened volatility in the Brazilian securities markets. More recently, inflation rates were 4.52% in 2020, 4.31% in 2019, 3.75% in 2018, 2.95% in 2017, 6.29% in 2016, 10.67% in 2015, 6.41% in 2014, 5.91% in 2013 and 5.84% in 2012, as measured by the IPCA.

While the current inflation rate is at historical lows for the past number of years, Brazil may experience high levels of inflation in the future. The Brazilian Government may introduce policies to reduce inflationary pressures, including by increasing interest rates, which could have the effect of reducing the overall performance of the Brazilian economy. Although, interest rates in Brazil have dropped sharply over the last years, with the Special System for Settlement and Custody (*Sistema Especial de Liquidação e Custódia*), or SELIC rate, established by the Central Bank, having dropped

from 14.25% as of December 2015 to 2.00% as of December 2020, recently the Central Bank has started to raise the SELIC rate again. As of the date of this Draft Red Herring Prospectus, the SELIC rate was 5.25%. Some of these policies may have an effect on our ability to access foreign capital or reduce our ability to execute our future business and management plans.

The Brazilian Government's measures to control inflation have often included maintaining a tight monetary policy with high real interest rates. These policies have contributed to limiting the size and attractiveness of the local debt markets, requiring borrowers like us to seek additional foreign currency funding in the international capital markets. To the extent that there is economic uncertainty in Brazil, which weakens our ability to obtain external financing on favorable terms, the local Brazilian market may be insufficient to meet our financing needs, which in turn may materially adversely affect us.

**76. *Changes in tax or accounting laws, tax incentives and benefits or differing interpretations of tax or accounting laws may adversely affect our results of operations.***

The Brazilian tax authorities have frequently implemented changes to tax regimes that may affect us and ultimately the demand of our customers for the products we sell. These measures include changes in prevailing tax rates and enactment of taxes, both temporary and permanent. Some of these changes may increase our tax burden, which may increase the prices we charge for the products we sell, restrict our ability to do business in our existing markets and, therefore, materially adversely affect our profitability. There can be no assurance that we will be able to maintain our projected cash flow and profitability following any increases in Brazilian taxes that apply to us and our operations. In addition, we currently receive certain tax benefits. There can be no assurance that these benefits will be maintained or renewed. Also, given the current Brazilian political and economic environment, there can be no assurance that the tax benefits we receive will not be judicially challenged as unconstitutional. If we are unable to renew our tax benefits, such benefits may be modified, limited, suspended, or revoked, which may adversely affect us. Moreover, certain tax laws may be subject to controversial interpretation by tax authorities. In the event that tax authorities interpret tax laws in a manner that is inconsistent with our interpretations, we may be adversely affected. Additionally, changes in accounting policies as a result of the adoption of new standards under IFRS may lead to incomparability of financial statements or to potential adverse effects on our financial results. A comprehensive tax reform which includes changes in the value-added taxation and corporate income taxation ("**IRPJ**" and "**CSLL**") has been in the government's agenda and is being intensively discussed in Brazil. This reform is expected to be implemented during the current administration (2019-2023), although it also depends on the negotiation with the Brazilian Congress.

## **RISKS RELATED TO THE BRAZILIAN POWER INDUSTRY**

**77. *Construction, expansion and operation of our electricity transmission facilities and equipment involve significant risks that could lead to lost revenues or increased expenses.***

The construction, expansion, and operation of facilities for the transmission of electricity involve many risks, including:

- the difficulty to obtain required governmental permits and approvals;
- the unavailability of equipment;
- supply interruptions;
- work stoppages;
- labour and social unrest;
- interruptions by weather and hydrological conditions;
- unforeseen engineering and environmental problems;
- construction delays, or unanticipated cost overruns;
- the unavailability of adequate funding;
- forest fire or extreme environmental stresses in the route of the lines that causes interruption in power transmission;
- expenses related to the operation and maintenance not fully approved by ANEEL and on the transmission segment expenses related to the operation and maintenance pursuant to the ANEEL legislation regarding

variable revenue (PV) and Minimum Maintenance Requirements (PMM); and

- closures or temporary stoppages at our facilities for transmission of electricity as a result of the COVID-19 outbreak.

If we experience any of these or other unforeseen risks, we may not be able to commission the projects on time and within projected cost and we may face heavy fines or other regulatory penalties, which may have a material adverse effect on our business, prospects, cash flows, financial condition and results of our operations.

**78. *We may be subject to administrative intervention or lose our concessions if we provide our services in an inadequate manner or violate contractual obligations.***

Law No. 12,767/12 permits ANEEL to intervene in electric power concessions considered part of the public service in order to guarantee adequate levels of service as well as compliance with the terms and conditions under the concession contract, regulations and other relevant legal obligations.

If ANEEL were to intervene in concessions as part of an administrative procedure, we would have to present a recovery plan to correct any violations and failures that gave rise to the intervention. Should the recovery plan be dismissed or not presented within the timelines stipulated by the regulations, ANEEL may, among other things, recommend to the MME the expropriation and the concession loss, reallocate our assets or adopt measures which may alter our shareholding structure, including in relation to possible changes in the shareholding control of the companies involved.

If the holders of our concessions are subject to an administrative intervention, our Company and our subsidiaries may be subject to an internal reorganization in accordance with the recovery plan presented by management, which may adversely affect us. In addition, should the recovery plan be rejected by the administrative authorities, ANEEL would be able to use its powers described above.

As of June 30, 2021, we believe that we were in compliance with all the terms and conditions with respect to substantially all of our operational assets in Brazil. However, we cannot guarantee that we will not be penalized by ANEEL for a future violation of our concession contracts or that our concession contracts will not be terminated in the future, which could have an adverse impact on our financial condition and the results of our operations.

**79. *Our transmission activities are regulated and supervised by ANEEL. Our business could be adversely affected by any regulatory changes or by termination of the concessions prior to their expiration dates, and any indemnity payments for the early terminations may be less than the full amount of our investments.***

Pursuant to Brazilian law, ANEEL has the authority to regulate and supervise the generation and transmission activities of energy concessionaires, including investments, additional expenses, tariffs and the passing of costs to customers, among other matters. Regulatory changes in the energy sector are hard to predict and may have a material adverse impact on our financial condition and the results of our operations.

Concessions may be terminated early through expropriation, forfeiture, or mandatory transfer of control by the concessionaire. Granting authorities may expropriate concessions in the interest of the public as expressly provided for by law, in which case granting authorities carry out the service during the concession period. A granting authority may declare the forfeiture of concessions after ANEEL or the MME conduct an administrative procedure and declare that the concessionaire (a) did not provide proper service for more than 30 consecutive days and did not present any acceptable alternative to ANEEL or to the ONS, or failed to comply with the applicable law or regulation; (b) lost the technical, financial or economic conditions required to provide the service properly; and/or (c) did not make payment in respect of fines charged by the granting authority. Law No. 13,360/16 sets forth that the concessionaire can submit a change of control plan as an alternative to the termination of the concessions.

Penalties are set forth in ANEEL Resolution No. 63/04, and include warnings, substantial fines (in certain cases up to 2.0% of the revenue for the fiscal year immediately preceding the evaluation), restrictions on the concessionaire's operations, intervention or termination of the concession. Such resolution was recently changed by ANEEL Resolution No. 846/19 which, among other modifications, introduced new penalties, made the existing penalties more severe, made it possible to extend restrictions either to participate in public auctions or to obtain further concessions, permissions and authorizations to other companies in the same economic group.

Accordingly, in relation to the regulatory issues, we may contest any expropriation or forfeiture and will be entitled to receive compensation for our investments in expropriated assets that have not been fully amortized or depreciated. However, the indemnity payments may not be sufficient to fully recover our investments. In these cases, the results of our operations and our financial condition may be adversely affected.

Regarding the extended generation concessions based on MP 579/12, Chesf, Eletronorte and Furnas filed requests with ANEEL claiming supplementary indemnity based on Decree 7,850/12. ANEEL opened in January 2019 Public

Hearing No. 03/2019 to improve the regulation of calculation criteria and procedures for the calculation of investments in reversible assets not amortized or depreciated from generation concessions extended or not, in accordance with Law No. 12,783/13. This public hearing has not yet been concluded, and the proposed regulatory adjustment may compromise the receipt of claims.

Public consultations and discussions for a new regulatory framework and modernization of the energy sector are underway. Some of the topics considered by these public discussions are: (1) measures to reduce litigation related to the Generation Scaling Factor – GSF and the Reallocation of Energy Mechanism (*Mecanismo de Realocação de Energia* – MRE); (2) the introduction of a capacity market; (3) the reduction of subsidies; and (4) the exclusion of the quota allocation mechanism.

On October 29, 2019, a working group established by the MME to modernize the energy sector released a report on modernization measures that should be adopted or studied. These measures include pricing, market opening, coverage and energy separation, implementation of new technologies, enhancement of MRE, sustainability of transmission. Public consultations were held within the scope of this process which are relevant to our business, such as Public Consultation MME 85/2019, which proposes changes to the physical guarantee review of hydroelectric and thermal plants, proposing the exclusion of the physical guarantee reduction limits and the annual review thereof. The implementation of any of these regulatory changes could materially adversely affect our financial condition and results of operations.

**80. *Failures in our information technology systems, information security systems and telecommunications systems may materially adversely impact our results of operations, financial condition, and reputation.***

Our operations are heavily dependent on information technology and telecommunication systems and services. Interruptions in these systems, caused by obsolescence, technical failures intentional acts or discontinuity in the implementation, maintenance and evolution of technological solutions can disrupt or even paralyze our business in Brazil and adversely impact our operations and reputation. In addition, security failures related to sensitive information due to intentional or unintentional actions, such as cyberterrorism, or internal actions, including negligence or misconduct of our employees, may have a negative impact on our reputation, our relationship with external entities (government, regulators, partners and suppliers, among others), our strategic positioning with relation to our competitors, and our results of operations, due to the leakage of information or unauthorized use of such information.

We are aware that the costs we may incur to eliminate or address any security vulnerabilities before or after a cyber-incident could be significant. We also understand that we are responsible, as provided in the Brazilian General Law of the Protection of Data (*Lei Geral de Proteção de Dados* - LGPD), for any improper handling of personal data. Our remediation efforts may not be successful and could result in interruptions, delays or cessation of services that may impede our critical functions. Any material costs that we incur as a result of failures in our information technology systems, information security systems and telecommunications systems may materially adversely impact our results of operations, financial condition and reputation.

**81. *We are subject to strict environmental laws and regulations that may become more stringent in the future and may result in increased liabilities and increased capital expenditures.***

Our operations are subject to comprehensive federal, state, and local environmental legislation as well as supervision by agencies of the Brazilian Government that are responsible for the implementation of such laws. Among other things, these laws require us to obtain environmental licenses for the construction and operation of new facilities or the installation and operation of new equipment required for our business. The rules about these subjects are complex and may be changed over time, making the ability to comply with the requirements more difficult or even impossible, thereby precluding our continuing, present or future generation, transmission operations.

Legislation related to the environmental licensing is currently under review, with the proposed changes being discussed and examined by the Brazilian Congress. We cannot fully anticipate the impact on us caused by the potential approval of any changes to such legislation by the Brazilian Congress.

The failure to comply with these environmental laws and regulations can result in administrative and criminal penalties, irrespective of the recovery of damages or indemnification payments for irreversible damages in the context of civil proceedings. Administrative penalties may include summons, fines, temporary or permanent bans, the suspension of subsidies by public bodies and the temporary or permanent shutdown of commercial activities. With regard to criminal liability, individual transgressors are subject to the following criminal sanctions: (i) custodial sentence—imprisonment or confinement; (ii) temporary interdiction of rights; and (iii) fines. The sanctions imposed on legal entities are: (a) temporary interdiction of rights; (b) fines; and (c) rendering of services to the community. The penalties relating to the temporary interdiction of rights applicable to legal entities can correspond to the partial or total interruption of activities, the temporary shutdown of establishment, construction work or activity and the prohibition of contracting with governmental authorities and obtaining governmental subsidies, incentives or donations.

In addition, the failure to comply with environmental laws and regulations can cause damage to our reputation and image.

**82. *Given the nature of our operations, we are subject to risks related to human rights violations.***

In the performance of our core activities, whether in the construction or operational phase, as well as in our administrative activities and partnerships with suppliers and other agents, we may be indirectly connected to human rights violations due to factors such as: (i) logistical challenge to monitor and due diligence our wide range of suppliers and partners; (ii) direct and indirect operations taking place in areas of political instability, socioeconomic vulnerability and lack of robust social security and human rights protections; (iii) projects that may involve the delicate process of relocating local communities; (iv) interactions with vulnerable groups around our operations; and (v) corporate demographic profile and organizational culture that do not emphasize diversity and equality.

Even though we seek to be in compliance with the regulations and best practices in relation to human rights, we may not be able to avoid certain financial and reputational impacts derived from indirect human rights violations. Acts or perceived violations of human rights could materially negatively impact our business, prospects, financial condition and results of operations.

**RISKS RELATING TO THE ISSUE AND INVESTMENTS IN OUR EQUITY SHARES**

**83. *After the Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.***

There has been no public market for the Equity Shares prior to the Issue and an active trading market for the Equity Shares may not develop or be sustained after the Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to the Issue. The price of the Equity Shares may fluctuate after the Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian and Brazilian power sector, changing perceptions in the market about investments in the Indian or Brazilian power sector, adverse media reports on us or the Indian or Brazilian power sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's or Brazil's fiscal regulations.

In addition, if stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares might also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business, financial condition or operating results.

**84. *Any future issuance of our Equity Shares may dilute prospective investors' shareholding, and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares.***

We may be required to finance our future growth and business requirements through additional securities offerings. Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans or sales of our Equity Shares by the Promoters or any of our significant shareholders, or any perception by investors that such issuances or sales might occur, may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares.

**85. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020 ("**Finance Act**"), has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**") will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and

accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or in the industry we operate in.

**86. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. RIBs can revise or withdraw their Bids during the Bid/Issue Period. While our Company is required to complete Allotment pursuant to the Issue within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**87. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process and may not be indicative of prices that will prevail in the open market following the Issue. This price will be determined on the basis of applicable law and various other factors, as described in the section "*Basis for Issue Price*" on page 111.

The market price of the Equity Shares may be influenced by many factors, which are beyond our control. The Indian securities markets are smaller and more volatile than securities markets in more developed economies. In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. The Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares. As a result, investors may not be able to resell their Equity Shares at or above the Issue Price and may experience a decrease in the value of the Equity Shares. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance.

**88. *It may not be possible for investors to enforce any judgment obtained outside India against us, the BRLMs or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

The enforcement of civil liabilities by overseas investors in the Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that the Company is incorporated under the laws of the Republic of India and the majority of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Company and any of these persons outside of India or to enforce outside of India, judgments obtained against the Company and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that a certified copy of a decree of any superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country that is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

**89. *You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the NSE and BSE. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and before trading in the Equity Shares may commence. Investors can begin trading the Equity Shares Allotted to them only after they have been credited to an investors' 'demat' account, become listed and are permitted to trade. Investors will be subject to market risk from the date they pay for the Equity Shares to the date when Equity Shares Allotted are listed and permitted to trade. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There can be no assurance that the Equity Shares Allotted to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**90. *The requirements of being a listed company may strain our resources.***

As the Equity Shares are not listed, we have not been subject to the increased scrutiny by shareholders, regulators and the public that is associated with an equity listed company. Pursuant to listing, we will incur significant legal, accounting, corporate governance and other expenses. We will be subject to the provisions of the SEBI Listing Regulations and the listing agreements to be executed with the Stock Exchanges with respect to the listing of Equity Shares, which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. In the event of experiencing any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Ensuring improvement in procedures for internal control over financial reporting and effective disclosure control will require our attention. As a result, our management's attention may be diverted from other business concerns which would impact our business and operations. We may need to hire additional legal and

accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner. Additionally, we cannot ensure that we will be able to fulfil the requirements of an equity listed company in a timely manner.

**91. *You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.***

Under the Companies Act, 2013, a public company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without us filing an offering document or a registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in us would be reduced.

**92. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of our Equity Shares between nonresidents and residents and issuances of shares to non-residents by us are freely permitted (subject to certain exceptions), subject to compliance with FEMA and FEMA NDI Rules including pricing guidelines and reporting requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the Indian income tax authorities. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realising gains during periods of price increase or limiting losses during periods of price decline.

**93. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.***

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.



## SECTION III: INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Issue <sup>(1)(2)</sup>	Up to [●] Equity Shares aggregating up to ₹ 12,500.00 million
<i>The Issue consists of:</i>	
(i) Employee Reservation Portion <sup>(3)</sup>	Up to [●] Equity Shares, aggregating up to ₹ [●] million
(ii) Net Issue	Up to [●] Equity Shares, aggregating up to ₹ [●] million
<i>The Net Issue consists of:</i>	
A) QIB Portion <sup>(4)(5)</sup>	Not less than [●] Equity Shares
<i>of which:</i>	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion) <sup>(4)</sup>	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion <sup>(5)</sup>	Not more than [●] Equity Shares
C) Retail Portion <sup>(4)(5)</sup>	Not more than [●] Equity Shares
<b>Pre-Issue and post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	61,181,902 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
<b>Utilisation of Net Proceeds</b>	
Please refer to the section entitled “ <i>Objects of the Issue</i> ” on page 106 for details regarding the use of proceeds from the Issue.	

1. A Pre-IPO Placement may be undertaken by our Company, in consultation with the Book Running Lead Managers, of up to [●] Equity Shares for cash consideration aggregating up to ₹ 2,200.00 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to the minimum issue size constituting at least [●]% of the post-issue paid-up Equity Share capital of our Company.
2. The Issue has been authorised by our Board pursuant to resolution passed on July 2, 2021 and by our Shareholders pursuant to special resolution passed on August 1, 2021.
3. The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000, however, an Eligible Employee may submit a Bid for a maximum Bid Amount of ₹500,000 under the Employee Reservation Portion. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Issue. The Employee Reservation Portion shall not exceed 5% of our post-Issue paid-up Equity Share capital. For further details, please see the section entitled “*Issue Structure*” on page 472.
4. Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Lead Managers and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Issue, Equity Shares shall be allocated in the manner specified in the section entitled “*Terms of the Issue*” on page 468.
5. Our Company may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Post allocation to the Anchor Investors, the QIB Category will be reduced by such number of Equity Shares. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. For further details, please see the section entitled “*Issue Procedure*” on page 475, respectively.

The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. For further details, please see the section entitled “*Issue Procedure*” on page 475. For details of the terms of the Issue, please see the section entitled “*Terms of the Issue*” on page 468.

## **SUMMARY OF FINANCIAL INFORMATION**

*The summary financial information presented below should be read in conjunction with the sections entitled “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 295 and 405, respectively.*

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## RESTATED CONSOLIDATED SUMMARY BALANCE SHEET

(All amounts in ₹ million unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10,878.60	19,820.56	14,104.43
Capital work-in-progress	14,932.90	25,220.05	28,915.24
Goodwill	-	-	601.85
Other intangible assets	443.79	480.58	129.16
Intangible assets under development	-	65.53	225.05
Investment in associates and joint venture	59.73	47.81	8.26
Financial assets			
i. Investments	1,406.48	120.83	112.45
ii. Trade receivables	-	-	-
iii. Other financial assets	1,675.86	636.16	76.09
Income tax asset (net)	940.67	872.04	82.94
Deferred tax assets (net)	1,313.74	1,475.77	2,882.92
Other non-current assets	2,173.78	7,298.49	12,452.10
Assets classified as held for sale	-	21.01	129.55
<b>Total non-current assets</b>	<b>33,825.55</b>	<b>56,058.83</b>	<b>59,720.04</b>
<b>Current assets</b>			
Inventories	3,087.83	3,922.79	1,992.03
Financial assets			
i. Investments	9.07	299.40	802.25
ii. Trade receivables	6,230.12	5,539.54	6,911.57
iii. Cash and cash equivalents	6,711.19	2,946.34	4,264.43
iv. Other bank balances	3,041.43	8,022.89	554.28
v. Loans	302.53	282.84	260.65
vi. Other financial assets	1,824.04	2,010.62	966.75
Other current assets	5,376.41	5,048.31	5,229.70
Assets classified as held for sale	7,134.52	7,325.63	41,970.04
<b>Total current assets</b>	<b>33,717.14</b>	<b>35,398.36</b>	<b>62,951.70</b>
<b>TOTAL ASSETS</b>	<b>67,542.69</b>	<b>91,457.19</b>	<b>122,671.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	122.36	122.36	122.36
Other equity			
i. Securities premium	4,536.80	4,536.80	4,536.80
ii. Retained earnings	4,378.88	(5,626.61)	(10,407.06)
iii. Other reserves	1,934.32	1,577.86	(1,008.87)
<b>Total equity</b>	<b>10,972.36</b>	<b>610.41</b>	<b>(6,756.77)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	19,275.95	39,563.09	47,066.42
ii. Other financial liabilities	-	-	45.89
Provisions	-	680.00	278.83
Employee benefit obligations	76.67	74.96	94.08
Deferred tax liabilities (net)	541.14	1,207.91	174.52
Other non-current liabilities	3,194.86	89.62	-
<b>Total non-current liabilities</b>	<b>23,088.62</b>	<b>41,615.58</b>	<b>47,659.74</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	7,798.55	13,769.43	11,241.98
ii. Trade payables	6,234.40	7,797.83	8,341.70
iii. Other financial liabilities	11,126.75	24,534.01	16,076.18
Employee benefit obligations	98.18	76.52	47.63
Other current liabilities	3,127.84	2,136.70	2,797.49
Current tax liabilities (net)	484.48	916.71	147.42
Liabilities directly associated with assets classified as held for sale	4,611.51	-	43,116.37

(All amounts in ₹ million unless otherwise stated)

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Total current liabilities</b>	<b>33,481.71</b>	<b>49,231.20</b>	<b>81,768.77</b>
<b>Total liabilities</b>	<b>56,570.33</b>	<b>90,846.78</b>	<b>129,428.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,542.69</b>	<b>91,457.19</b>	<b>122,671.74</b>

## RESTATED CONSOLIDATED SUMMARY PROFIT AND LOSS STATEMENT

(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue from operations	20,923.91	30,043.19	35,550.06
Other income	17,245.68	21,539.97	164.54
<b>Total income</b>	<b>38,169.59</b>	<b>51,583.16</b>	<b>35,714.60</b>
<b>EXPENSES</b>			
Cost of raw material and components consumed	8,075.52	10,360.19	13,271.57
Construction material and contract expense	4,437.61	9,061.15	11,104.87
Purchase of traded goods	591.19	1,896.40	137.38
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	1,280.05	(1,514.94)	(264.15)
Employee benefits expense	2,301.34	2,445.68	1,654.85
Depreciation and amortisation expense	984.59	1,740.74	2,035.70
Impairment of property, plant and equipment (including capital work in progress)	-	669.40	1,873.65
Finance costs	5,735.34	7,646.54	6,034.65
Finance income	(379.78)	(300.34)	(185.00)
Other expenses	4,506.71	5,278.40	5,213.79
Reversal of impairment of investment	(954.98)	-	-
<b>Total expenses</b>	<b>26,577.59</b>	<b>37,283.22</b>	<b>40,877.31</b>
<b>Restated profit/(loss) before share of profit of associates and joint venture, tax expense and exceptional items</b>	<b>11,592.00</b>	<b>14,299.94</b>	<b>(5,162.71)</b>
<b>Share of profit of associates and joint venture</b>	<b>5.75</b>	<b>8.74</b>	<b>325.99</b>
<b>Restated profit/(loss) before exceptional items and tax</b>	<b>11,597.75</b>	<b>14,308.68</b>	<b>(4,836.72)</b>
<b>Exceptional item</b>	<b>-</b>	<b>925.87</b>	<b>-</b>
<b>Restated profit/(loss) before tax</b>	<b>11,597.75</b>	<b>13,382.81</b>	<b>(4,836.72)</b>
<b>Tax expense:</b>			
Current tax	2,789.22	2,157.44	1,198.92
Less: MAT credit entitlement	-	-	(154.23)
Adjustment of tax relating to earlier periods	75.71	(684.11)	(21.50)
Deferred tax charge/(credit)	31.58	2,479.75	(611.96)
<b>Income tax expense</b>	<b>2,896.51</b>	<b>3,953.08</b>	<b>411.23</b>
<b>Restated profit/(loss) for the year</b>	<b>8,701.24</b>	<b>9,429.73</b>	<b>(5,247.95)</b>
<b>Restated other comprehensive income</b>			
<b>Restated other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Exchange differences on translating the financial statements of foreign operations	(654.05)	(1,519.82)	(523.67)
Income tax effect	-	-	183.25
	<b>(654.05)</b>	<b>(1,519.82)</b>	<b>(340.42)</b>
Net movement on effective portion of cash flow hedges	2,416.44	(3,497.46)	(475.83)
Income tax effect	(237.63)	105.66	(131.16)
	<b>2,178.81</b>	<b>(3,391.80)</b>	<b>(606.99)</b>
<b>Restated net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>1,524.76</b>	<b>(4,911.62)</b>	<b>(947.41)</b>

(All amounts in ₹ million unless otherwise stated)

<b>Particulars</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
<b>Restated other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement loss on defined benefit plans	(4.55)	(1.09)	(8.68)
Income tax effect	1.15	0.31	0.68
<b>Restated net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>(3.40)</b>	<b>(0.78)</b>	<b>(8.00)</b>
<b>Restated other comprehensive income for the year</b>	<b>1,521.36</b>	<b>(4,912.40)</b>	<b>(955.41)</b>
<b>Restated total comprehensive income for the year</b>	<b>10,222.60</b>	<b>4,517.33</b>	<b>(6,203.36)</b>
<b>Restated earnings/(loss) per equity share</b>			
<b>Basic and diluted</b>			
Computed on the basis of restated profit/(loss) for the year (Rs.)	142.22	154.13	(85.78)

## RESTATED SUMMARY OF CASH FLOW

(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>			
Restated net profit/(loss) as per consolidated statement of profit and loss	8,701.24	9,429.73	(5,247.95)
Adjustment for taxation	2,896.51	3,953.08	411.23
<b>Restated profit/(loss) before tax</b>	<b>11,597.75</b>	<b>13,382.81</b>	<b>(4,836.72)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows :			
- Depreciation and amortisation expense	984.59	1,740.74	2,035.70
- Provision for doubtful debts and advances	97.64	94.72	41.71
- Profit/(loss) on sale of property, plant and equipment, (net)	(1.86)	(5.74)	43.77
- Loss on sale of stake in subsidiary (loss of control)	-	38.51	-
- Insurance claim written off	-	4.31	65.44
- Unrealized exchange difference (net)	112.05	(194.52)	519.32
- Impairment of property, plant and equipment (including capital work in progress)	-	669.40	1,873.65
- Provision for estimated loss on a contract/ provision for onerous contracts (net of reversal)	-	406.65	278.83
- Bad debts / advances written off	-	23.80	0.61
- Indemnification expenses incurred under share purchase agreement	72.88	-	-
- Profit on sale of investment in units of India Grid Trust	(213.92)	-	-
- Impairment/ (reversal of impairment) of investment	(954.98)	-	624.27
- Write down related to assets held for sale	670.24	-	-
- Income on investment in India Grid Trust	(537.73)	(957.82)	-
- Share in profit of associates and joint venture	(5.75)	(8.74)	(325.99)
Finance costs	5,735.34	7,646.54	6,034.65
Finance income	(379.78)	(300.34)	(185.00)
Net gain on sale of power transmission assets	(15,397.27)	(20,535.16)	(156.72)
Consideration received from India Grid Trust on sale of power transmission assets in earlier years	(1,047.29)	-	-
	<b>(10,865.84)</b>	<b>(11,377.65)</b>	<b>10,850.24</b>
<b>Operating profit before working capital changes</b>	<b>731.91</b>	<b>2,005.16</b>	<b>6,013.53</b>
Movements in working capital :			
Increase/(decrease) in trade payables	(1,527.07)	353.66	981.17
Increase/(decrease) in employee benefit obligation	18.71	8.67	31.45
Increase/(decrease) in other liabilities	8,707.89	(1,156.00)	(2.83)
Increase/(decrease) in other financial liabilities	2,232.50	1,283.07	(1,272.56)
(Increase)/decrease in trade receivables	(1,906.08)	650.67	1,364.44
(Increase)/decrease in inventories	834.95	(1,896.00)	101.46
(Increase)/decrease in other financial assets	(1,729.04)	(706.61)	(195.95)
(Increase)/decrease in other assets	1,468.62	(6,319.52)	(12,071.52)
Change in working capital	8,100.48	(7,782.06)	(11,064.34)
<b>Cash generated from/(used in) operations</b>	<b>8,832.39</b>	<b>(5,776.90)</b>	<b>(5,050.81)</b>
Direct taxes paid (net of refunds)	(3,299.31)	(1,493.87)	(1,157.01)
<b>Net cash flow from/(used in) operating activities</b>	<b>5,533.08</b>	<b>(7,270.77)</b>	<b>(6,207.82)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	(17,104.17)	(12,192.83)	(19,220.98)
Proceeds from sale of property, plant and equipment	4.84	20.32	22.49
Cash flow from/of sale/purchase of investments, net	290.33	(701.25)	(1,594.65)
Investment in units of India Grid Trust	-	(2,289.77)	(119.06)
Proceeds from sale of power transmission assets	25,071.08	24,283.08	-
Proceeds from sale of units of India Grid Trust	8,299.09	-	-
Investment in bank deposits, net	3,906.29	(7,468.62)	(239.82)

(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Income on investment in India Grid Trust	537.73	957.82	-
Payment for indemnification expenses as per share purchase agreement	(42.95)	-	-
Loans given to related parties	-	(23.79)	(71.68)
Investment in joint venture	(1,010.48)	-	-
Loans repayment received	-	-	2.30
Interest received	383.36	232.36	800.14
Dividend received	-	32.68	58.74
<b>Net cash flow from/(used in) investing activities</b>	<b>20,335.12</b>	<b>2,850.00</b>	<b>(20,362.52)</b>
<b>C. Cash flow from financing activities</b>			
Advance from Sterlite Interlinks Limited	-	6,200.00	-
Repayment of advance from Sterlite Interlink Limited	(6,200.00)	-	-
Proceeds of long term borrowings	31,120.37	26,846.78	71,368.45
Repayment of long term borrowings	(37,446.15)	(12,543.43)	(34,293.40)
Proceeds/(repayment) of short term borrowings (net)	148.63	(3,530.51)	2,043.69
Repayment of lease obligation	(107.42)	(120.78)	(95.13)
Finance costs paid	(8,556.96)	(8,740.69)	(8,994.51)
<b>Net cash flow from/(used in) financing activities</b>	<b>(21,041.53)</b>	<b>8,111.37</b>	<b>30,029.10</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,826.67</b>	<b>3,690.60</b>	<b>3,458.76</b>
<b>Cash and cash equivalents as at beginning of year</b>	<b>2,946.34</b>	<b>4,264.43</b>	<b>959.91</b>
Cash and cash equivalents on disposal of subsidiaries in power transmission and infrastructure business	(1,061.82)	(5,008.69)	(154.24)
<b>Cash and cash equivalents as at year end</b>	<b>6,711.19</b>	<b>2,946.34</b>	<b>4,264.43</b>



## GENERAL INFORMATION

Our Company was incorporated as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated May 5, 2015, issued by the Registrar of Companies, Gujarat at Ahmedabad. The registered office of our Company was shifted from Silvassa, Dadra and Nagar Haveli to Pune, Maharashtra and a certificate of registration of Regional Director order for change of state was issued to us by the RoC on October 3, 2015.

For details in relation to the changes in the registered office of our Company, please see the section entitled “*History and Certain Corporate Matters*” on page 227.

**Corporate Identity Number:** U74120PN2015PLC156643

**Company Registration Number:** 156643

### Registered Office of our Company

4<sup>th</sup> Floor, Godrej Millennium,  
9 Koregaon Road  
Pune 411 001  
Maharashtra

### Corporate Office of our Company

F-1, The Mira Corporate Suites  
1 & 2, Ishwar Nagar, Mathura Road  
New Delhi 110 065

### Address of the Registrar of Companies

Our Company is registered with the RoC, situated at the following address:

The Registrar of Companies, Maharashtra at Pune  
PCNTDA Green Building  
Block A, 1<sup>st</sup> & 2<sup>nd</sup> Floor  
Near Akurdi Railway Station, Akurdi  
Pune 411 044, Maharashtra

### Board of Directors of our Company

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Pravin Agarwal	Chairman and Non-executive Director	00022096	117, North Main Road Lane No. 4, Koregaon Park, Pune 411 001
Pratik Pravin Agarwal	Managing Director	03040062	403-A, 3 <sup>rd</sup> Floor, Samudra Mahal, Dr. A. B. Road, Worli, Mumbai 400 018
Alampallam Ramakrishnan Narayanaswamy	Independent Director	00818169	A-12, Archana CHS, Juhu Versova Link Road, Near JVPD Bus Stop, Azad Nagar, Andheri (W), Mumbai 400 053
Zhao Haixia	Independent Director	08560321	House 21, St. Thomas Walk #17-23, Singapore 238145
Anoop Seth	Independent Director	00239653	220A, Hamilton Court, DLF City, Phase-4, Gurgaon 122 009, Haryana

For further details of our Directors, please see the section entitled “*Our Management*” on page 269.

### Filing

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI’s online portal and emailed at cfddil@sebi.gov.in in accordance with the instructions issued by SEBI on March 27, 2020, in relation to “Easing of Operational Procedure –Division of Issues and Listing –CFD”.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the Registrar of Companies at its office located at the Registrar of Companies, Maharashtra at Pune, PCNTDA Green Building, Block A, 1<sup>st</sup> & 2<sup>nd</sup> Floor, Near Akurdi Railway Station, Akurdi, Pune 411 044, Maharashtra.

## **Company Secretary and Compliance Officer**

Ashok Ganesan is our Company Secretary and Compliance Officer. His contact details are set forth below:

### **Ashok Ganesan**

Company Secretary and Compliance Officer  
F-1, The Mira Corporate Suites  
1 & 2, Ishwar Nagar, Mathura Road  
New Delhi 110 065  
Tel: +91 11 4996 2200  
E-mail: ashok.ganesan@sterlite.com

## **Lead Managers**

### **Axis Capital Limited**

1<sup>st</sup> Floor, Axis House  
C 2 Wadia International Centre  
Pandurang Budhkar Marg, Worli  
Mumbai 400 025  
Maharashtra, India  
Tel.: +91 22 4325 2183  
E-mail: sptl.ipo@axiscap.in  
Investor Grievance E-mail: complaints@axiscap.in  
Website: www.axiscapital.co.in  
Contact Person: Simran Gadh/Akash Aggarwal  
SEBI Registration No.: INM000012029

### **ICICI Securities Limited**

ICICI Centre, H.T. Parekh Marg  
Churchgate  
Mumbai 400 020  
Maharashtra, India  
Tel: +91 22 2288 2460  
E-mail: sterlitepower.ipo@icicisecurities.com  
Investor grievance E-mail: customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Sumit Singh / Shekher Asnani  
SEBI Registration No.: INM000011179

### **JM Financial Limited**

7<sup>th</sup> Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India  
Tel: +91 22 6630 3030  
E-mail: sterlite.ipo@jmfl.com  
Investor Grievance E-mail: grievance.ibd@jmfl.com  
Website: www.jmfl.com  
Contact Person: Prachee Dhuri  
SEBI Registration No.: INM000010361

## **Legal Advisors to the Issue**

### ***Legal Counsel to our Company as to Indian Law***

#### **Cyril Amarchand Mangaldas**

5<sup>th</sup> Floor, Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013  
Maharashtra, India  
Tel: +91 22 2496 4455

### ***Legal Counsel to the Lead Managers as to Indian Law***

#### **Shardul Amarchand Mangaldas & Co**

24<sup>th</sup> Floor, Express Towers  
Nariman Point  
Mumbai 400 021  
Maharashtra, India  
Tel: +91 22 4933 5555

### ***International Legal Counsel to the Lead Managers as to International Law***

#### **Clifford Chance Pte Ltd**

Marina Bay Financial Centre  
25<sup>th</sup> Floor, Tower 3,  
12 Marina Boulevard,  
Singapore 018982.  
Tel: +65 6410 2200

## **Registrar to the Issue**

### **KFin Technologies Private Limited**

*(formerly known as "Karvy Fintech Private Limited")*

Selenium, Tower B

Plot No- 31 and 32, Financial District

Nanakramguda, Serilingampally

Hyderabad, Rangareddi 500 032

Telangana, India

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Website: [www.kfintech.com](http://www.kfintech.com)

Contact Person: M. Murali Krishna

SEBI Registration No.: INR000000221

CIN: U72400TG2017PTC117649

## **Statutory Auditors to our Company**

### **S R B C & CO LLP, Chartered Accountants**

101, Ground Floor

C wing, Panchshil Tech park

Yerwada

Pune 411016

Tel: +91 22 49126000

E-mail: [srbc.co@srb.in](mailto:srbc.co@srb.in)

Peer Review number: 012054

Firm Registration number: 324982E/E300003

## **Changes in Auditors**

There has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

## **Bankers to the Issue**

### ***Escrow Collection Bank(s)***

[•]

### ***Refund Bank(s)***

[•]

### ***Public Issue Bank(s)***

[•]

### ***Sponsor Bank***

[•]

## **Bankers to our Company**

### **Axis Bank Limited**

Axis Bank Limited, Corporate Banking Branch

Plot No. 25, 3<sup>rd</sup> Floor

Pusa Road, Karol Bagh

New Delhi 110 005

Tel: +91 99716 98355

Website: [www.axisbank.com](http://www.axisbank.com)

Contact Person: Geetu Kalra

### **ICICI Bank Limited**

ICICI Bank Towers, Bandra-Kurla Complex

Bandra East

Mumbai 400 051

Tel: +91 7738064908, +91 9136990670

Website: <https://www.icicibank.com/>

Email: [anish.na@icicibank.com](mailto:anish.na@icicibank.com), [singh.richa@icicibank.com](mailto:singh.richa@icicibank.com)

Contact Person: Anish Nair, Richa Singh

**IDBI Bank Limited**  
Mid Corporate Group  
Pride House, Ground Floor  
Ganesh Khind, University Road  
Shivajinager, Pune 411 016  
Tel: +91 2555 7234  
Website: www.idbi.com  
E-mail: n.subrahmanyam@idbi.co.in  
Contact Person: Shri N. Suubrahmanyam

**Export-Import Bank of India**  
Centre One Building, Floor 21  
World Trade Centre Complex  
Cuff Parade  
Mumbai 400 005  
Tel: +91 20 2640 3100  
Website: www.eximbankindia.in  
E-mail: eximpro@eximbankindia.in  
Contact Person: Ms. Chitra Raste

### Syndicate Members

[•]

### Inter-se Allocation of Responsibilities among the Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Lead Managers:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Axis, Isec and JM	Axis
2.	Due diligence of Company including its operations / management / business plans / legal etc., drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Issue Agreement, Syndicate and Underwriting Agreements and RoC filing	Axis, Isec and JM	Axis
3.	Drafting and approval of all statutory advertisements	Axis, Isec and JM	Axis
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures, etc. and filing of media compliance report	Axis, Isec and JM	JM
5.	Appointment of intermediaries - Registrar to the Offer, Advertising Agency, Printers, Sponsor Bank, Banker(s) to the Issue, Monitoring Agency and any other intermediaries (including coordination of all agreements)	Axis, Isec and JM	Isec
6.	Preparation of road show presentation for the road show team	Axis, Isec and JM	Isec
7.	Preparation of FAQs for the road show team	Axis, Isec and JM	JM
8.	International institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• Institutional marketing strategy</li> <li>• Finalising the list and division of international investors for one-to-one meetings</li> <li>• Finalising international road show and investor meeting schedules</li> </ul>	Axis, Isec and JM	Isec
9.	Domestic institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• Finalising the list and division of domestic investors for one-to-one meetings</li> <li>• Finalising domestic road show and investor meeting schedules</li> </ul>	Axis, Isec and JM	Axis
10.	Retail marketing and non-institutional marketing strategy for the Issue, which will cover, <i>inter-alia</i> : <ul style="list-style-type: none"> <li>• Finalising media, marketing, public relations strategy and publicity budget</li> <li>• Finalising collection centres</li> <li>• Finalising centres for holding conferences for brokers etc.</li> <li>• Follow-up on distribution of publicity and Issue material including form, RHP/Prospectus and deciding on the quantum of the Issue material</li> </ul>	Axis, Isec and JM	JM
11.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, deposit of 1% security deposit with the designated stock exchange managing Anchor book related activities, including anchor CAN and intimation of anchor allocation	Axis, Isec and JM	Isec
12.	Managing the book and finalization of pricing in consultation with Company	Axis, Isec and JM	Isec
13.	Post-Issue activities – management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Issue stationery, essential follow-up steps including follow-up with Sponsor Bank, Bankers to the Issue and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity, listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, etc., underwriting arrangements, as applicable, coordination for investor complaints related to the Issue, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	Axis, Isec and JM	JM

## **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

## **Monitoring Agency**

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations.

## **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency, apart from in the ordinary course of business.

## **Credit Rating**

As this is an Issue of Equity Shares, credit rating is not required.

## **Trustees**

As this is an Issue of Equity Shares, the appointment of trustees is not required.

## **Green Shoe Option**

No green shoe option is contemplated under the Issue.

## **Designated Intermediaries**

### **Self-Certified Syndicate Banks**

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

### **SCSBs and mobile applications enabled for UPI Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

### **Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> as updated from time to time.

### **Registered Brokers**

Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/> and [https://www.nseindia.com](https://www.nseindia.com/), as updated from time to time.

## Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

## Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

## Expert to the Issue

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 16, 2021 from S R B C & CO LLP, Chartered Accountants, to include their name as required under Section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated August 7, 2021 on our Restated Consolidated Summary Statements; and (ii) their report dated August 16, 2021 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has also received written consent dated August 16, 2021, from KNPS and Associates, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in relation to the with respect to the certificates and letters issued by them in relation to the Issue.

## Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company in consultation with the Lead Managers, and which will either be included in the Red Herring Prospectus or will be advertised in all editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English daily newspapers, Hindi daily newspapers and Marathi daily newspapers, Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the Lead Managers after the Bid/Issue Closing Date. For details, please see the section entitled “*Issue Procedure*” on page 475.

**All Bidders (other than Anchor Investors) shall participate in this Issue mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.**

**In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.**

For further details, please see the section entitled “*Terms of the Issue*” “*Issue Structure*” and “*Issue Procedure*” on pages 468, 472 and 475, respectively.

**The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.**

## Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement will be dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)*

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after pricing of the Issue and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/IPO Committee, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(in ₹, except share data)

	Aggregate value at face value	Aggregate value at Issue Price
<b>A AUTHORISED SHARE CAPITAL<sup>(1)</sup></b>		
6,380,000,000 Equity Shares of face value of ₹ 2 each	12,760,000,000	
470,000,000 Optionally Convertible Redeemable Preference Shares of face value of ₹ 10 each	4,700,000,000	
36,400,000 Redeemable Preference Shares of face value of ₹ 2 each	72,800,000	
<b>B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
61,181,902 Equity Shares <sup>(2)</sup>	122,363,804	[●]
<b>C PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>		
Fresh issue of up to [●] Equity Shares <sup>(2)(3)</sup>	Aggregating up to 12,500,000,000	[●]
<i>Which includes:</i>		
Employee Reservation Portion of up to [●] Equity Shares <sup>(4)</sup>	[●]	[●]
Net Issue of up to [●] Equity Shares	[●]	[●]
<b>D ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE</b>		
[●] Equity Shares	[●]	[●]
<b>E SECURITIES PREMIUM ACCOUNT</b>		
Before the Issue		4,536.80 million
After the Issue		[●] million

- For details in relation to the changes in the authorised share capital of our Company since our incorporation, please see the section entitled "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 227.
- A Pre-IPO Placement may be undertaken by our Company, in consultation with the Book Running Lead Managers, of up to [●] Equity Shares for cash consideration aggregating up to ₹ 2,200.00 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to the minimum issue size constituting at least [●]% of the post-issue paid-up Equity Share capital of our Company.
- The Issue has been authorised by a resolution of our Board of Directors at their meeting held on July 2, 2021, and a special resolution passed by our Shareholders on August 1, 2021.
- Our Company, in consultation with the Lead Managers, may offer an Employee Discount of ₹ [●] per Equity Share, which shall be announced at least two Working Days prior to the Bid/Issue Opening Date.

### Notes to the Capital Structure

#### (i) Share capital history of our Company

- (a) The history of the Equity Share capital of our Company is set forth below:

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
May 5, 2015	50,000	10	10	Initial subscription to the Memorandum of Association <sup>(1)</sup>	Cash	50,000	500,000
July 7, 2015	Pursuant to the resolutions passed by our Board of Directors on May 18, 2015 and our Shareholders on July 7, 2015, our Company sub-divided each of its equity shares of the face value ₹ 10 each into 5 equity shares of face value ₹ 2 each. Therefore, the cumulative number of issued, subscribed and paid-up equity shares of the Company pursuant to sub-division was 250,000 equity shares of face value of ₹ 2 each.						
May 23, 2016	Pursuant to the Demerger Scheme, 250,000 Equity Shares of ₹ 2 each, held by Sterlite Technologies Limited stood cancelled, extinguished, annulled. Therefore, the cumulative number of issued, subscribed and paid-up equity shares was 61,181,902 equity shares of face value of ₹ 2 each and the cumulative paid-up equity share capital was ₹ 122,363,804 <sup>(2)</sup> .						
August 22, 2016	61,181,902	2	Not Applicable	Allotment pursuant to the	Other than Cash	61,181,902	122,863,804



Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
				Demerger Scheme <sup>(3)</sup>			

1. Allotment of 49,994 equity shares to Sterlite Technologies Limited and 1 equity share each to Pravin Agarwal, Anand Agarwal, Anupam Krishna Jindal, Navin Sharma, Mrunal Vasant Dixit and Swapnil Prakash Patil, as nominees of Sterlite Technologies Limited pursuant to subscription to the Memorandum of Association and pursuant to the resolution of our Board dated July 21, 2015.
2. For further details in relation to the Demerger Scheme, please see the section entitled "History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., since the date of incorporation - Scheme of arrangement between Sterlite Technologies Limited, our Company and their respective shareholders as sanctioned by the High Court of Bombay by way of its order dated April 22, 2016" on page 231.
3. Allotment of 61,181,902 equity shares to 108,272 eligible members of Sterlite Technologies Limited as on the record date of June 16, 2016. For further details in relation to the Demerger Scheme, please see the section entitled "History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., since the date of incorporation - Scheme of arrangement between Sterlite Technologies Limited, our Company and their respective shareholders as sanctioned by the High Court of Bombay by way of its order dated April 22, 2016" on page 231.

(b) The history of the Preference Share capital of our Company is set forth below:

Date of allotment of Preference Shares	Number of Preference Shares allotted	Face value per Preference Share (in ₹)	Issue price per Preference Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Preference Shares	Cumulative paid-up preference share capital (in ₹)
August 22, 2016	17,900,190	2	Not Applicable	Other than cash	Allotment pursuant to the Demerger Scheme <sup>(1)</sup>	17,900,190 <sup>(2)</sup>	35,800,380 <sup>(2)</sup>
December 28, 2017	18,000,000	2	2	Cash	Private Placement <sup>(3)</sup>	18,000,000 <sup>(4)</sup>	36,000,000 <sup>(4)</sup>

1. Allotment of 17,900,190 non-convertible cumulative redeemable Preference Shares to the 8,886 eligible members of Sterlite Technologies Limited. For further details in relation to the Demerger Scheme, please see the section entitled "History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., since the date of incorporation - Scheme of arrangement between Sterlite Technologies Limited, our Company and their respective shareholders as sanctioned by the High Court of Bombay by way of its order dated April 22, 2016" on page 231.
2. The Preference Shares have been redeemed by our Company on December 29, 2017 pursuant to the resolution passed by our Board of Directors dated December 27, 2017.
3. Allotment of 18,000,000 non-cumulative, non-convertible redeemable Preference Shares to Clix Capital Services Private Limited for a tenure of three years from the date of allotment.
4. The Preference Shares have been redeemed by our Company on December 31, 2020 subsequent to the date of maturity of the Preference Shares.

(ii) Our Company does not have any outstanding preference shares as on the date of this Draft Red Herring Prospectus.

(iii) **Equity Shares and Preference Shares issued through bonus issue or for consideration other than cash or out of revaluation reserves**

Except for the allotment of Equity Shares and Preference Shares each on August 22, 2016, pursuant to the Demerger Scheme, details of which are set forth below, our Company has not issued Equity Shares and Preference Shares for consideration other than cash, on the date of this Draft Red Herring Prospectus.

Date of allotment of equity shares	Number of shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Reasons for the Issue	Nature of consideration	Persons to whom issued	Benefits accrued to the Company, if any
August 22, 2016	61,181,902 equity shares	2	Not Applicable	Allotment pursuant to the Demerger Scheme <sup>(1)</sup>	Other than Cash	108,272 eligible members of STL	The power products and transmission grid business of STL

Date of allotment of equity shares	Number of shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Reasons for the Issue	Nature of consideration	Persons to whom issued	Benefits accrued to the Company, if any
							was demerged and transferred to our Company
August 22, 2016	17,900,190 preference shares	2	Not Applicable	Allotment pursuant to the Demerger Scheme <sup>(1)</sup>	Other than Cash	8,886 eligible members of STL	The power products and transmission grid business of STL was demerged and transferred to our Company

1. For further details in relation to the Demerger Scheme, please see the section entitled "History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., since the date of incorporation - Scheme of arrangement between Sterlite Technologies Limited, our Company and their respective shareholders as sanctioned by the High Court of Bombay by way of its order dated April 22, 2016" on page 231.

Our Company has not issued any shares out of revaluation reserves since incorporation.

**(iv) Issue of Equity Shares and Preference Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013**

Except for the allotment of 61,181,902 Equity Shares and 17,900,190 Preference Shares bearing face value of ₹ 2 each on August 22, 2016, pursuant to the Demerger Scheme, details of which are set forth in the section entitled "Capital structure – Notes to the Capital Structure – Share Capital History of our Company" on page 89, our Company has not allotted any Equity Shares or Preference Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

**(v) Issue of Equity Shares under employee stock option schemes**

Our Company has not issued any Equity Shares under employee stock option schemes.

**(vi) Equity Shares issued in the preceding one year below the Issue Price**

Our Company has not issued any Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

(vii) Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company, as on the Friday prior to the date of this Draft Red Herring Prospectus (being, August 13, 2021)\*:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Classes e.g.: Others	Total								
(A)	Promoter and Promoter Group	5	45,533,851	0	0	45,533,851	74.43	45,533,851	0			0		-	-	0	0	45,533,851
(B)	Public	105,717	15,648,051	0	0	15,648,051	25.57	15,648,051	0			0				121347	0.19	14,579,143
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>105,722</b>	<b>61,181,902</b>	<b>0</b>	<b>0</b>	<b>61,181,902</b>	<b>100.00</b>	<b>61,181,902</b>	<b>0</b>	<b>61,181,902</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>121347</b>	<b>0.19</b>	<b>60,112,994</b>

\*Please note that due to the large number of shareholders of the Company, the shareholding pattern above is dated as of as on the Friday prior to the date of this Draft Red Herring Prospectus

(viii) **Details of equity shareholding of the major shareholders of our Company:**

1. Set forth below is a list of shareholders who hold 80% (in aggregate) of the paid-up Equity Share capital of our Company, as on the Friday prior to the date of this Draft Red Herring Prospectus (being, August 13, 2021):

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
1.	Twin Star Overseas Limited	43,670,398	71.38
2.	Vedanta Limited	952,859	1.56
3.	Pravin Agarwal	836,105	1.37
4.	Pratik Pravin Agarwal	594,364	0.97
5.	Ankit Agarwal	316,168	0.52
6.	Dilipkumar Lakhi Karuna Lakhi	119,399	0.20
7.	Dadra Eximp Private Limited	118,538	0.19
8.	Sonakshi Agarwal	101,748	0.17
9.	Mahendra Patwari	90,228	0.15
10.	Dadra Eximp Private Limited	87,577	0.14
11.	Dileep Madgavkar Anasuya Madgavkar	78,800	0.13
12.	Growfast Securities And Credit Limited	70,454	0.12
13.	Sushil Patwari	75,387	0.12
14.	Krishan Gupta Geeta Krishan Gupta	75,000	0.12
15.	Girdharilal Seksaria	65,400	0.11
16.	Satish Patwari	63,621	0.10
17.	Navin Kumar Agarwal	57,389	0.09
18.	Ripunjay Aggarwal	55,000	0.09
19.	Nagreeka Fabrics Private Limited	46,536	0.08
20.	Chirag Dilipkumar Lakhi Dilipkumar Vishindas Lakhi	49,746	0.08
21.	Arvind H Sanghvi	44,807	0.07
22.	Shaarav Pratik Agarwal	44,524	0.07
23.	Reyansh Pratik Agarwal	44,524	0.07
24.	S.Ganesh Janaki Ganesh	40,717	0.07
25.	Anjan Mehra	40,087	0.07
26.	Ishwarlal Satish Kumar	33,812	0.06
27.	Yogesh Rasiklal Doshi	34,913	0.06
28.	United India Insurance Company Limited	31,185	0.05
29.	Nagreeka Capital And Infrastructure Ltd	32,826	0.05
30.	Shri Parasram Holdings Pvt Ltd	32,758	0.05
31.	Jasbirsingh Gobindsingh Dhawda	29,421	0.05
32.	Sharmila Parasa	29,002	0.05
33.	Divyanshu Aggarwal	29,000	0.05
34.	Ishwarlal Mahendra Kumar	25,988	0.04
35.	Ganesh Kumar Patwari And Sons (Huf)	21,924	0.04
36.	Rishikumar Bagla	25,000	0.04
37.	Jivrajani Neetaben R	23,376	0.04
38.	Ramesh C Jain Chandra R Jain	23,000	0.04
39.	Vijay Vasudev Chhabria Vasudev Gurmukhdas Chhabria	22,201	0.04
40.	3 A Financial Services Ltd	21,169	0.03
41.	Siddhesh Capital Market Services Pvt Ltd	20,088	0.03
42.	Piano Forte Fiduciary Services Private Limited	19,900	0.03
43.	Suman Didwania	17,100	0.03
44.	Usha Patwari	20,738	0.03
45.	Kanchanbai C Jain Ramesh C Jain	20,200	0.03
46.	Shyama Devi Rathi	20,000	0.03
47.	Manish Lakhi Girdharilal Lakhi	20,000	0.03
48.	Chaitanya Joshi Vanashree Joshi	20,000	0.03
49.	Rahul Patwari	19,020	0.03

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
50.	Aditya Aggarwal	18,500	0.03
51.	Suhelkumar Kantikumar Deoda Sunanda Suhelkumar Deoda	17,400	0.03
52.	Surendra C Jain Ramesh C Jain	17,200	0.03
53.	Dhawda Baljinderkaur Jاسبيرسنگ	16,000	0.03
54.	Anita Patwari	15,753	0.03
55.	Mahesh Patwari	15,481	0.03
56.	Jاسبيرسنگ Dhawda	13,792	0.02
57.	Satish Kumar Gupta (Huf)	13,000	0.02
58.	Narendrakumar Mahavirprasad Ruia	10,600	0.02
59.	Rajendra Mahavirprasad Ruia	10,600	0.02
60.	Dvankarr Infotech Private Limited	13,000	0.02
61.	Bhajjee Portfolio Limited	12,720	0.02
62.	Maheshwari Share And Stock Brokers Pvt. Ltd.	10,999	0.02
63.	Kk Securities Limited	10,200	0.02
64.	Nirankar Advisor Llp	10,000	0.02
65.	Sidhant Credit Capital Limited	10,000	0.02
66.	Shri Parasram Industries Pvt. Ltd.	10,000	0.02
67.	Central Bank Of India	12,000	0.02
68.	Sneha Basant Sundesha Basant Fulchand Sundesha	14,000	0.02
69.	Bhadram Janhit Shalika	15,272	0.02
70.	Vandana Manish Doshi Manish Umed Doshi	15,000	0.02
71.	Gobindsingh Dhawda	15,000	0.02
72.	Aditya Mittal	15,000	0.02
73.	Puneet Mahendra Sharma	13,100	0.02
74.	Krishendu Oza	13,040	0.02
75.	Siddharth Singhania	13,000	0.02
76.	Balwant Singh Kishan Singh Khatri	12,898	0.02
77.	Namrata Singhania	12,000	0.02
78.	Payal Girdharlal	11,108	0.02
79.	Gopal Jha Neeta Jha	11,000	0.02
80.	Arun Kumar Ashkaran	10,800	0.02
81.	P Vivek Chandra	10,600	0.02
82.	Rohit Behal	10,500	0.02
83.	Shah Pradip Padamshi Shah Rashmi Pradip	10,479	0.02
84.	Sushil Patwari	10,400	0.02
85.	Kewal Kumar Vohra Sudesh Vohra	10,167	0.02
86.	Arjun Juneja	10,099	0.02
87.	Vasudeo Rajendra Deshpabhu	10,060	0.02
88.	Satish Kumar Gupta	10,000	0.02
89.	Kaushalya Garg	10,000	0.02
90.	Vipulkumar Anopchand Shah Mangala Gauri Anopchand Shah	10,000	0.02
91.	Ashwin Prakash Kedia Nidhi Ashwin Kedia	10,000	0.02
92.	Jyoti Agarwal	10,000	0.02
93.	Sunil Patwari	9,789	0.02
94.	Arup Majumdar Bithi Majumdar	9,531	0.02
95.	Ram H. Bachani Pushpa R. Bachani	9,500	0.02
96.	Neha Aggarwal	9,400	0.02
	<b>Total</b>	<b>48,900,985</b>	<b>80.00</b>

Note:

- (1) As on the Friday prior to the date of this Draft Red Herring Prospectus prior to the date of this Draft Red Herring Prospectus, 424,877 Equity Shares of the Company (amounting to 0.69% of the Equity Share Capital) were deposited in the Sterlite Technologies Limited – Unclaimed Suspense Account and had not been allotted to any shareholder.
- (2) Please note that due to the large number of shareholders of the Company, the shareholding pattern above is dated as of as on the Friday prior to the date of this Draft Red Herring Prospectus.

2. Set forth below is a list of shareholders who hold 80% (in aggregate) of the paid-up Equity Share capital of our Company as on August 6, 2021 (being the day 10 days prior to the date of this Draft Red Herring Prospectus):

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
1.	Twin Star Overseas Limited	43,670,398	71.38
2.	Vedanta Limited	952,859	1.56
3.	Pravin Agarwal	836,105	1.37
4.	Pratik Pravin Agarwal	594,364	0.97
5.	Ankit Agarwal	316,168	0.52
6.	Dilipkumar Lakhi Karuna Lakhi	119,399	0.20
7.	Dadra Eximp Private Limited	118,538	0.19
8.	Sonakshi Agarwal	101,748	0.17
9.	Mahendra Patwari	90,228	0.15
10.	Dadra Eximp Private Limited	87,577	0.14
11.	Dileep Madgavkar Anasuya Madgavkar	78,800	0.13
12.	Sushil Patwari	75,387	0.12
13.	Krishan Gupta Geeta Krishan Gupta	75,000	0.12
14.	Growfast Securities And Credit Limited	64,814	0.11
15.	Girdharilal Seksaria	65,400	0.11
16.	Satish Patwari	63,621	0.10
17.	Navin Kumar Agarwal	57,389	0.09
18.	Ripunjay Aggarwal	55,000	0.09
19.	Nagreeka Fabrics Private Limited	46,536	0.08
20.	Chirag Dilipkumar Lakhi Dilipkumar Vishindas Lakhi	49,746	0.08
21.	Bhajjee Portfolio Limited	42,720	0.07
22.	Shaarav Pratik Agarwal	44,524	0.07
23.	Reyansh Pratik Agarwal	44,524	0.07
24.	Arvind H Sanghvi	44,807	0.07
25.	S.Ganesh Janaki Ganesh	40,717	0.07
26.	Anjan Mehra	40,087	0.07
27.	Ishwarlal Satish Kumar	33,812	0.06
28.	United India Insurance Company Limited	31,185	0.05
29.	Nagreeka Capital And Infrastructure Ltd	32,826	0.05
30.	Shri Parasram Holdings Pvt Ltd	31,673	0.05
31.	Jasbirsingh Gobindsingh Dhawda	29,421	0.05
32.	Sharmila Parasa	29,002	0.05
33.	Divyanshu Aggarwal	29,000	0.05
34.	Ishwarlal Mahendra Kumar	25,988	0.04
35.	Ganesh Kumar Patwari And Sons (Huf)	21,924	0.04
36.	Yogesh Rasiklal Doshi	25,563	0.04
37.	Rishikumar Bagla	25,000	0.04
38.	Jivrajani Neetaben R	23,376	0.04
39.	Ramesh C Jain Chandra R Jain	23,000	0.04
40.	Vijay Vasudev Chhabria Vasudev Gurmukhdas Chhabria	22,201	0.04
41.	Siddhesh Capital Market Services Pvt Ltd	20,088	0.03
42.	Piano Forte Fiduciary Services Private Limited	19,900	0.03
43.	3 A Financial Services Ltd	17,132	0.03
44.	Usha Patwari	20,738	0.03
45.	Kanchanbai C Jain Ramesh C Jain	20,200	0.03
46.	Shyama Devi Rathi	20,000	0.03
47.	Manish Lakhi Girdharilal Lakhi	20,000	0.03
48.	Chaitanya Joshi Vanashree Joshi	20,000	0.03
49.	Rahul Patwari	19,020	0.03
50.	Aditya Aggarwal	18,500	0.03

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
51.	Suhelkumar Kantikumar Deoda Sunanda Suhelkumar Deoda	17,400	0.03
52.	Surendra C Jain Ramesh C Jain	17,200	0.03
53.	Suman Didwania	17,100	0.03
54.	Dhawda Baljinderkaur Jashirsingh	16,000	0.03
55.	Anita Patwari	15,753	0.03
56.	Mahesh Patwari	15,481	0.03
57.	Narendrakumar Mahavirprasad Ruia	10,600	0.02
58.	Rajendra Mahavirprasad Ruia	10,600	0.02
59.	Dvankarr Infotech Private Limited	13,000	0.02
60.	Maheshwari Share And Stock Brokers Pvt. Ltd.	10,999	0.02
61.	Kk Securities Limited	10,200	0.02
62.	Nirankar Advisor Llp	10,000	0.02
63.	Sidhant Credit Capital Limited	10,000	0.02
64.	Shri Parasram Industries Pvt. Ltd.	10,000	0.02
65.	Central Bank Of India	12,000	0.02
66.	Sneha Basant Sundesha Basant Fulchand Sundesha	14,000	0.02
67.	Jyoti Agarwal	10,000	0.02
68.	Bhadram Janhit Shalika	15,272	0.02
69.	Vandana Manish Doshi Manish Umed Doshi	15,000	0.02
70.	Aditya Mittal	15,000	0.02
71.	Puneet Mahendra Sharma	13,100	0.02
72.	Krishendu Oza	13,040	0.02
73.	Siddharth Singhania	13,000	0.02
74.	Balwant Singh Kishan Singh Khatri	12,898	0.02
75.	Neha Aggarwal	12,400	0.02
76.	Namrata Singhania	12,000	0.02
77.	Payal Girdharlal	11,108	0.02
78.	Gopal Jha Neeta Jha	11,000	0.02
79.	Arun Kumar Ashkaran	10,800	0.02
80.	P Vivek Chandra	10,600	0.02
81.	Shah Pradip Padamshi Shah Rashmi Pradip	10,479	0.02
82.	Sushil Patwari	10,400	0.02
83.	Kewal Kumar Vohra Sudesh Vohra	10,167	0.02
84.	Arjun Juneja	10,099	0.02
85.	Vasudeo Rajendra Deshpabhu	10,060	0.02
86.	Vipulkumar Anopchand Shah Mangala Gauri Anopchand Shah	10,000	0.02
87.	Ashwin Prakash Kedia Nidhi Ashwin Kedia	10,000	0.02
88.	Sunil Patwari	9,789	0.02
89.	Arup Majumdar Bithi Majumdar	9,531	0.02
90.	Ram H. Bachani Pushpa R. Bachani	9,500	0.02
91.	Gobindsingh Dhawda	9,500	0.02
92.	Jashirsingh Dhawda	9,035	0.01
93.	B. R. Nahar And Sons Huf (Huf)	8,617	0.01
94.	Arms Securities Pvt Ltd	8,573	0.01
95.	Paramatrix Info Solutions Pvt Ltd	8,500	0.01
96.	Bachh Raj Nahar	9,000	0.01
97.	Sunil Chandak	9,000	0.01
98.	Meenal D Roopchand	9,000	0.01
99.	Sunita Kantilal Vardhan Kantilal Mishrimalji Vardhan	8,802	0.01
	<b>Total</b>	<b>48,921,608</b>	<b>80.00</b>

Note:

- (1) As of 10 days prior to the date of this Draft Red Herring Prospectus, 424,877 Equity Shares of the Company (amounting to 0.69% of the Equity Share Capital) were deposited in the Sterlite Technologies Limited – Unclaimed Suspense Account and had not been allotted to any shareholder.
- (2) Please note that due to the large number of shareholders of the Company, the shareholding pattern above is dated as of the immediately preceding Friday to the day 10 days prior to the date of this Draft Red Herring Prospectus.

3. Set forth below is a list of shareholders who hold 80% (in aggregate) of the paid-up Equity Share capital of our Company, as on August 14, 2020 (being the immediately preceding Friday to the day one year prior to the date of this Draft Red Herring Prospectus):

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
1)	Twin Star Overseas Limited	43,670,398	71.38
2)	Vedanta Limited	952,859	1.56
3)	Pravin Agarwal	836,105	1.37
4)	Pratik Pravin Agarwal	542,864	0.89
5)	Ankit Agarwal	316,168	0.52
6)	Yogesh Rasiklal Doshi	160,085	0.26
7)	Dadra Eximp Private Limited	147,577	0.24
8)	Dilipkumar Lakhi Karuna Lakhi	119,399	0.20
9)	Dadra Eximp Private Limited	118,538	0.19
10)	Anand Gopaldas Agarwal Shalini Agarwal	93,704	0.15
11)	Sonakshi Agarwal	93,248	0.15
12)	Mahendra Patwari	90,228	0.15
13)	Krishan Gupta Geeta Krishan Gupta	88,500	0.14
14)	Dileep Madgavkar Anasuya Madgavkar	78,800	0.13
15)	Sushil Patwari	75,387	0.12
16)	Girdharilal Seksaria	65,400	0.11
17)	Satish Patwari	63,621	0.10
18)	Navin Kumar Agarwal	57,389	0.09
19)	Chirag Dilipkumar Lakhi Dilipkumar Vishindas Lakhi	49,746	0.08
20)	Nagreeka Fabrics Private Limited	46,536	0.08
21)	Babulal Poonamchand Sanghvi Arvind Hajarimal Sanghvi	44,807	0.07
22)	Reyansh Pratik Agarwal	44,524	0.07
23)	Shaarav Pratik Agarwal	44,524	0.07
24)	Mahendrakumar K Shah Anilla M Shah	43,200	0.07
25)	S.Ganesh Janaki Ganesh	40,717	0.07
26)	Anjan Mehra	40,087	0.07
27)	Ishwarlal Satish Kumar	33,812	0.06
28)	Suprapti Finvest Pvt Ltd	33,500	0.05
29)	United India Insurance Company Limited	31,185	0.05
30)	Nagreeka Capital And Infrastructure Limited	30,626	0.05
31)	Kiran Talakshi Chheda	30,000	0.05
32)	Jasbirsingh Gobindsingh Dhawda	29,421	0.05
33)	Sharmila Parasa	29,002	0.05
34)	Nagreeka Capital And Infrastructure Ltd	27,200	0.04
35)	Ishwarlal Mahendra Kumar	25,988	0.04
36)	Jivrajani Neetaben R	23,376	0.04
37)	Ramesh C Jain Chandra R Jain	23,000	0.04
38)	Vijay Vasudev Chhabria Vasudev Gurmukhdas Chhabria	22,201	0.04
39)	Ganesh Kumar Patwari And Sons (Huf)	21,924	0.04



S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
40)	Usha Patwari	20,738	0.03
41)	Kanchanbai C Jain	20,200	0.03
	Ramesh C Jain		
42)	Siddhesh Capital Market Services Pvt Ltd	20,088	0.03
43)	Shyama Devi Rathi	20,000	0.03
44)	Chaitanya Joshi	20,000	0.03
	Vanashree Joshi		
45)	Manish Lakhi	20,000	0.03
	Girdharilal Lakhi		
46)	Rahul Patwari	19,020	0.03
47)	Krishendu Oza	18,040	0.03
48)	Suhelkumar Kantikumar Deoda	17,400	0.03
	Sunanda Suhelkumar Deoda		
49)	Surendra C Jain	17,200	0.03
	Ramesh C Jain		
50)	Suman Didwania	17,100	0.03
51)	Anita Patwari	15,753	0.03
52)	Mahesh Patwari	15,481	0.03
53)	Siyat Holdings Private Limited	15,400	0.03
54)	Bhadram Janhit Shalika	15,272	0.02
55)	Sudhir Haribhai Patel	15,000	0.02
56)	Vandana Manish Doshi	15,000	0.02
	Manish Umed Doshi		
57)	Sushil Patwari	14,058	0.02
58)	Sneha Basant Sundesha	14,000	0.02
	Basant Fulchand Sundesha		
59)	Dolly Khanna	13,748	0.02
60)	Aristro Capital Markets Limited	13,200	0.02
61)	Puneet Mahendra Sharma	13,100	0.02
62)	Siddharth Singhania	13,000	0.02
63)	Balwant Singh Kishan Singh Khatri	12,898	0.02
64)	Namrata Singhania	12,000	0.02
65)	Mitali Anuj Turakhia	12,000	0.02
66)	Sunil Chandak	12,000	0.02
67)	Central Bank Of India	12,000	0.02
68)	Payal Girdharlal	11,108	0.02
69)	Gopal Jha	11,000	0.02
	Neeta Jha		
70)	Maheshwari Share And Stock Brokers Pvt. Ltd.	10,999	0.02
71)	Arun Kumar Ashkaran	10,800	0.02
72)	Anupam Jindal	10,740	0.02
73)	Meenal D Roopchand	10,722	0.02
74)	P Vivek Chandra	10,600	0.02
75)	Rajendra Mahavirprasad Ruia	10,600	0.02
76)	Narendrakumar Mahavirprasad Ruia	10,600	0.02
77)	Palkash Jayantilal Shamji Shah	10,500	0.02
	Bhupendra Shamji Shah		
78)	Shah Pradip Padamshi	10,479	0.02
	Shah Rashmi Pradip		
79)	Sushil Patwari	10,400	0.02
80)	Soli Jehangir Sorabjee	10,400	0.02
	Jehangir Soli Sorabjee		
81)	KK Securities Limited	10,200	0.02
82)	Kewal Kumar Vohra	10,167	0.02
	Sudesh Vohra		
83)	Vasudeo Rajendra Deshpabhu	10,060	0.02
84)	Nirankar Advisor LLP	10,000	0.02
85)	Jyoti Agarwal	10,000	0.02
86)	Ashwin Prakash Kedia	10,000	0.02

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
	Nidhi Ashwin Kedia		
87)	Sidhant Credit Capital Limited	10,000	0.02
88)	Vipulkumar Anopchand Shah	10,000	0.02
	Mangala Gauri Anopchand Shah		
	<b>Total</b>	<b>48,948,717</b>	<b>80.01</b>

Note:

- (1) As of one year prior to the date of this Draft Red Herring Prospectus, 424,877 Equity Shares of the Company (amounting to 0.69% of the Equity Share Capital) were deposited in the Sterlite Technologies Limited – Unclaimed Suspense Account and had not been allotted to any shareholder.
- (2) Please note that due to the large number of shareholders of the Company, the shareholding pattern above is dated as of the immediately preceding Friday to the day one year prior to the date of this Draft Red Herring Prospectus.

4. Set forth below is a list of shareholders who hold 80% (in aggregate) of the paid-up Equity Share Capital of our Company, on August 16, 2019 (being the day two years prior to the date of this Draft Red Herring Prospectus):

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
1	Twin Star Overseas Limited	43,670,398	71.38
2	Vedanta Limited	952,859	1.56
3	Pravin Agarwal	836,105	1.37
4	Pratik Pravin Agarwal	542,864	0.89
6	Ankit Agarwal	316,168	0.52
7	Dadra Eximp Private Limited	151,577	0.25
8	Dilipkumar Lakhi	119,399	0.20
	Karuna Lakhi		
9	Anand Gopaldas Agarwal	93,704	0.15
	Shalini Agarwal		
10	Sonakshi Agarwal	93,248	0.15
11	Mahendra Patwari	90,228	0.15
12	Krishan Gupta	79,500	0.13
	Geeta Krishan Gupta		
13	Dileep Madgavkar	78,800	0.13
	Anasuya Madgavkar		
14	Sushil Patwari	73,820	0.12
15	Dadra Eximp Private Limited	71,276	0.12
16	Yogesh Rasiklal Doshi	66,462	0.11
17	Girdharilal Seksaria	65,400	0.11
18	Satish Patwari	63,621	0.10
	Jiten Pravin Sheth		
19	Nisha Jiten Sheth	62,000	0.10
20	Navin Kumar Agarwal	57,389	0.09
21	Dadra Eximp Private Limited	57,262	0.09
22	Chirag Dilipkumar Lakhi	49,746	0.08
	Dilipkumar Vishindas Lakhi		
23	Nagreeka Fabrics Private Limited	46,536	0.08
24	Babulal Poonamchand Sanghvi	44,807	0.07
	Arvind Hajarimal Sanghvi		
25	Reyansh Pratik Agarwal	44,524	0.07
26	Shaarav Pratik Agarwal	44,524	0.07
27	Mahendrakumar K Shah	43,200	0.07
	Anilla M Shah		
28	S.Ganesh	40,717	0.07
	Janaki Ganesh		
29	Anjan Mehra	40,087	0.07
30	Ishwarlal Satish Kumar	33,812	0.06
31	United India Insurance Company Limited	31,185	0.05
32	Nagreeka Capital And Infrastructure Limited	30,626	0.05
33	Sharmila Parasa	29,002	0.05
34	Nagreeka Capital And Infrastructure Limited	27,200	0.04
35	Ishwarlal Mahendra Kumar	25,988	0.04
36	Ramesh C Jain	23,000	0.04

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
	Chandra R Jain		
37	Vijay Vasudev Chhabria	22,201	0.04
	Vasudev Gurmukhdas Chhabria		
38	Ganesh Kumar Patwari And Sons (Huf)	21,924	0.04
39	Usha Patwari	20,738	0.03
40	Kanchanbai C Jain	20,200	0.03
	Ramesh C Jain		
41	Siddhesh Capital Market Services Pvt Ltd	20,088	0.03
42	Nisha Jiten Sheth	20,000	0.03
	Jiten Pravin Sheth		
43	Shyama Devi Rathi	20,000	0.03
44	Chaitanya Joshi	20,000	0.03
	Vanashree Joshi		
45	Manish Lakhi	20,000	0.03
	Girdharilal Lakhi		
46	Rahul Patwari	19,020	0.03
47	Jivrajani Neetaben R	18,866	0.03
48	Suprapti Finvest Pvt Ltd	18,500	0.03
49	Jasbirsingh Gobindsingh Dhawda	18,335	0.03
50	Krishendu Oza	18,040	0.03
51	Suhelkumar Kantikumar Deoda	17,400	0.03
	Sunanda Suhelkumar Deoda		
52	Surendra C Jain	17,200	0.03
	Ramesh C Jain		
53	Suman Didwania	17,100	0.03
54	Anita Patwari	15,753	0.03
55	Mahesh Patwari	15,481	0.03
56	Siyat Holdings Private Limited	15,400	0.03
57	Bhadram Janhit Shalika	15,272	0.02
58	Vandana Manish Doshi	15,000	0.02
	Manish Umed Doshi		
59	Anupam Jindal	14,740	0.02
60	Sushil Patwari	14,058	0.02
61	Sneha Basant Sundesha	14,000	0.02
	Basant Fulchand Sundesha		
62	Dolly Khanna	13,748	0.02
63	Puneet Mahendra Sharma	13,100	0.02
64	Siddharth Singhania	13,000	0.02
65	Balwant Singh Kishan Singh Khatri	12,898	0.02
66	Namrata Singhania	12,000	0.02
67	Mitali Anuj Turakhia	12,000	0.02
68	Sunil Chandak	12,000	0.02
69	Central Bank Of India	12,000	0.02
70	Payal Girdharlal	11,108	0.02
71	Gopal Jha	11,000	0.02
	Neeta Jha		
72	Maheshwari Share And Stock Brokers Pvt. Ltd.	10,999	0.02
73	Arun Kumar Ashkaran.	10,800	0.02
74	Rajendra Mahavirprasad Ruia	10,600	0.02
75	Narendrakumar Mahavirprasad Ruia	10,600	0.02
76	Palkash Jayantilal Shamji Shah	10,500	0.02
	Bhupendra Shamji Shah		
77	Shah Pradip Padamshi	10,479	0.02
	Shah Rashmi Pradip		
78	Sushil Patwari	10,400	0.02
79	Soli Jehangir Sorabjee	10,400	0.02
	Jehangir Soli Sorabjee		
80	KK Securities Limited	10,200	0.02
81	Kewal Kumar Vohra	10,167	0.02
	Sudesh Vohra		
82	3A Financial Services Limited	10,089	0.02
83	Vasudeo Rajendra Deshprabhu	10,060	0.02
84	Nirankar Advisor Llp	10,000	0.02
85	Jyoti Agarwal	10,000	0.02

S. No.	Name of the Shareholder	Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
86	Ashwin Prakash Kedia	10,000	0.02
	Nidhi Ashwin Kedia		
87	Purvanchal Leasing Limited	10,000	0.02
88	Vipulkumar Anopchand Shah	10,000	0.02
	Mangala Gauri Anopchand Shah		
	Khushboo Nayan Shah	9,820	0.02
89	Sunil Patwari	9,789	0.02
90	Arup Majumdar	9,531	0.02
	Bithi Majumdar		
91	Sanjay Kumar Rungta	9,515	0.02
92	Ram H. Bachani	9,500	0.02
	Pushpa R. Bachani		
93	Bachh Raj Nahar	9,000	0.01
94	Sobhag Devi Baid	8,884	0.01
95	B. R. Nahar And Sons Huf (Huf)	8,617	0.01
96	Sunita Kantilal Vardhan	8,602	0.01
	Kantilal Mishrimalji Vardhan		
97	Suhas Niphadkar	8,529	0.01
98	Mukesh Babu Financial Services Limited	8,025	0.01
	<b>Total</b>	<b>48,944,310</b>	<b>80.00</b>

Note:

(1) As of two years prior to the date of this Draft Red Herring Prospectus, 427,397 Equity Shares of the Company (amounting to 0.69% of the Equity Share Capital) were deposited in the Sterlite Technologies Limited – Unclaimed Suspense Account and had not been allotted to any shareholder.

(ix) Except for the allotment of Equity Shares pursuant to the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.

(x) **History of the Equity Share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Corporate Promoter holds an aggregate of 43,670,398 Equity Shares, constituting 71.38% of the issued, subscribed and paid-up Equity Share capital of our Company. Our Individual Promoter does not hold any Equity Shares. The details regarding our Promoters' shareholding is set forth below.

- *Build-up of Promoters' Equity shareholding in our Company*

The build-up of the Equity shareholding of our Promoters since incorporation of our Company is set forth below.

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue price/ Transfer price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
<b>TSOL</b>							
August 22, 2016	Allotment pursuant to the Demerger Scheme <sup>(1)</sup>	41,880,550	Other than Cash	2	Not Applicable	68.45	[•]
March 3, 2017	Purchase of Equity Shares	1,789,848	Cash	2	112.3	2.93	[•]
<b>Total</b>		<b>43,670,398</b>					

(1) For further details in relation to the Demerger Scheme, please see the section entitled "History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., since the date of incorporation - Scheme of arrangement between Sterlite Technologies Limited, our Company and their respective shareholders as sanctioned by the High Court of Bombay by way of its order dated April 22, 2016" on page 231.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

- *Shareholding of our Promoters, members of our Promoter Group and the directors of the Corporate Promoter*

The details of shareholding of our Promoters, members of the Promoter Group and directors of the Corporate Promoter as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Issue Number of Equity Shares	Percentage of the Pre-Issue Equity Share Capital (%)	Post-Issue Number of Equity Shares	Percentage of the Post-Issue Equity Share Capital (%)
<b>Promoters</b>					
a)	Twin Star Overseas Limited	43,670,398	71.38	[●]	[●]
<b>Members of the Promoter Group</b>					
b)	Vedanta Limited	952,859	1.56	[●]	[●]
c)	Pravin Agarwal	836,105	1.37		
d)	Navin Agarwal	57,389	0.09	[●]	[●]
e)	Suman Didwania	17,100	0.03		
<b>Total</b>		<b>45,533,851</b>	<b>74.43</b>	[●]	[●]

Except as disclosed above, none of our Promoters, members of our Promoter Group, or directors of our Corporate Promoter hold any Equity Shares as on date of this Draft Red Herring Prospectus

- *Details of Promoters' Contribution and Lock-in*

As our Company proposes to utilise majority of the Net Proceeds toward the repayment or pre-payment of certain borrowings, in accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post- Issue Equity Share capital of our Company held by our Promoters, shall be locked in for a period of 18 months, as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**") and the shareholding of our Promoters in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of six months year from the date of Allotment. For further details in relation to the objects of the Issue, please see the section entitled "*Objects of the Issue*" on page 106.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of 18 months, from the date of Allotment as Promoters' Contribution are set forth below:

Name of Promoter	Number of Equity Shares locked-in <sup>(1)(2)</sup>	Date of allotment/transfer/acquisition*	Nature of transaction	Face value (₹)	Issue/Acquisition price per Equity Share (₹)	Percentage of pre-Issue paid-up Equity Share capital	Percentage of post-Issue paid-up Equity Share Capital
[●]	[●]	[●]	[●]	2	[●]	[●]	[●]

\* Subject to finalisation of Basis of Allotment

1. For a period of three years from the date of Allotment

2. All Equity Shares were fully paid-up at the time of allotment/transfer

The Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as the Promoters' Contribution. The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, please see the section entitled "*Capital Structure – History of the Equity Share Capital held by our Promoters*" on page 101.

In this connection, we confirm the following:

- The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash and by revaluation of assets or by capitalisation of intangible assets; (b) resulting from bonus issue by utilisation of revaluation

reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;

- (ii). The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii). Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company;
- (iv). The Equity Shares forming part of the promoter's contribution are not subject to any pledge with any creditor.
- (v). All the Equity Shares held by the Promoters are held in dematerialised form.

- *Details of Equity Shares locked-in for six months:*

In addition to 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked-in for 18 months, in terms of Regulation 16(1)(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of six months from the date of Allotment, except for any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least six months from the date of allotment to such shareholders. An exemption application dated August 16, 2021 under Regulation 300 of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from the lock-in of Equity Shares of our Company pursuant to Regulation 17 of the SEBI ICDR Regulations, which are held by the shareholders of our Company (other the Promoters and Promoter Group) and may have been pledged by them. The exemption has been sought in light of the exceptionally large number of public shareholding in the Company, the six working day timeline for listing and the inability of the Company to comply with the requirement of Regulation 17 of the SEBI Regulations to the extent of the release of any pledge on equity shares held by public shareholders which are required to be locked-in prior to allotment of Equity Shares in the Issue.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable. Further, the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations

Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Equity Shares held by the Promoters which are locked-in may be pledged only with scheduled commercial banks or public financial institutions or NBFC-SIs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations. In terms of Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of 18 months from the date of Allotment may be pledged only with the entities mentioned above, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans. Further, pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of six months from the date of Allotment may be pledged only with the entities mentioned above, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

However, the relevant lock in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock in period has expired in terms of the SEBI ICDR Regulations.

- *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

- (xi) As on the Friday prior to the date of filing of this Draft Red Herring Prospectus (being, August 13, 2021), the total number of shareholders of our Company was 105,722.
- (xii) Our Promoters, any member of our Promoter Group, our Directors, the directors of the Corporate Promoter or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
- (xiii) There have been no financing arrangements whereby members of our Promoter Group, our Directors, the directors of the Corporate Promoter and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
- (xiv) Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the Lead Managers have not made any buy-back arrangements for purchase of Equity Shares from any person.
- (xv) As on the date of this Draft Red Herring Prospectus, the Lead Managers and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares. The Lead Managers and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.
- (xvi) Except as disclosed in the section entitled “*Our Management*” on page 269, none of our Directors or Key Managerial Personnel hold any Equity Shares of our Company.
- (xvii) All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
- (xviii) Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
- (xix) Any oversubscription to the extent of 1% of the Issue size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.
- (xx) Our Promoters and their respective Promoter Groups shall not participate in the Issue.
- (xxi) There shall be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.
- (xxii) Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- (xxiii) No person connected with the Issue, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoters, shall offer or make payment of any incentive, direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid except for fees or commission for services rendered in relation to the Issue.
- (xxiv) Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Issue shall be intimated to the Stock Exchanges within 24 hours of such transaction.
- (xxv) **Employee Stock Appreciation Rights (“ESAR”) Plans of our Company**

Our Company, pursuant to the resolutions passed by our Board in its meeting dated October 8, 2017, adopted the Sterlite Power Transmission Employee Stock Appreciation Rights Plan, 2017 (“**ESAR Plan 2017**”), which was subsequently amended by way of the resolution of our Board of Directors on November 13, 2018 and established as

the Sterlite Power Transmission Employee Stock Appreciation Rights Plan, 2018 (“**ESAR Plan 2018**” and collectively with the ESAR Plan 2017, the “**ESAR Plans**”).

The ESAR Plan 2018 was formulated with the objective of rewarding the Whole Time Directors and Managing Director & Chief Executive Officer of our Company for their performance and to motivate them to contribute to the growth and profitability of our Company and gaining long term commitment towards value creation in the Company. The ESAR Plan 2017 were administered by the NRC of our Company. The ESARs granted under the ESAR Plans were settled in cash and as on the date of this Draft Red Herring Prospectus, there are no outstanding rights which are to be granted or settled under the ESAR Plans.

- (xxvi) Our Company may, subsequent to the date of this Draft Red Herring Prospectus, adopt an employee stock option plan, or similar scheme, from time to time, or the purposes of rewarding the employees of the Company, in accordance with Applicable Law.



## OBJECTS OF THE ISSUE

The Issue comprises the issue of up to [●] Equity Shares by our Company, aggregating up to ₹ 12,500.00 million.

Our Company proposes to utilise the Net Proceeds from the Issue towards funding the following objects:

1. Repayment or pre-payment, in full or part, of certain borrowings availed by our Company and KTL; and
2. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities (ii) to undertake the activities proposed to be funded from the Net Proceeds, as well as the activities towards which the loans proposed to be repaid or pre-paid from the Net Proceeds were utilised. Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

### Net Proceeds

The details of the proceeds from the Issue are summarized in the following table:

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Issue <sup>(1)</sup>	12,500.00 <sup>(2)</sup>
(Less) Issue expenses <sup>(1)</sup>	[●]
<b>Net Proceeds of the Issue (the “Net Proceeds”)</b>	<b>[●]</b>

(1) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

(2) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, our Company may utilise the proceeds from such Pre-IPO Placement towards the objects of the Issue prior to completion of the Issue.

### Utilization of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (₹ in million)
Repayment or pre-payment, in full or part, of certain borrowings availed by our Company and KTL	9,550.00
General corporate purposes <sup>(1)</sup>	[●]
<b>Total</b>	<b>[●]</b>

(1) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

### Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Particulars	Estimated utilisation from Net Proceeds <sup>(1)</sup>	Estimated schedule of deployment of Net Proceeds in	
		Fiscal 2022	Fiscal 2023
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company and KTL	9,550.00	9,550.00	-
General corporate purposes <sup>(1)</sup>	[●]	[●]	-
<b>Total</b>	<b>[●]</b>	<b>[●]</b>	<b>-</b>

(1) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

Further, if the Net Proceeds are not completely utilised for the objects during the respective periods or in a scheduled Fiscal as stated above due to factors such as (i) economic and business conditions; (ii) timely completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency nor been verified by the Lead Managers. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and

changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details, please see the section entitled “*Risk Factors*” on page 36.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity or debt arrangements from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance may be utilised towards future growth opportunities and/or general corporate purposes, to the extent that the total amount to be utilised towards general corporate purpose shall not exceed 25% of the gross proceeds from the Issue in accordance with applicable law.

## Details of the objects of the Issue

### 1. Repayment/ pre-payment of certain borrowings, in full or part, availed by our Company and KTL

Our Company, our Subsidiaries and the Investee SPVs have entered into various financial arrangements with banks, financial institutions and other entities. The loan facilities availed by our Company, our Subsidiaries and the Investee SPVs include borrowing in the form of, *inter alia*, term loans and working capital facilities. For further details, please see the section entitled “*Financial Indebtedness*” on page 401. As at March 31, 2021 the amount outstanding under our fund based and non-fund based working capital and term loan facilities was ₹ 73,239.86 million. Our Company proposes to utilize an estimated amount of ₹ 9,550 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company and our Subsidiary, KTL.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company and KTL may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Our Company, our Subsidiaries and our Investee SPVs may avail further loans after the date of this Draft Red Herring Prospectus or drawdown further funds under existing loans. Accordingly, in case any of the below loans are pre-paid or further drawn down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or pre-payment of such additional indebtedness. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in full or part, would not exceed ₹ 9,550 million. Such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilization of our accruals for further investment in our business growth and expansion. Additionally, the improvement in the leverage capacity of our Company (on a consolidated basis) is intended to improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The following table provides details of borrowings availed by our Company and KTL, which are currently proposed to be fully or partially repaid or pre-paid from the Net Proceeds:

S. No.	Name of the lender	Nature of borrowing	Purpose of borrowing	Amount sanctioned as at March 31, 2021	Amount outstanding as at March 31, 2021*	Interest rate	Repayment date/schedule	Pre-payment penalty/premium/charge
				(₹ in million)				
<b>Our Company</b>								
1.	Clix Capital Services Private Limited	Working capital facility	Meeting the working capital requirements of our Company in the ordinary course of its business and transaction related expenses	1,250	750	11.75% per annum	April 10, 2022	Prepayment charges at 1% per annum on the outstanding facility.

S. No.	Name of the lender	Nature of borrowing	Purpose of borrowing	Amount sanctioned as at March 31, 2021	Amount outstanding as at March 31, 2021*	Interest rate	Repayment date/schedule	Pre-payment penalty/premium/charge
				(₹ in million)				
<b>KTL</b>								
2.	L&T Finance Ltd	Term loan	Capital expenditure in relation to the KTL Project and /or retirement / payment/ replacement of outstanding capex letter of credit	2,247.63	10,971.18	10.70% per annum to 13.50% per annum	October 31, 2021	Voluntary prepayment, without any charges if (i) paid at the instance of the lenders; (ii) paid out of the surplus cash accruals from the KTL Project with a prior written notice to the lenders; (iii) paid within 120 days of the relevant spread reset date with a prior notice to the lenders; (iv) paid by way of cash sweep mechanism in terms of the facility agreement; (v) paid from grant of insurance proceeds / liquidated damages, which are not utilized for the KTL Project; or (vi) paid from the funds infused by the holding company of KTL with a prior written notice of 30 days to the lenders
3.	Infrastructure Finance Company Ltd			2,092.04				
4.	IndusInd Bank Limited			1,621.21				
5.	Union Bank of India			2,098.45				
6.	Bank of India			2,094.14				
7.	Bank of Baroda			1,047.88				

\*In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, the Company has obtained the requisite certificate.

We may be required to notify certain of the lenders prior to the repayment/prepayment and our Company will approach the lenders at the relevant time for repayment/prepayment/redemption of the above borrowings. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Subsidiaries out of the Net Proceeds. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds.

In the event, our Company deploys the Net Proceeds in KTL, for the purpose of prepayment, repayment or redemption (earlier or scheduled) of all or a portion of the abovementioned borrowings, it shall be in the form of equity or debt or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

## 2. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the gross proceeds of the Issue, in compliance with Regulation 7(2) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include capital expenditure, meeting our working capital requirements, marketing and business development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company, our Subsidiaries or the Investee SPVs in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act or other applicable laws.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

## Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The Issue related expenses include fees payable to the Lead Managers and legal counsel, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The break-up of the Issue expenses is as follows:

Activity	Estimated expenses <sup>(1)(5)</sup> (₹ in million)	As a % of the total estimated Issue expenses <sup>(1)</sup>	As a % of the total Issue size <sup>(1)</sup>
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and Bankers to the Issue and fees payable to the Sponsor Bank for Bids made by RIBs using the UPI Mechanism <sup>(2)</sup>	[●]	[●]	[●]
Brokerage and selling commission for members of Syndicate, and Registered Brokers, RTAs and CDPs <sup>(3)</sup>	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the other advisors to the Issue including legal advisors	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
<b>Total estimated issue expenses</b>	[●]	[●]	[●]

(1) To be incorporated in the Prospectus post finalization of the Issue Price.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

Sponsor Bank will be entitled to processing fee of ₹ [●] for every valid ASBA Form for Bids made by RIBs using UPI Mechanism. The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, amendments and applicable laws.

(3) Registered Brokers will be entitled to a commission of ₹ [●] per every valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges.

(4) Members of syndicate, RTAs, CDPs and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:

- Portion for Retail Individual Bidders: [●]% of the Amount Allotted\*

- Portion for Non-Institutional Bidders: [●]% of the Amount Allotted\*

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

Note: All of the above are exclusive of applicable taxes

(5) The commissions and processing fees shall be payable within 30 Working Days post the date of the receipt of the final invoices of the respective intermediaries by the Company.

## Means of finance

The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable accruals as required under the SEBI ICDR Regulations.

## Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board or IPO Committee. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any other listed company or for any investment in the equity markets.

## Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency, apart from in the ordinary course of our business.

### **Monitoring of utilization of funds**

Our Company will appoint a monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations to monitor the utilisation of the Net Proceeds prior to filing the Red Herring Prospectus. Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated above. In accordance with the SEBI Listing Regulations, this information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

### **Variation in objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, read with Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, being the regional language of Maharashtra, where our Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with Section 13(8) and other applicable provisions of the Companies Act, our Articles of Association, and the SEBI ICDR Regulations.

### **Other confirmations**

None of our Promoters, the members of the Promoter Group, Directors, Key Managerial Personnel, or Group Companies will receive any portion of the Issue Proceeds.

Further, there is no existing or anticipated transactions or interest of such individuals and entities in the objects of the Issue and the utilization of the Net Proceeds as set out above.

Our Company has not entered into and is not planning to enter into any arrangement/agreements with the Promoters, the Directors, the Key Managerial Personnel or the Group Companies in relation to the utilisation of the Net Proceeds.

## BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company, in consultation with the Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also see “Our Business”, “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” beginning on pages 185, 36, 405 and 295 respectively, to have an informed view before making an investment decision.

### Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- leadership position in the Indian power transmission sector, achieved through established processes and technology to identify and execute high margin projects;
- track record of executing complex projects successfully, with the use of technology and innovative solutions;
- an integrated player offering solutions across the entire transmission infrastructure value chain, with high growth potential for our Solutions and Convergence segments;
- high ROCE and an efficient capital structure with access to multiple funding sources;
- highly experienced Board, management and technical team;
- purpose driven organization, with a strong focus on ESG.

For details, please see the section entitled “Our Business – Competitive Strengths” on page 188.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Summary Statements. For details, please see the section entitled “Financial Information” on page 295.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

#### A. Basic and Diluted Earnings Per Share (“EPS”):

Fiscal Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2019	-85.78	-85.78	1
March 31, 2020	154.13	154.13	2
March 31, 2021	142.22	142.22	3
Weighted Average	108.19	108.19	

\* Not annualised

(i) 
$$\text{Basic earnings per share} = \frac{\text{Restated profit/(loss) for the year attributable to equity shareholders}}{\text{Weighted average number of basic equity shares outstanding during the year}}$$

$$\text{Diluted earnings per share} = \frac{\text{Restated profit/(loss) for the year attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$$

(ii) Earnings per share calculations are done in accordance with Indian Accounting Standard (Ind AS) 33 “Earnings Per Share” (“Ind AS 33”) as notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015, as amended

(iii) The Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight

#### B. Price/Earning (“P/E”) ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic & diluted EPS for Fiscal 2021	[●]	[●]

### Industry Peer Group P/E ratio

Particulars	P/E
Highest	157.17
Lowest	7.66
Average	45.36

(i) The industry highest, lowest and average has been considered from the industry peer set provided later in this section.

### C. Return on Net Worth (“RoNW”)

Derived from the Restated Consolidated Summary Statements:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2019	97.00%	1
March 31, 2020	234.64%	2
March 31, 2021	68.42%	3
<b>Weighted Average</b>	<b>128.59%</b>	

(i)  $\text{Return on Net Worth (\%)} = \frac{\text{Restated profit/(loss) for the year attributable to equity shareholders}}{\text{Restated consolidated net worth at the end of the year}}$

(ii) “Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets and credit balance of the non-controlling interest.

(iii) The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of the Company

### D. Net Asset Value (“NAV”) per Equity Share

Fiscal year ended/ Period ended	NAV per Equity Share (₹)
As on March 31, 2021	207.85
After the completion of the Issue	At Floor Price: [●]
	At Cap Price: [●]
Issue Price	[●]

(i) Issue Price per Equity Share will be determined on conclusion of the Book Building Process

(ii)  $\text{Net asset value per Equity Share} = \frac{\text{Restated consolidated net worth at the end of the year}}{\text{Total number of Equity Shares outstanding at the end of the year}}$

### E. Comparison with Listed Industry Peers

There are no listed companies in India that engage in a business exactly similar to that of our Company. Accordingly, it is not possible to provide exact peer group in relation to our Company. However, based on the various businesses that our Company operates, we have mentioned below listed comparable in those businesses.

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	Closing price on July 30, 2021 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Sterlite Power Transmission Limited	38,169.59	2.00	-	-	142.22	142.22	68.42%	207.85
<b>Listed Peers (Power Transmission Business)</b>								
Power Grid Corporation of India Ltd	408,235.3	10.00	171.05	7.66	23.01	22.32	17.21%	133.68
Adani Transmission Ltd	1,04,589.3	10.00	903.75	157.17	9.02	5.75	14.46%	81.10
<b>Listed Peers (Power Transmission EPC)</b>								
KEC International Ltd	1,31,441.2	2.00	427.40	19.88	21.50	21.50	16.45%	130.68
Techno Electric &	9,560.83	2.00	307.85	18.62	16.53	16.53	11.25%	146.93

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	Closing price on July 30, 2021 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Engineering Company Ltd								
<b>Listed Peers (Power Product Manufacturing)</b>								
KEI Industries Ltd	42,015.97	2.00	708.40	23.47	30.47	30.18	15.38%	197.88

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the annual reports/annual results as available of the respective company for the year ended March 31, 2021 submitted to stock exchanges.

Financial information for Sterlite Power Transmission Limited is derived from the Restated Consolidated Summary Statements for the year ended March 31, 2021. Our Company calculates Net Worth without including revaluation reserves. Formula for RoNW and NAV calculation for the Company is provided in Point C and D of the section entitled "Basis for Issue Price" on page 111.

Notes:

- (i) P/E Ratio has been computed based on the closing market price of equity shares on BSE on July 30, 2021, divided by the Diluted EPS.
- (ii) Return on Net Worth (%) = Net Profit after Tax divided by Net worth for the year/period. Net worth represents total equity
- (iii) NAV is computed as the net worth divided by the outstanding number of equity shares at the end of the period/year.

#### F. The Issue price is [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the Lead Managers, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the abovementioned information along with "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" beginning on pages 36, 185, 405 and 295, respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in the section entitled "Risk Factors" beginning on page 36 and you may lose all or part of your investments.



## STATEMENT OF TAX BENEFITS

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND TO THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA AND IN BRAZIL (IN THE CASE OF MATERIAL SUBSIDIARIES)

The Board of Directors,  
Sterlite Power Transmission Limited,  
F-1, The Mira Corporate Suites,  
Ishwar Nagar, Mathura Road,  
New Delhi – 110065

Dear Sirs,

#### Statement of Special Tax Benefits available to Sterlite Power Transmission Limited (“the Company”), its material subsidiaries and to the shareholders of the Company under the Indian tax laws and under the Brazil tax laws (in the case of material subsidiaries)

1. We hereby confirm that the enclosed Annexure 1 and Annexure 2, prepared by Sterlite Power Transmission Limited, provides the special tax benefits available to the Company, its material subsidiary in India and to the shareholders of the Company, as stated in those Annexure 1 and Annexure 2, under:
  - the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23 presently in force in India and,
  - the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) as amended from time to time, presently in force in India.

The Act, the GST Act, Customs Act and Tariff Act, as defined above, are collectively referred to as the “Relevant Acts”.

2. With respect to the special tax benefits in Brazil in respect of two material subsidiaries of the Company included in the enclosed Annexure 3, we have relied upon representation from the Management of the Company and confirmation received from the other auditors of the aforesaid overseas material subsidiaries of the Company with respect to the special tax benefits in their overseas jurisdiction.
3. Several of these benefits are dependent on the Company, its material subsidiaries or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts or the applicable tax laws in overseas jurisdiction. Hence, the ability of the Company, its material subsidiaries and / or the shareholders of the Company to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company, its material subsidiaries or the shareholders of the Company may or may not choose to fulfil.
4. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of face value ₹ 2 each by the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “Offering”). We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.
5. We do not express any opinion or provide any assurance as to whether:
  - i) the Company, its material subsidiaries or the shareholders of the Company will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
6. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company and its material subsidiaries.

7. This statement is issued solely in connection with the Offering and is not to be used, referred to or distributed for any other purpose.

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

per Paul Alvares  
Partner  
Membership No: 105754  
UDIN: 21105754AAAAFN2729  
Date: August 16, 2021  
Place: Pune

## **ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY IN INDIA AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

**Under the Income-Tax Act, 1961 (hereinafter referred to as ‘the Act’), as amended by the Finance Act 2021, applicable for Financial Year 2021-22 relevant to Assessment Year 2022-23**

1. This Annexure sets out only the special tax benefits available to the Company, its material subsidiary in India and the shareholders under the current Income-tax Act, 1961 i.e. the Act, as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

### **3. Special tax benefits available to the Company and its Material Subsidiary in India under the Act**

#### **3.1. Lower corporate tax rate under Section 115BAA of the Act**

Section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. FY 2019-20, which grants an option to all domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%). The said benefit is available subject to the condition that the Company does not claim the deductions/ incentives as specified in sub-clause 2(i) of section 115BAA of the Act.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax [“MAT”] under section 115JB of the Act would not be applicable. The option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company and its material subsidiary in India have opted for section 115BAA of the Act during FY 2019-20 and hence, are eligible for concessional tax rate of 25.168%.

#### **3.2. Lower tax rate for dividend received from foreign companies**

As per section 115BBD of the Act, the dividend received from a company outside India (i.e. where Indian company holds 26% or more of the equity share capital) is taxable at the rate of 15% plus applicable surcharge and cess under the Act, subject to the provisions of applicable Double Taxation Avoidance Agreement (DTAA).

However, no deduction is allowable in respect of such dividend income covered under the ambit of this section.

#### **3.3. Deductions from Gross Total Income - Section 80M of the Act - Deduction in respect of dividend income redistributed**

Vide Finance Act, 2020, Section 80M was inserted in the Act to eliminate the cascading tax effect in case of inter-corporate dividends. As per the said section, the Company and its Material Subsidiary in India are eligible to claim deduction in respect of dividend income received by them, to the extent such dividend is distributed by them on or before the due date of filing return of income for such year.

#### **3.4. Deductions from Gross Total Income - Section 80JJAA of the Act - Deduction in respect of employment of new employees**

Subject to fulfilment of prescribed conditions, the Company and its material subsidiary in India are entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

### **4. Special tax benefits available to Shareholders**

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

### **5. NOTES:**

5.1. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are

based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

- 5.2. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- 5.3. The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- 5.4. Since the Company has exercised the option under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2019-20, the special direct tax benefits available for Financial Year 2021-22, are captured to the extent the same are relevant to a Company exercising such option.

For and on behalf of  
**Sterlite Power Transmission Limited**

Mr. Anuraag Srivastava  
Place: Mumbai  
Date: August 16, 2021

## **ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY IN INDIA AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the special tax benefits available to the Company, its material subsidiary in India and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017, relevant State Goods and Services Tax Acts read with Rules, Circulars, and Notifications ('GST Law'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') as amended, Foreign Trade Policy 2015-20 as extended till 30 September 2021, presently in force in India.

### **I. Special tax benefits available to the Company and its material subsidiary in India**

The following tax benefits are available and are being availed by the Company under Indirect Tax:

1. In accordance with Section 54 of the CGST Act 2017, accumulated balance of input tax credit availed on inputs and input services used in the manufacture of goods and/ or supply of services exported out of India without the payment of integrated tax/ Integrated tax paid on export of goods and/ or services is eligible for refund, subject to prescribed conditions.
2. Duty drawback under Section 75 of the Customs Act of the duty paid on imported material used in the manufacture of export goods.
3. Duty credit scrips under Merchandise Export from India Scheme ('MEIS') covered under Chapter 3 – Exports from India Scheme of the Foreign Trade Policy 2015-20. The benefit under MEIS shall not be available for exports made with effect 1 January 2021. However, the Cabinet has approved a WTO compliant scheme Remission of Duties and Taxes on Exported Products ('RoDTEP') to determine mechanism for reimbursement of taxes, duties/ levies at central, state and local level. The said scheme will replace MEIS in a phased manner.
4. In terms of Notification No. 18/2015 – Customs dated 1 April 2015 (and as amended from time to time), materials imported against Advance Authorisation ('AA') under Chapter 4 – Duty Exemption Remission Scheme of the Foreign Trade Policy 2015-20, are exempt from payment of Basic Customs Duty, Additional Customs Duty, Education Cess, Antidumping Duty, Countervailing Duty, Safeguard Duty, Transition Product Specific Safeguard Duty, wherever applicable subject to conditions.
5. In terms of Notification No. 16/2015 – Customs dated 1 April 2015 (and as amended from time to time), capital goods imported under Export Promotion Capital Goods Scheme ('EPCG') under Chapter 5 of the Foreign Trade Policy 2015-20, is exempt from payment of customs duties levied under the Tariff Act.
6. In line with Notification No. 79/ 2017 – Customs dated 13 October 2017 (and as amended from time to time), imports under Advance Authorisation and capital goods imported under EPCG Authorisation for physical exports are also exempt from whole of the Integrated Tax and Compensation Cess leviable under sub-section (7) and sub-section (9) respectively, of section 3 of the Tariff Act up to 31 March 2022.
7. The company is a Status Holder as 'Two Star Export House' under Chapter 3 – Exports from India Scheme of the Foreign Trade Policy 2015-20 which allows certain procedural privileges like Authorisation and Customs Clearances for imports and exports, Fixation of Input-Output norms, furnishing of Bank Guarantee for Schemes, permission to establish Export Warehouses, preferential treatment and priority handling of consignments, eligibility to self-certify goods as originating from India, etc. as per the Foreign Trade Policy 2015-20.
8. The Korea - India Comprehensive Economic Partnership Agreement, allows for preferential tariff treatment i.e. tariff reduction or elimination of customs duties on originating goods of the other party in the country of importation. Customs duty exemption for certain specified goods is provided by Notification no.152/ 2009 - Customs dated 31 December 2009 subject to certain conditions.
9. In terms of Notification 40/2017- Central Tax (Rate) dated 23 October 2017 and Notification 41/2017- Integrated Tax (Rate) dated 23 October 2017, benefit of concessional rate of GST is available on the supplies made by the Company to a registered recipient for exports subject to specified conditions.

### **II. Special tax benefits available to the Shareholders of the Company**

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. The above statement covers only certain relevant indirect tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
2. The above statement of special tax benefits is as per the current indirect tax laws relevant as on the date of this certificate. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
3. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. Our comments are based on our understanding of the specific activities carried out by the Company and as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.
6. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of  
**Sterlite Power Transmission Limited**

Mr. Anuraag Srivastava  
Place: Mumbai  
Date: August 16, 2021

### **ANNEXURE 3**

#### **SPECIAL TAX BENEFITS AVAILABLE TO MATERIAL SUBSIDIARIES OF THE COMPANY, NAMELY STERLITE BRAZIL PARTICIPAÇÕES S.A. AND SE VINEYARDS TRANSMISSÃO DE ENERGIA S.A. SITUATED IN BRAZIL**

##### **I. Special tax benefits available to the Material Subsidiaries in Brazil under the Income Tax Laws of Brazil**

Sterlite Brazil Participações S.A. and SE Vineyards Transmissão de Energia S.A. do not enjoy or avail any special corporate tax benefits under the provisions of the applicable Income-tax Laws of Brazil.

##### **II. Special tax benefits available to the Material Subsidiaries in Brazil under the Indirect Tax Laws of Brazil**

There are no special indirect tax benefits available to Sterlite Brazil Participações S.A in Brazil under Indirect Tax Laws applicable in Brazil.

SE Vineyards Transmissão de Energia S.A. ('the Company'), a wholly owned subsidiary of Sterlite Brazil Participacoes S.A is the beneficiary of a single tax benefit (REIDI), which allows the Company to make procure material and services without payment of Social Contributions (PIS and COFINS) during the construction phase. The REIDI Benefit is in line with Law nº 11.488/2007 and was granted for the Company by the Declaration nº 98 from June 25, 2018.

As the element -1 (which accounts for 70% of the annual permitted revenue) is already commissioned, this benefit is currently only available on element 2 & element 3 of the project as they are in construction phase. Once the entire project is commissioned this benefit would no longer be available.

For and on behalf of  
**Sterlite Power Transmission Limited**

Mr. Anuraag Srivastava  
Place: Mumbai  
Date: July 26, 2021

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

We operate both in India as our primary market as well as in Brazil. As a result, we are exposed to the environments of both countries. Please see below for respective descriptions of each country. The India overview is based on the “CRISIL Research - Indian Power & Transmission Sector” released in Mumbai in July 2021, by CRISIL Research. The Brazil overview is based on a country risk report and power industry report by Fitch Solutions.

#### I. INDIA OVERVIEW

##### INDIA MACROECONOMIC OVERVIEW

###### Review of India’s GDP Growth

With a population of over ~1.4 billion and estimated GDP of Rs 135 trillion in fiscal 2021, as per the estimates of National Statistical Office (NSO), India is the sixth largest economy in the world. Fiscal 2021’s fourth quarter GDP growth estimate is at 1.6%, having turned positive in the second half of the year.

India’s gross domestic product rebounded in the second half of fiscal 2021, growing 0.5% and 1.6% in third and fourth quarters, on-year, respectively. According to the provisional estimates released by the National Statistical office, India’s real GDP contracted by 7.3% in fiscal 2021 versus the earlier estimate of an 8.0% contraction. Growth in gross value added (GVA), the supply-side measure of the economy, stood at -6.2%. While the economy shrank as a whole in fiscal 2021, agriculture and allied activities and electricity, gas, water supply and other utility services were the outliers, expanded.

###### Key projections

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22F
GDP growth (%)	8.0	8.2	7.2	6.8	4.2	-7.3	9.5
CPI (% , average)	4.9	4.5	3.6	3.4	4.8	6.2	5.3
CAD/GDP (%)	-1.1	-0.7	-1.8	-2.1	0.9	1.3	-1.2
Exchange rate (Rs/\$M March-end)	67	65.9	65	69.5	74.4	72.8	75.0
10-year G-sec yield (% , March-end)	7.5	6.8	7.6	7.5	6.2	6.2	6.5

F: Forecast

Source: Central Statistics Office (CSO), Reserve Bank of India (RBI) and CRISIL estimates; CPI: Consumer Price Index-linked; CAD: Current account deficit; G-sec: Government security

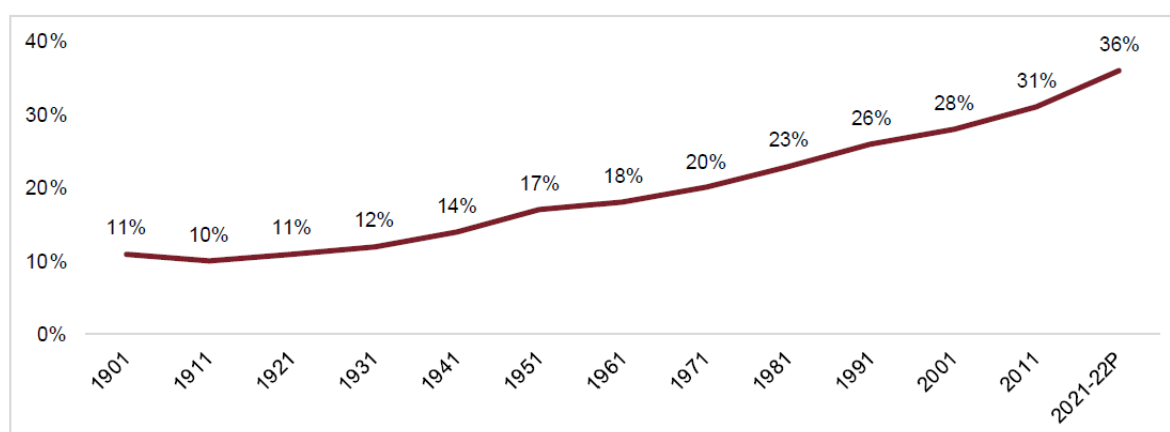
###### Overview of Other Demographic Factors

###### Urbanization

Urbanization is a big growth driver for India, as this leads to faster infrastructure development, job creation, development of modern consumer services and the city’s ability to mobilize savings. The share of urban population in total population, which stood at about 31% in 2011, has been consistently rising over years and is expected to reach 36% by 2022, spurring more demand.

Urban consumption in India has shown signs of improvement and, given India’s favourable demographics coupled with rising disposable income, the trend is likely to continue and drive economic growth for the country.

###### Urban population as a percentage of total population of India



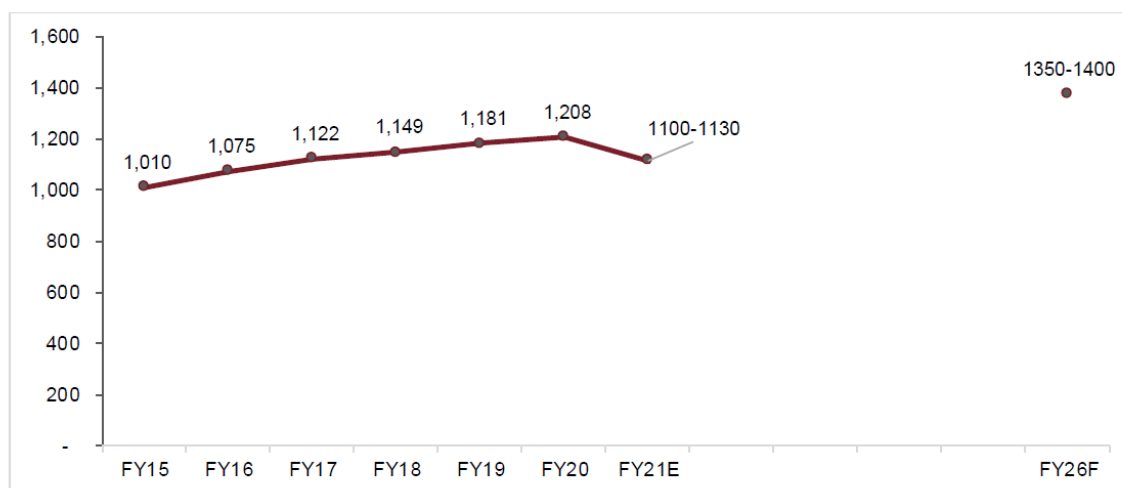
Source: Census 2011, World Urbanization Prospects: The 2011 Revision (UN)



### Per Capita Power Consumption

Electricity consumption per person rose from 1,010 kWh in fiscal 2015 to 1,208 kWh in fiscal 2020, largely due to strengthening of the T&D network along with large capacity additions over the period, registering a CAGR of 2.6% for the past five years. T&D network expansion reduced the deficit levels as well as added the hitherto unconnected areas to the electricity grid, providing electricity to more households and commercial and industrial establishments. However, per capita consumption is estimated to have dipped to 1,100-1,130 kWh in fiscal 2021 as power demand slid, particularly from high-consuming industrial and commercial categories, on account of weak economic activity caused by COVID-19 outbreak. India's per capita electricity consumption is expected to grow at a healthy CAGR of 5-6% between fiscals 2021 and 2026, primarily due to the favourable lower base in fiscal 2021. Per capita consumption is expected to gradually improve in the long term as power demand picks up, due to improvement in access to electricity in terms of quality and reliability on account of intensive rural electrification and reduction in cost of power supply, resulting in realisation of latent demand from the residential segment. Consequently, CRISIL Research expects the per capita electricity consumption to reach 1,350-1,400 kWh by fiscal 2026.

**Per capita electricity consumption**



Source: CEA, CRISIL Research

### Outlook on GDP Growth in India and Other Major Economies

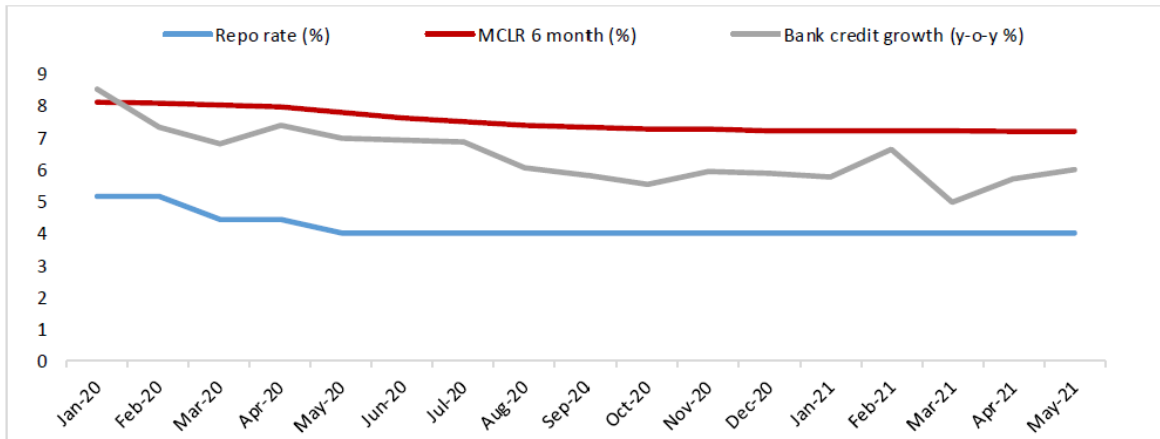
#### *India's economic outlook favourable versus the global average*

According to the S&P Global's forecasts, India is likely to retain its position as the fastest-growing economy in the world in 2021. Based on its estimates, India will continue to occupy the top slot among major economies. Thus, India's growth rate will be significantly higher than the global average of ~ 5.5% and also higher than other developing economies, such as China and Brazil.

The ongoing liberalisation of India's FDI regime has also triggered a surge in investments, especially after the launch of the 'Make in India' campaign in October 2014. India has remained an attractive investment destination as net FDI flows crossed a high during fiscal 2021, even though there was a collapse in global FDI flows, and especially those going to advanced economies.

Yield on the 10-year government security (G-sec) averaged 5.99% in May 2021, 8 basis points (bps) lower on-month owing to the RBI's continuous effort to leverage innovative measures to keep bond yields benign in the pandemic-hit economy. In its April 2021 policy review meeting, the central bank announced a new instrument, G-SAP (Government-Securities Acquisition Programme), to help ease supply pressure. Going forward, CRISIL Research expects the 10-year G-sec yield to rise to 6.5% in March 2022, given that supply pressures could have a bearing on yields once RBI starts normalising liquidity.

### Interest rates head lower



Source: RBI, CRISIL Research

With several of these fundamental factors expected to trend in the right direction coupled with measures initiated by the government, India’s long-term growth potential is expected to be healthy.

According to the World Bank, India has improved its Ease of Doing Business (EODB) ranking from 142 in 2015 to 63 in 2020. This makes 2020 the third straight year that India has been in the top 100.

### EODB rankings

	Brazil	Russia	India	China	South Africa
2020	124	28	63	31	84

Source: World Bank, CRISIL Research

### India’s Environment Protection and Emission Target to Combat Climate Change

The Paris Agreement came into effect in November 2016, with clear focus on sustainable lifestyles. According to WRI India, India’s NDCs highlight that the country needs around USD 206 to USD 834 billion between 2015 and 2030 towards implementation. So far, India’s climate action has been largely financed from domestic sources, through the National Clean Environment Fund and the National Adaptation Fund, with an initial allocation of a USD 55.6 million and total funding of USD 1.6 million for 6 projects.

Prior to this, India had committed to various International action in order to preserve environmental and control emissions. The following table showcases the status of ratification of Vienna Convention, Montreal Protocol and Amendments

### India’s Commitment and Targets as per INDC and COP21

Historically conventional energy has always garnered lion’s share of investment in India’s power sector. It is estimated the segment saw an investment of ~Rs 3 trillion over past five years. Over the next five years, CRISIL Research expects an addition of ~15-17 GW in wind capacity, entailing an investment of ~Rs 1 trillion. Most of this will be tied up with relatively stronger buyers such as SECI and Power Trading Corporation (PTC), which also reduces risk compared with direct exposure to state discoms. In the solar segment, meanwhile, the capacity addition expected is a much higher at ~55-57 GW over fiscal 2021-25.

The growth in renewable energy will also be on account of India’s commitment to curb carbon emissions. The country targets to achieve 175 GW of renewable energy by fiscal 2022. As part of the Paris climate deal, it has further committed to increase renewable share in total generation to 40% by fiscal 2030. The Paris Climate Change Conference was the 21st meeting of the Conference of Parties (COP 21) of the United Nations Framework Convention for Climate Change (UNFCCC). The agreement arrived at the meeting does not legally bind the countries to the emission reduction targets. It is a voluntary commitment made by each of them based on their respective national circumstances (called intended nationally determined contributions or INDCs). However, regular review and submission of INDCs is legally binding on the countries. Key goals identified in India’s INDC submission are:

- A 33-35% reduction in emissions intensity of the country’s GDP from 2005 level by 2030
- To have about 40% of cumulative installed capacity from non-fossil fuel-based energy resources by 2030, with the help of transfer of technology and low-cost international finance, including from Green Climate Fund (GCF)

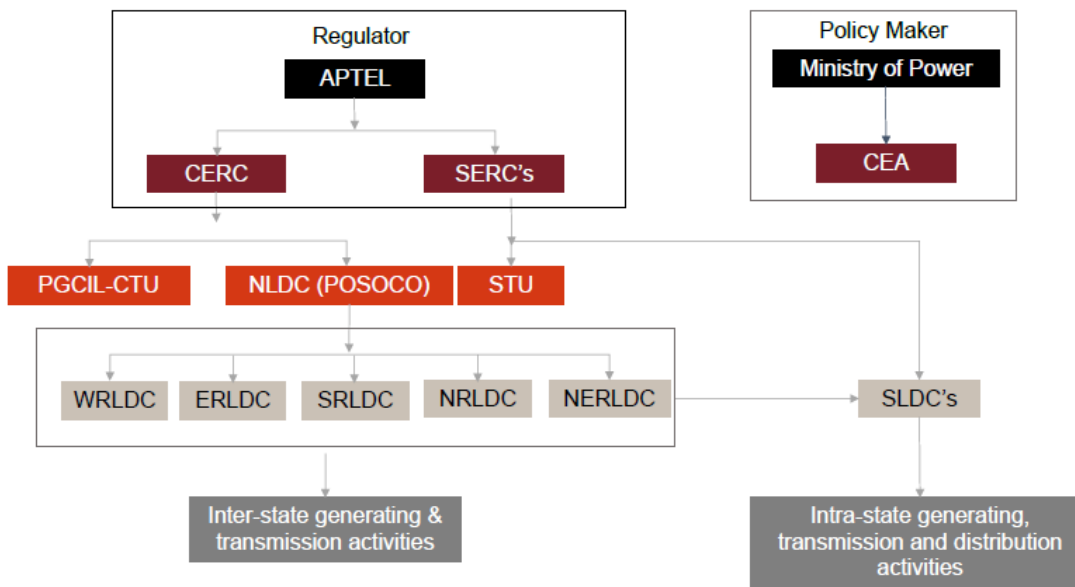
- To create an additional carbon sink of 2.5-3.0 billion ton of CO<sub>2</sub> equivalent through additional forest and tree cover by 2030

## POWER SECTOR IN INDIA

### Evolution of Power Sector and Its Structure in India

The power sector in India involves governance by the Central and state regulatory agencies. The sector is highly regulated with various functions being distributed between multiple implementing agencies. The three chief regulators for the sector are the Central Electricity Regulatory Commission, the Central Electricity Authority and state electricity regulatory commissions.

#### Institutional and structural framework



Notes: CERC- Central Electricity Regulatory Commission; CEA- Central Electricity Authority; WRLDC- Western Regional Load Despatch Centre; ERLDC- Eastern Regional Load Despatch Centre; SRLDC- Southern Regional Load Despatch Centre; NRLDC- Northern Regional Load Despatch Centre; NERLDC- North-Eastern Regional Load Despatch Centre; SLDC- State Load Despatch Centre; CTU- Central Transmission Utility; STU- State Transmission Utility.  
Source: CRISIL Research

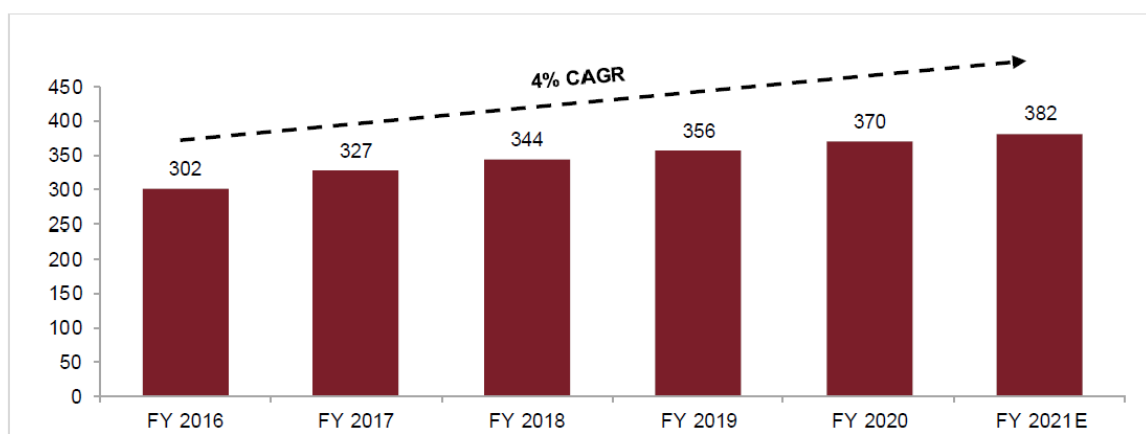
The Ministry of Power works in close coordination with the CERC and CEA. While the CERC's role is more of a regulator for approving tariffs of central utilities, approving licenses, etc., the CEA is primarily a technical advisor focused on planning, i.e., estimating power demand and generation and transmission capacity addition. The CEA also reviews the performance of power sector on a monthly basis.

### Review of Generation-Transmission-Distribution Businesses in India

*Generation segment witnessed robust capacity growth of 4% over fiscals 2016-2021*

The total installed generation capacity at the end of March 2021 was 382 GW, of which approximately 80 GW of capacity was added over fiscals 2016-21. Coal and lignite-based installed power generation capacity has maintained its dominant position over the years and accounts for 55% as on March 2021.

### Evolution of installed generation capacity (GW)



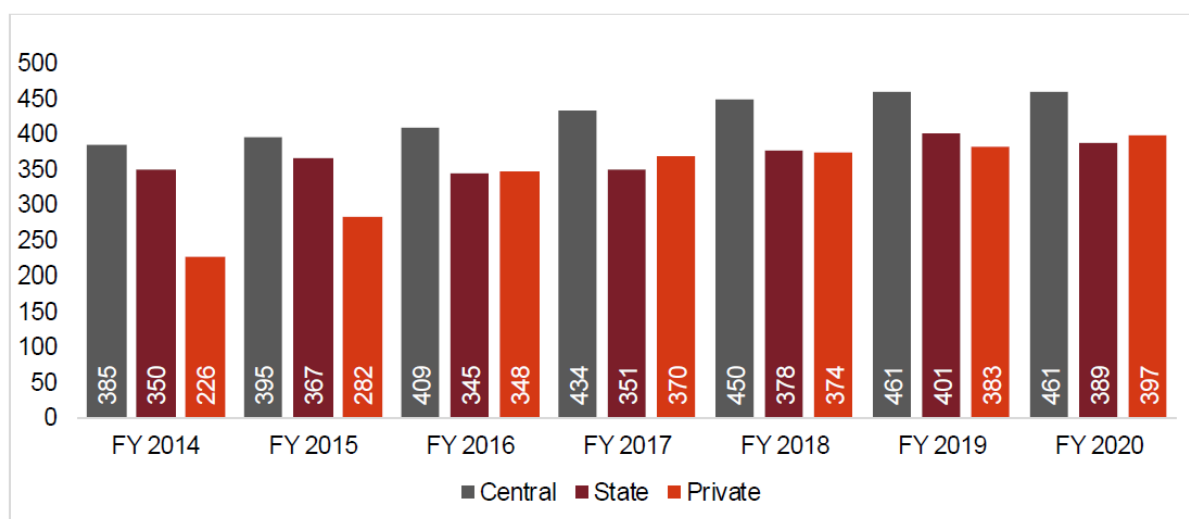
Source: CEA, CRISIL Research

Total installed conventional capacity (excluding renewables) in India increased to 287,717 MW at the end of fiscal 2021 from 195,801 MW at the end of fiscal 2013. The Electricity Act, 2003, coupled with competitive bidding for power procurement, implemented in 2006, encouraged the participation of private players, who announced large capacity additions. Private players have commissioned significant capacity over the past few years.

Between fiscals 2016 and 2021, ~42 GW of conventional source-based power generation capacities were added, with the private sector accounting for ~26% of the total additions. This was primarily due to the introduction of competitive bidding after 2006, which opened the sector to private players who drew up aggressive expansion plans. Subsequently, significant capacities have been added by large conglomerates such as Tata Power, Adani Power, JSW Energy and Reliance Power.

Electricity Act, 2003 coupled with competitive bidding for power procurement, implemented in 2006, encouraged the participation of private players who had announced large capacity additions. The share of the private sector in power generation increased rapidly to ~32% in fiscal 2020 from 24% in fiscal 2014 largely driven by significant capacity additions by private sector over the same period.

### Sector-wise power generation (GW)



Source: CEA, CRISIL Research

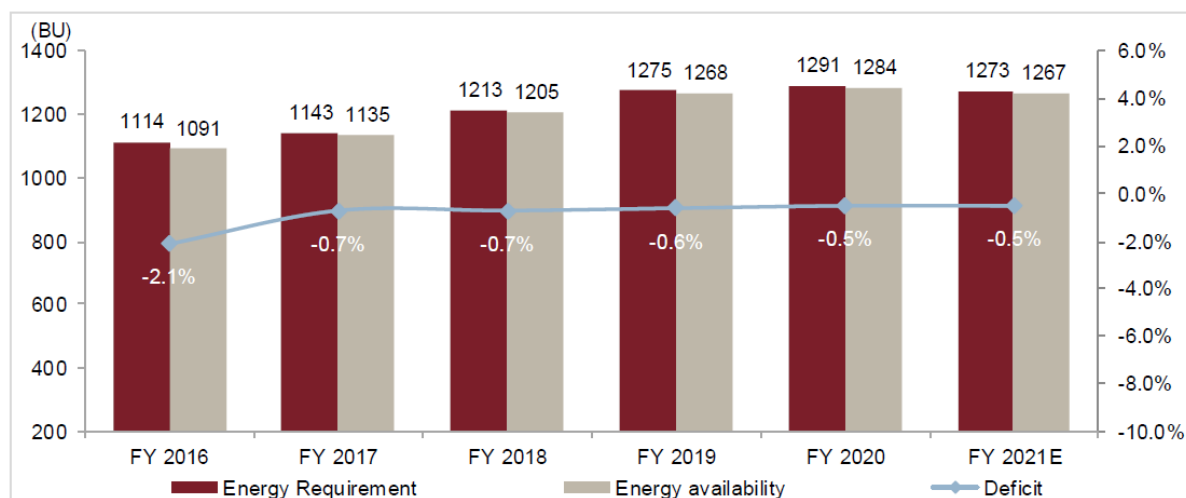
### Base deficit remained stable in fiscal 2021, likely to turn surplus by fiscal 2023

Energy demand clocked 3.8% CAGR, while power supply increased at a faster 4.5% CAGR over fiscals 2015-2020 on the back of strong capacity additions and improving transmission infrastructure. Thus, while energy deficit has decline was sharp, particularly in fiscal 2017, on account of muted demand growth of 2.5%. The low demand was the result of a decline in consumption across categories owing to energy-efficiency measures and transmission and distribution (T&D) loss reduction in key states driven by adoption of the Ujwal Discom Assurance Yojana (UDAY).

In fiscals 2018 and 2019, power demand grew at 6.2% and 5% on-year, respectively, led by a low base and gradual pickup in consumption across categories with the impetus from electrification of un-electrified households, transmission and distribution

network expansions, healthy economic activity, etc. Strengthening of inter-regional power transmission capacity over the past five years has supported the rapid fall in deficit levels as it reduced supply constraints on account of congestion and lower transmission corridor availability, thereby lowering the deficit to 0.6% in fiscal 2019. Poor demand growth in fiscal 2020 owing to weakening economic activity and extended monsoon further improved the deficit to 0.5%

### Snapshot of aggregate power demand-supply and deficit



Source: CEA, CRISIL Research

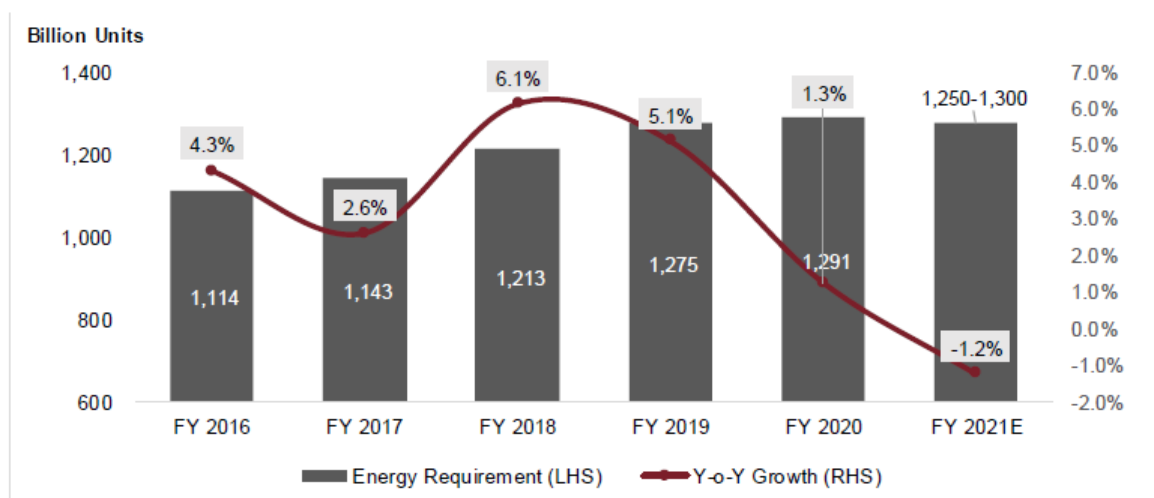
### Review of Power Demand-Supply Scenario in India

#### Tepid rise in demand growth coupled with rising supply led to drop in power deficit

Power demand growth was subdued at 1.3% y-o-y in fiscal 2020 due to a slowing economy, with an extended monsoon till October 2019 further dampening demand. An extended monsoon resulted in lower cooling demand from domestic consumers as well as reducing irrigation demand from agricultural consumers. Demand showed a slight recovery in January-February 2020 with the onset of summer, but the COVID-19 outbreak forced the shutters on economic activity in March 2020, thereby pulling power demand growth into negative territory.

The first quarter of fiscal 2021 saw power demand slip further as the nation was put into lockdown mode, bringing all activity to a screeching halt. With industries shuttered, offices locked up, and services such as retail, hospitality, and entertainment closed as a part of COVID-19 containment measures, power demand continued its downward trajectory, registering a decline of ~16% during the quarter. With relaxations being allowed in subsequent lockdowns, the economy is slowly opened up, and power demand recovered to -8.7% y-o-y for the first half of the fiscal, on the back of a flattish -0.9% decline during the second quarter. Power demand registered a strong recovery at 6.3% y-o-y growth in the third quarter as festive demand kicked in, uplifting industrial activity in the rush to cater to rising demand. The momentum in economic activity has continued in the fourth quarter, resulting in power demand growth recovering to (3%) over the April-February period. Power consumption is expected to be on the higher side in March on the back of healthy economic activity and lower base of March 2020, leading to 7-8% y-o-y growth in fourth quarter. Consequently, power demand is expected to post a decline by (1-2)% in fiscal 2021.

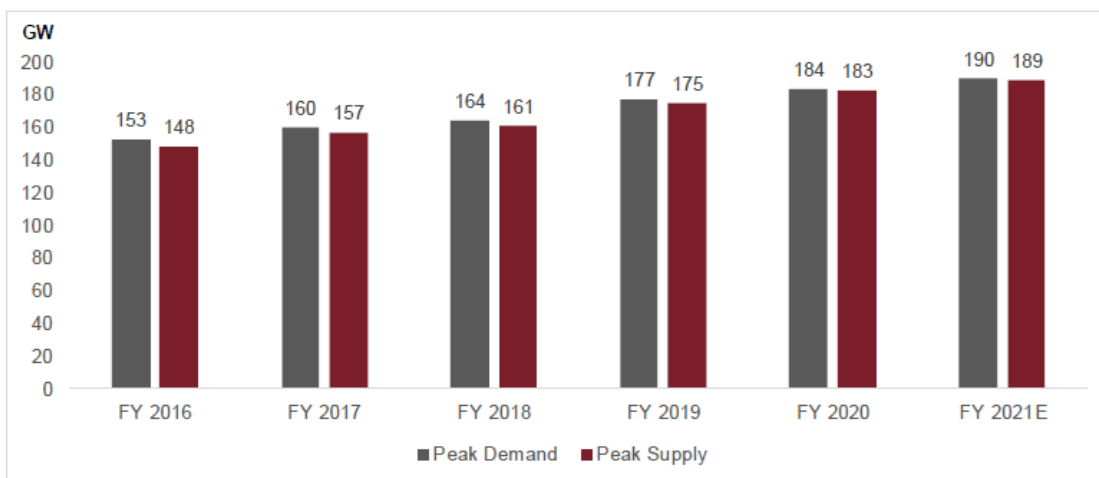
### Trend in energy requirement



Source: CEA, CRISIL Research

Similarly, peak demand for energy increased at a CAGR of ~4.4% to 184 GW in fiscal 2020 from 148 GW in fiscal 2014 while peak supply grew at a CAGR of 5.3% over same period. Consequently, peak shortage declined to ~1 GW from 3 GW.

### Snapshot of peak power demand and supply



Source: CEA, CRISIL Research

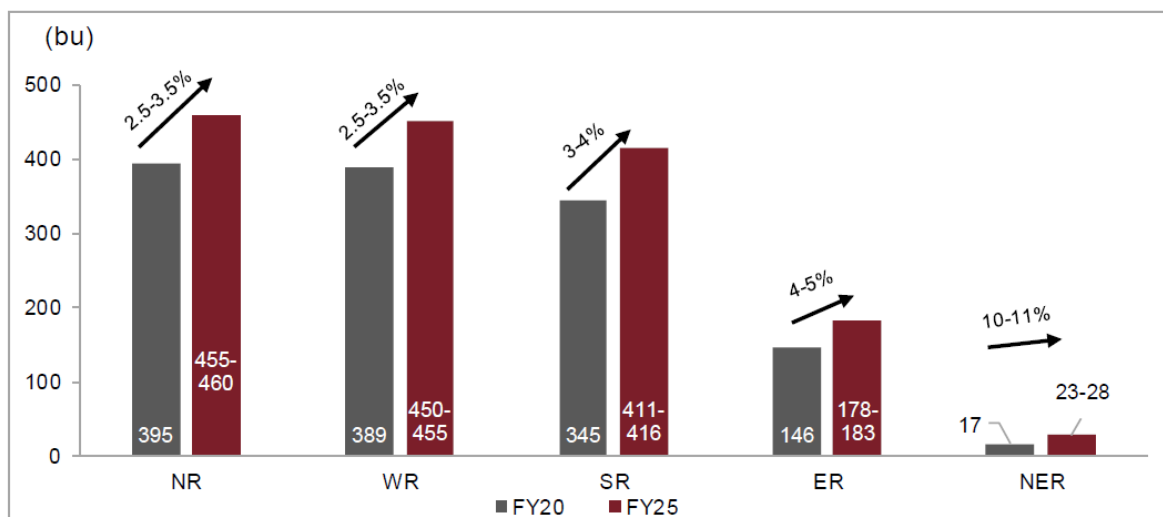
Domestic sector increased steadily till fiscal 2020 along with the industrial and commercial sectors. However, power demand nosedived by ~16% in the first quarter of fiscal 2021 as economic activity skid to a halt with the nation entering a full lockdown as part of containment measures. Industrial and commercial demand nosedived during the period due to a nationwide lockdown that brought all activities, except essential services, to a standstill, even as domestic power consumption surged owing to most of the population forced to stay indoors as social distancing measures took over. Agricultural activities, deemed essential to the economy, continued uninterrupted through the lockdown, thereby insulating demand from agriculture sector.

Power demand is estimated to have grown at a CAGR of 2.5-3.0% between fiscals 2016 and 2021, while conventional and renewable installed generation capacities are estimated to have grown at a CAGR of 2.0-2.5% and 15-16% respectively. As a result, average plant load factors (PLFs) of coal-based power plants declined from 62% in fiscal 2016 to 55-56% in fiscal 2021, while PLFs of gas-based plants continued to trend at 22-25% levels.

Performance of operational projects continues to remain stable with healthy PLFs of mostly 18-20 per cent over the past 12 quarters, (dip in Q2 each fiscal due to monsoons). Players have been designing projects utilizing a trend called DC (direct current) overloading which entails connecting more modules on the DC side of the plant to generate incrementally more in the non-peak generation hours. This has helped improve PLFs for larger developers / newer projects to the 22-25% range. Players have been known to utilize DC overloading up to 40-50% of AC (alternating current) side capacity.

### Regions and Sector That Are Expected to Drive Demand

#### Region-wise projected demand growth



Notes: Figures in percentage represent CAGR over fiscals 2020-25; NR: Northern region; WR: Western region; SR: Southern region; ER: Eastern region; NER: North-eastern region  
 Source: CEA, CRISIL Research

CRISIL Research expects the eastern and north-eastern regions to show higher growth in power demand over fiscals 2021-25 than the other regions. Demand in the eastern region is expected to log a healthy 4-5% CAGR, led by higher power availability on account of significant capacity additions over the next five years. However, despite financial restructuring, the financial health of utilities in states such as Bihar and Jharkhand continues to remain poor because of inadequate tariff revisions and high AT&C losses. Energy deficit in the north-eastern region stood at 3.7% in fiscal 2020, driven by high deficit of 5.3% in Assam. This indicates high potential for increasing electricity consumption in the region, although difficult terrain and rough weather could constrain transmission infrastructure.

Power demand in the northern region is expected to register 2.5-3.5% CAGR, led by Uttar Pradesh, Rajasthan, and Haryana, which are the highest electricity-consuming states of the region. Energy deficit stood at 1.4% in the region in fiscal 2020.

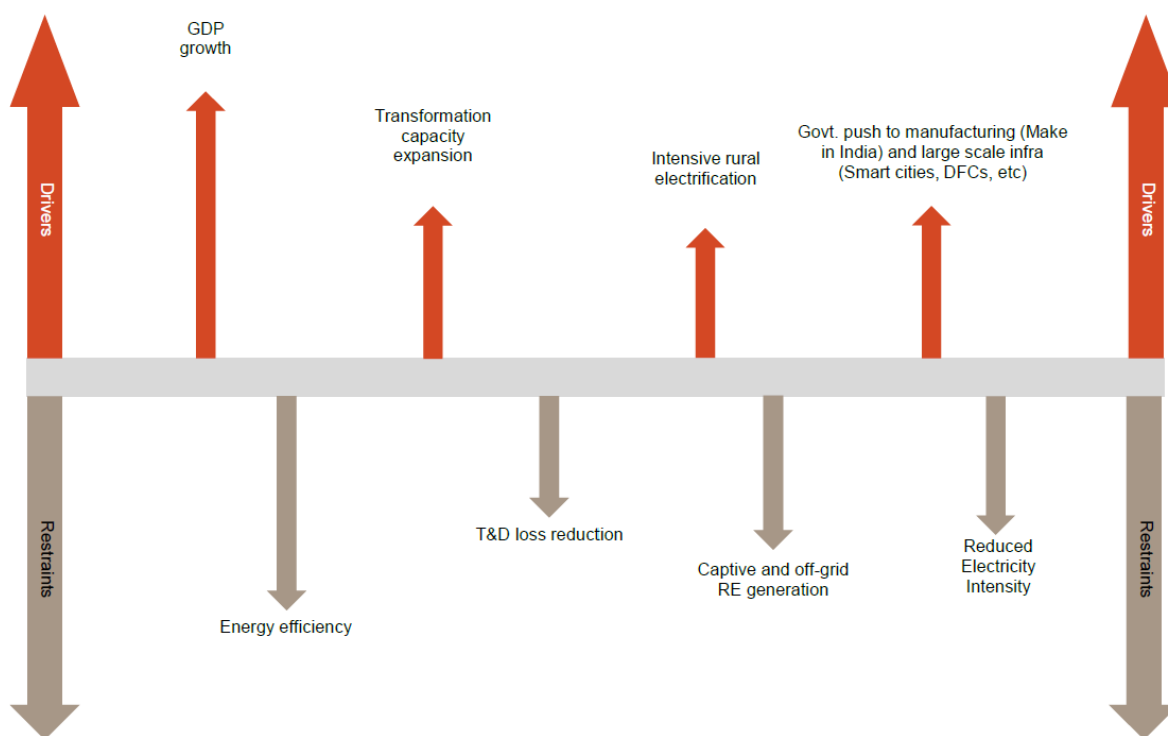
Demand in the southern region is expected to register a moderate 3-4% CAGR. Further enhancement of transmission capacities between the southern region grid and the eastern and western region grids, as well as significant capacity additions in Tamil Nadu and Telangana, will lead to demand growth in the southern region. However, the weak financial position of several key state utilities in the region could constrain power offtake ability.

In the western region, key states including Maharashtra, Gujarat, Chhattisgarh, and Madhya Pradesh are power surplus or have zero energy deficit. Consequently, demand in the western region is expected to clock a tepid 2.5-3.5% CAGR. The pandemic is likely to weigh on several highly industrialised states in the region, slowing the pace of demand growth over the medium term. Moreover, high industrial and commercial tariffs of Rs 8-9 per kWh in states such as Maharashtra, coupled with high cross-subsidy charges that prevent open access, is expected to restrict any significant rise in power demand from these segments.

### Long-Term Drivers and Constraints for Demand Growth

CRISIL Research estimates energy requirement to grow at a CAGR of 5-6% between fiscals 2022 to 2025 on account of following factors:

#### Factors influencing power demand

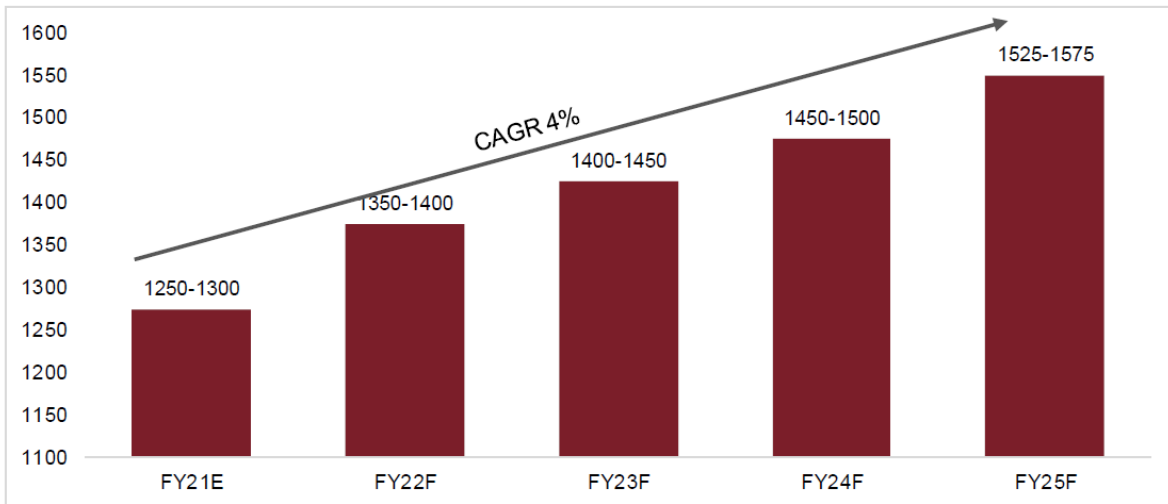


Note: DFC: Dedicated freight corridor  
 Source: CRISIL Research

India's economy is expected to recover slowly post fiscal 2021, with a gradual pick up in industrial growth over the subsequent 4 years. Trickle-down effect of the Aatma Nirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline (NIP), dedicated freight corridors (DFC) infrastructure, service industry expansion, rapid urbanization, and increased farm income from agri-related reforms are key macroeconomic factors which will aid a pickup.



**Figure 25: Power Demand Outlook (fiscals 2021- 2025)**



Note: Data is approx.  
Source: CRISIL Research

*Power Demand: Gradual pick-up in GDP growth and infrastructure development to support power demand*

CRISIL Research expects power demand to rise at a healthy pace of 4% CAGR over fiscals 2021 to 2025, after a minor decline of 1-2% in fiscal 2021 on account of economic downturn induced by the COVID-19 outbreak. Demand recovery will be driven by gradual uptick in economy, higher domestic demand due to rapid urbanisation, latent demand, and a strong recovery in fiscal 2022 over a lower base. Industrial demand, which forms the largest share in power demand, is expected to see an uptick owing to gradual recovery in industrial activity over the forecast period.

**Snapshot of infrastructure development projects**

Smart cities and housing for all	Make in India and capital goods policy	Infra development, DFC's and Metros
<ul style="list-style-type: none"> <li>Under PMAY, 8 million urban and 10 million rural houses to be constructed over next 5 years</li> <li>100 smart cities planned</li> </ul>	<ul style="list-style-type: none"> <li>Make in India envisages increase in share of manufacturing in the GDP from current 18% to 25%</li> <li>Capital goods policy aims at</li> </ul>	<ul style="list-style-type: none"> <li>Eastern &amp; western dedicated freight corridors with planned outlay of Rs 734 billion</li> <li>Metro rail projects in cities across the country</li> </ul>
<ul style="list-style-type: none"> <li>Rapid urbanization and rising disposable income of households to boost demand from domestic as well as</li> </ul>	<ul style="list-style-type: none"> <li>Support electricity consumption by industrial and allied segments</li> </ul>	<ul style="list-style-type: none"> <li>Power demand from railway segment as well as commercial establishments along freight corridors to pickup</li> </ul>
High Impact	Moderate Impact	Low Impact

Source: CRISIL Research

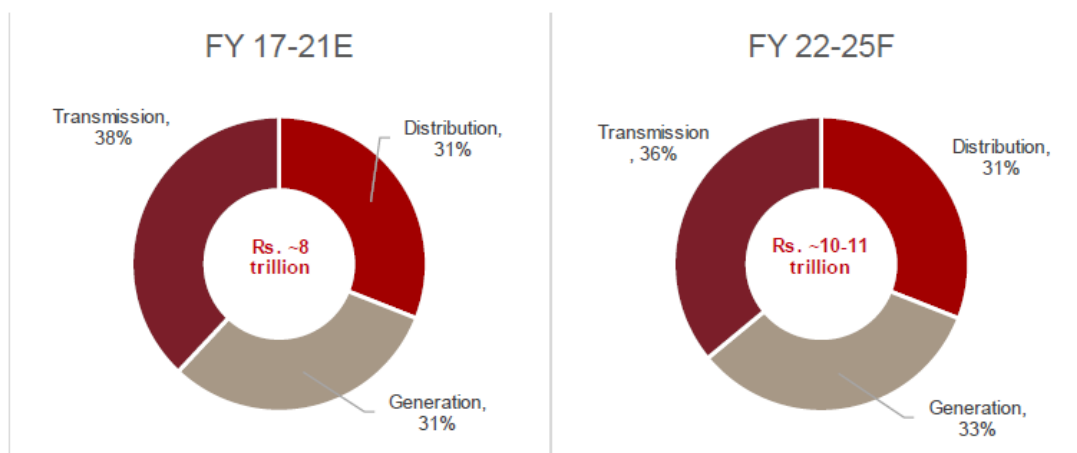
Various government initiatives such as Make in India, smart cities mission, dedicated freight corridors, metro rail projects, railway track electrification, etc. are expected to boost infrastructural development in the country, albeit in the medium to long term.



## Investments in the Transmission and Distribution Segments

### Investments in Power sector

#### Share of investments across power sector value chain



Note: E: estimates, F: forecast  
Source: CRISIL Research

Investments in the generation segment are expected to remain stable in the 32-34% range despite lower capacity additions, majorly due to higher nuclear capacities likely to be commissioned over the next five years, which are costlier on a per MW basis. Investments in distribution are likely to be subdued in the short to medium term on account of ongoing financial stress among state utilities.

#### Central and state sectors to lead investments

CRISIL Research projects investments of Rs 10-11 trillion in the power sector over the next five years. The share of generation, transmission, and distributions segments over the forecast period is expected to remain largely unchanged, with similar investments across the segments.

Investments in the segment are expected to increase to Rs 3.0-3.5 trillion from Rs ~2.50 trillion over the past five years, on account of higher nuclear capacity additions to the tune of ~4 GW over the forecast period. Investments are likely to have slackened in fiscal 2021 due to construction slowdown on account of the COVID-19 outbreak, but are likely to pick up fiscal 2022 onwards.

With the introduction of tariff-based competitive bidding (TBCB) in 2006 and anticipated healthy return profile, large private conglomerates invested heavily in generation projects. Capacity additions in the private sector were led by players such as Tata Power, Adani Power, Sterlite Energy, KSK Mahanadi and Lanco Infratech. Consequently, the private sector accounted for 26% of the total capacity additions of ~41.6 GW over the past five years. However, lack of adequate long-term power purchase agreements and stretched financials of private developers are expected to lead to a slowdown in capacity additions and restrict private investments in the generation space. As a result, central and state sectors, which typically have higher funding accessibility and strong execution record, will dominate the generation segment, accounting for ~98% of investments over the next five years.

#### Government Stimulus Through Aatma Nirbhar Bharat Relief Package

The government has adopted several measures in order to contain the economic fallout of the Covid-19 pandemic. A relief package of nearly Rs 20.9 lakh crore has been released, taking into account key sections of the economy, such as migrant labourers, small vendors, farmers and MSMEs. The scheme is focussed towards helping India recover from the pandemic while also making the nation more self-reliant.

The five pillars of Atma Nirbhar Bharat Abhiyan focus on economy, infrastructure, system, vibrant demography and demand. The five phases of Atma Nirbhar Bharat Abhiyan are:

- Phase I: Businesses including MSMEs
- Phase II: Poor, including migrants and farmers
- Phase III: Agriculture

- Phase IV: New horizons of growth
- Phase V: Government reforms and enablers

#### Sector-wise focus of Atmanirbhar Bharat

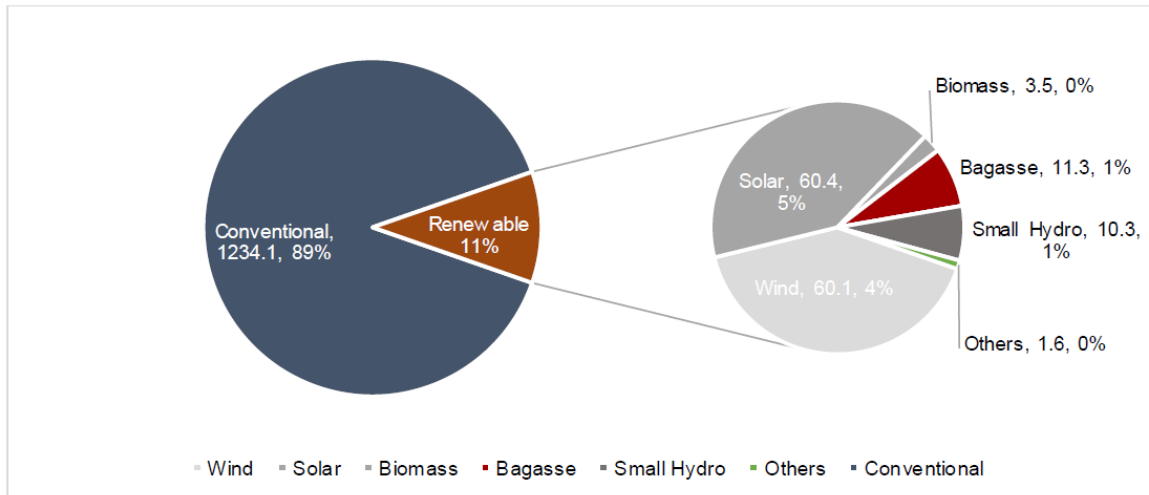
Sector	Government spend	Key schemes
Power – discoms	Nil	<ul style="list-style-type: none"> <li>• Rs 90,000 crore liquidity infusion for discoms via Power Finance Corporation/Rural Electrification Corporation (PFC/REC) against receivables</li> <li>• Rebate for payment to be received by generation companies to be passed on to industrial customers</li> </ul>
Agriculture finance	Nil	<ul style="list-style-type: none"> <li>• Rs 1 lakh crore agriculture infrastructure financing fund for development of farm gate infrastructure for farmers</li> <li>• 25 lakh new Kisan Credit Cards distributed with loan disbursement of Rs 25,000 crore</li> <li>• Rs 1.87 lakh crore disbursed through PM Kisan scheme</li> <li>• Rs 29,500 crore refinancing assistance provided through NABARD</li> </ul>
Agriculture procurement and sales	Rs 4,000 crore	<ul style="list-style-type: none"> <li>• Amendment in Essential Commodities Act for deregulation of sales of agriculture produce, including field crops, onion and potato</li> <li>• Working capital limit of Rs 6,700 crore sanctioned for procurement of food grains to state government entities</li> <li>• Rs 3,500 crore allocated for the distribution of 5 kg rice/w heat and 1 kg pulses to 8 crore non-card holder migrants</li> <li>• Rs 500 crore allocated under Operations Green for facilitation of sales of horticulture produce through 50% subsidy on storage and transport</li> </ul>
Agri allied	Rs 72,500 crore	<ul style="list-style-type: none"> <li>• Additional allocation of Rs, 40,000 crore for MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act)</li> <li>• Rs, 20,000 crore for fisherman over the next five years under Pradhan Mantri Matsya Sampada Yojana</li> <li>• Rs 13,343 crore for eradication of foot and mouth disease in Indian livestock population</li> <li>• Rs 15,000 crore for Animal Husbandry Infrastructure Development Fund (AHIDF)</li> <li>• Rs 4,000 crore for enhanced cultivation of herbal and medicinal plants</li> <li>• Rs 500 crore for Indian apiculture industry</li> <li>• Rs 10,000 crore for formulation of micro food enterprises</li> </ul>
Mining	Nil	<ul style="list-style-type: none"> <li>• Expected to offer 500 mineral blocks, including 50 coal</li> <li>• Promoting commercial coal mining (ordinance to remove captive end use restriction passed in January 2020), government to expedite policy formulation and auction process</li> <li>• Government to allow composite exploration/ auction of coal bed methane reserves for extraction</li> <li>• Rebate offered on revenue sharing quantum to incentivize early operationalization/ higher produce</li> <li>• Provision of Rs 50,000 crore for evacuation infrastructure</li> </ul>

## RENEWABLE ENERGY SECTOR IN INDIA

### Outlook of Renewable Energy in India

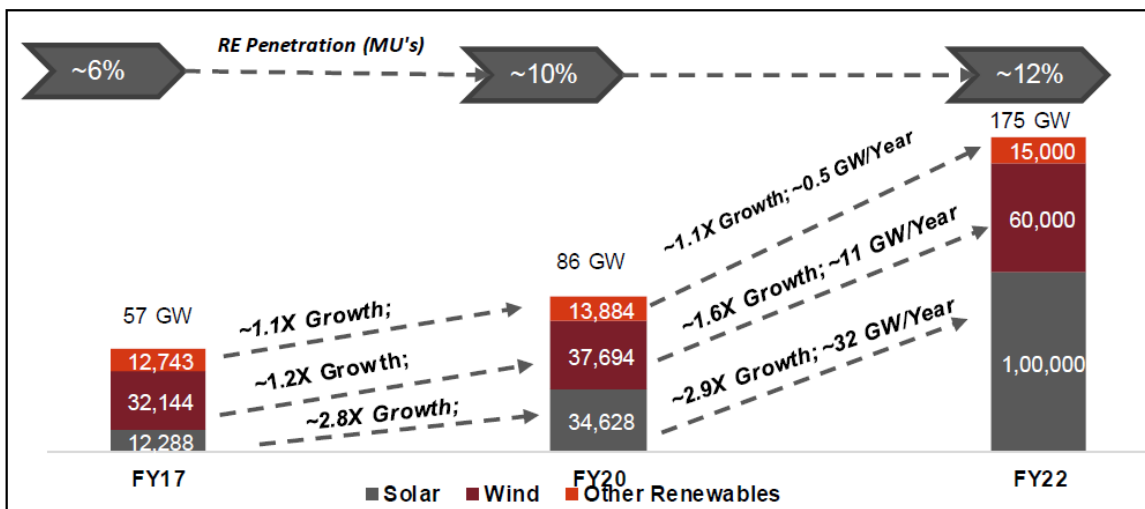
In 2014, the government set a target of achieving 175 GW of renewable energy in India, with a major focus on solar energy (100 GW by December 2022) and Wind energy (60 GW by fiscal 2022). Other renewable energy sources, including small hydro projects, biomass projects and other renewable technologies, were also to ramp up to 15 GW by fiscal 2022.

**Renewable energy penetration is ~11% in India at the end of fiscal 2020-21**



Note: Latest available generation data from renewable sources available till March-21  
Source: MNRE; CEA, CRISIL Research

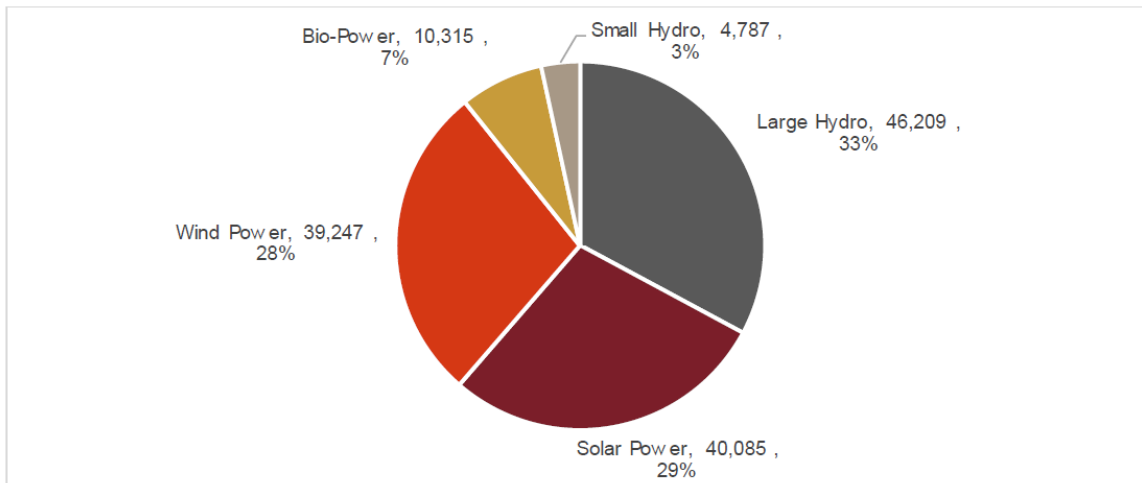
### Revised renewable energy capacity addition targets till fiscal 2022



Source: CRISIL Research

The last five years (between fiscals 2016 and 2020) witnessed ~32 GW of capacity additions. Compared to last year, growth in capacity additions will be driven by government support with an aggressive tendering roadmap outlined and being followed by the government so far. Few external factors such as improvement in technology (floating solar, module efficiency) and low capital costs is also key to enabling additions.

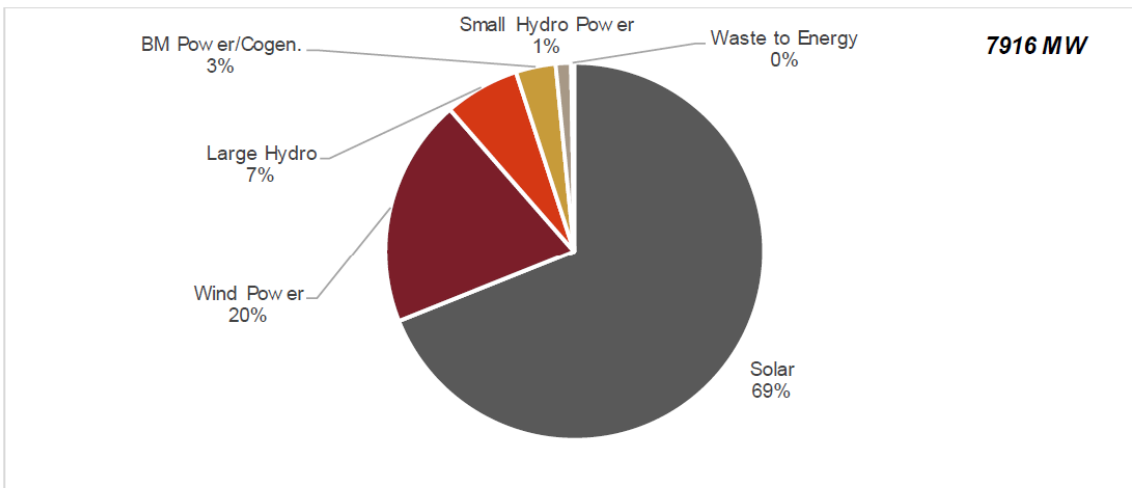
### Renewable Energy Installed Capacity (in GW)



Source: CEA, CRISIL Research

The renewable capacity addition in the fiscal 2021 stood at 7,916 MW (including 510 MW of large hydro capacity addition), ~20% lower than the additions in the previous year.

### Renewable capacity addition was dominated by solar in fiscal 2021



Source: CRISIL Research

### Potential and cumulative capacity of RE (technology wise)

Technology	Potential	Cumulative capacity as on Dec 2020	Untapped potential
Wind	302 GW (100 m hub height)	38.26 GW	263.74 GW
Solar ground mounted	750 GW	31.38 GW	718.62 GW
Bio-energy	25 GW	10.31 GW	14.69 GW
Small hydro	20 GW	4.74 GW	15.26 GW
Waste to energy	NA	0.14 GW	NA

Source: MNRE; NITI Aayog; CRISIL Research

As of July 2021, Sterlite Power Grid ventures, Reliance Infra Invit fund and IRB Invit fund have concrete plans to set up Infrastructure Trusts.

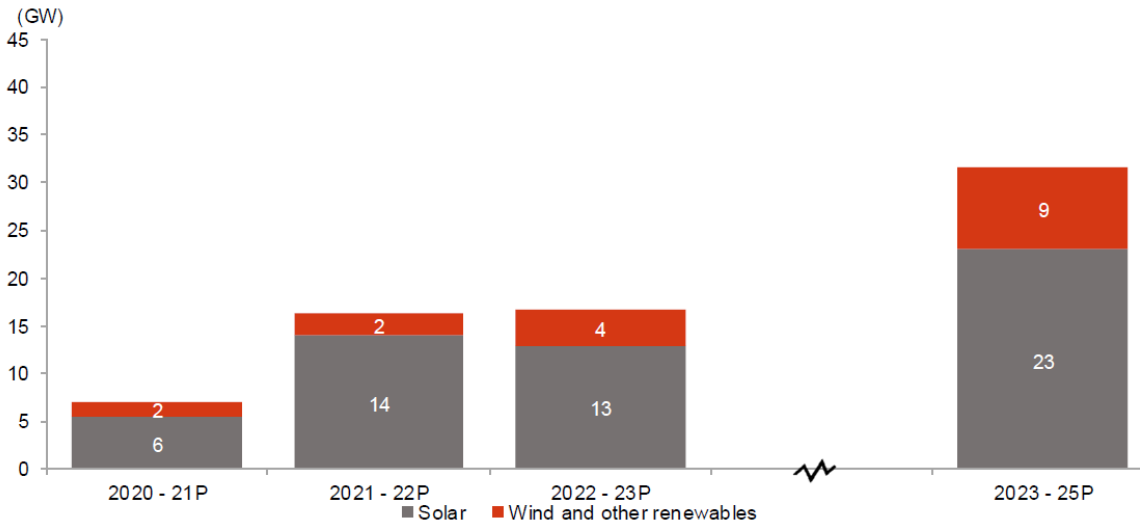
CRISIL Research expects 55-57 GW of solar capacity additions over fiscals 2021 to 2025. This will be driven by additions under the following:

- The National Solar Mission (NSM) Phase II Batch IV, V and VI
- Other schemes launched by SECI (ISTS, floating solar tenders, newer structure tenders, state specific schemes etc.)
- Capacities tendered by distribution companies in various states to fulfil Renewable Purchase Obligations (RPO)

- Capacities tendered by cash rich public sector undertakings (PSU) such as National Thermal Power Corporation (NTPC), Neyveli Lignite Corporation (NLC), Coal India Limited (CIL) etc.
- Rooftop projects

The RE market of India is one of the most attractive markets globally on account of large capacity additions, strong government support and a favourable policy regime. Further, India is the fourth largest in terms of installed wind energy capacity. Going forward, we believe 70-74 GW of RE capacities (solar and wind) will be added over fiscals 2021-2025. Also going forward, RE capacity additions are expected to exceed conventional capacities, which will eventually result in higher RE penetration.

### Strong government support, falling tariffs and easing transmission constraints to drive RE capacity addition



Note: P-Projected, Capacity additions for solar includes both solar ground mounted and solar rooftop capacity additions. It does not include the outlook on the off-grid/captive power.

Source: MNRE; CEA, CRISIL Research

## TRANSMISSION SEGMENT IN INDIA

### Overview and Structure

The transmission segment plays a key role in transmitting power continuously to various distribution entities across the country. The transmission sector needs concomitant capacity addition, in line with generation capacity addition, in order to enable seamless flow of power.

A T&D system comprises transmission lines, substations, switching stations, transformers and distribution lines. In order to ensure reliable supply of power and optimal utilisation of generating capacity, a T&D system is organised in a grid which interconnects various generating stations and load centres. This is done to ensure uninterrupted power supply to a load centre, even if there is a failure at the local generating station or a maintenance shutdown. In addition, power can be transmitted through an alternative route if a particular section of the transmission line is unavailable.

In India, the T&D system is a three-tier structure comprising distribution networks, state grids, and regional grids. The distribution networks and state grids are owned and operated by the respective state transmission utilities or state governments (through state electricity departments). Most inter-state and inter-regional transmission links are owned and operated by the Power Grid Corporation of India Ltd (PGCIL) which facilitates the transfer of power from a surplus region to one with deficit.

The T&D system in India operates at several voltage levels:

- Extra high voltage (EHV): 765 kV, 400 kV and 220 kV
- High voltage: 132 kV and 66 kV
- Medium voltage: 33 kV, 11 kV, 6.6 kV and 3.3 kV
- Low voltage: 1.1 kV, 220 volts and below

Transmission and sub-transmission systems supply power to the distribution system, which, in turn, supply power to end consumers. In order to facilitate the transfer of power between neighbouring states, state grids are interconnected through high-voltage transmission links to form a regional grid. There are five regional grids:

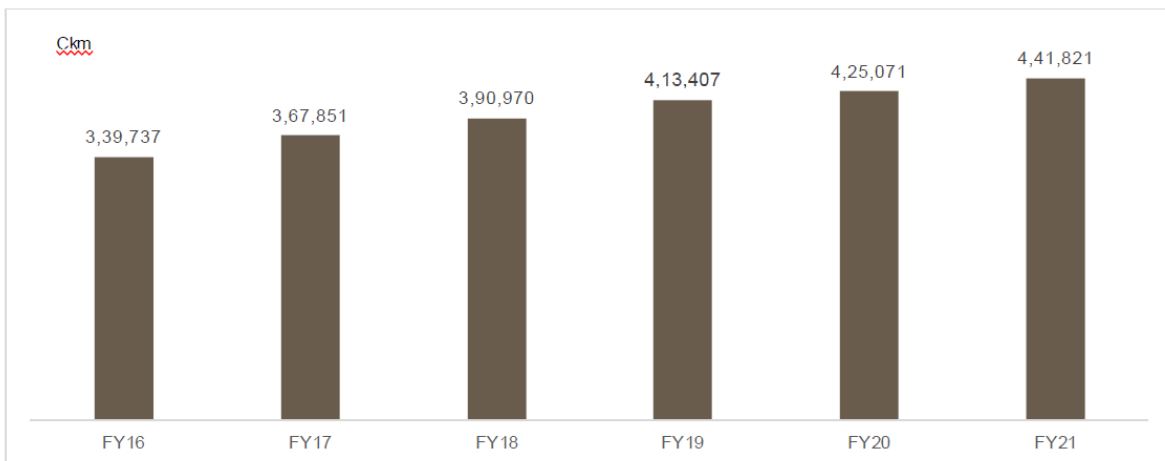
- Northern region: Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttarakhand, and Uttar Pradesh
- Eastern region: Bihar, Jharkhand, Orissa, Sikkim, and West Bengal
- Western region: Dadra and Nagar Haveli, Daman and Diu, Chhattisgarh, Goa, Gujarat, Madhya Pradesh and Maharashtra
- Southern region: Andhra Pradesh, Karnataka, Kerala, Puducherry and Tamil Nadu
- North-eastern region: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura

As peak demand for power does not take place at the same time in all states, it results in a surplus in one state and deficit in another. Regional or inter-state grids facilitate the transfer of power from a surplus region to the one facing a deficit. Additionally, they also facilitate the optimal scheduling of maintenance outages and better coordination between power plants.

**Market Review**

Robust generation capacity addition over the years and government’s focus on 100% rural electrification through last mile connectivity has led to extensive expansion of the transmission and distribution (T&D) system across the country. The total length of domestic transmission lines rose from 3,39,737 circuit kilometres (ckm) in fiscal 2016 to 4,41,821 ckm in fiscal 2021.

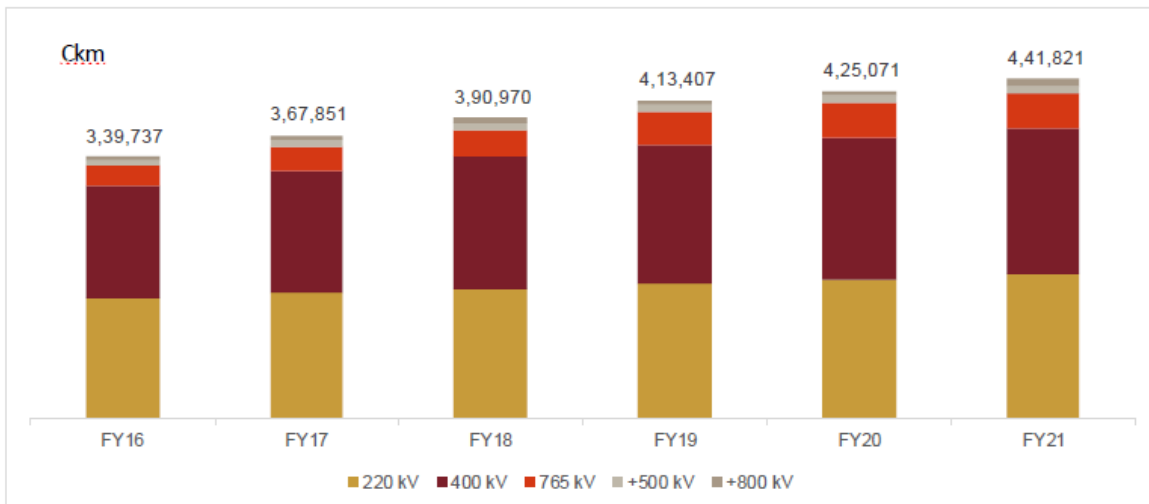
**Total transmission line network in the country (220 kV and above)**



Source: CEA, CRISIL Research

There has been strong growth in the transmission system at higher voltage levels and substation capacities. This is a result of increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability.

**Strong growth in the length of high voltage transmission lines (220 kV and above)**



Source: CEA, CRISIL Research

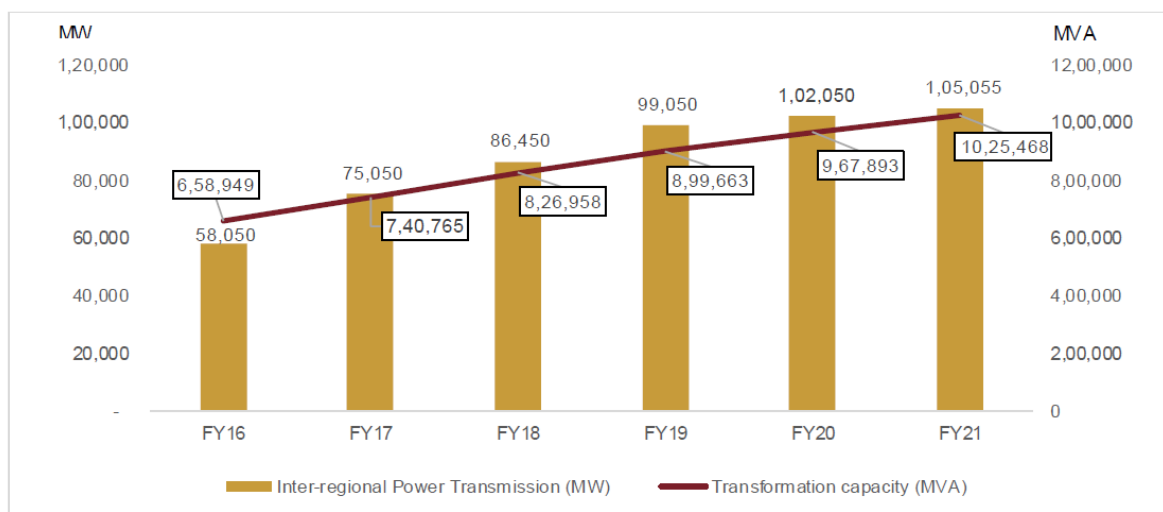
Strong growth of transmission system at higher voltages has grown due to increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses, and improve grid reliability.

The Electricity Act, 2003 coupled with Tariff-Based Competitive Bidding (TBCB) for development of transmission infrastructure, encouraged private participation in the power transmission sector and has supported the growth of transmission lines in India sector.

The total transmission line length (above 220 kV) has increased at 5.4% CAGR from fiscal 2016 to fiscal 2021. This increase can also be attributed to an increase in the commissioning of the 765-KV lines, growing at a CAGR of 12.4% over the same time period. 765 kV lines have higher transfer capacity and lower technical losses thereby reducing the overall number of lines and rights of way required to deliver equivalent capacity. Performance in a transmission line improves as voltage increases and as 765 kV lines use one of the highest voltage levels, they experience comparatively lesser amount of line loss. 800 kV lines have also shown strong growth momentum, rising at 29.8% CAGR over the last five fiscals, majorly owing to strong investments by the central sector.

Inter-regional power transmission capacity of the National Grid has grown strongly from 58,050 MW in fiscal 2016 to 105,055 MW in fiscal 2021, at a CAGR of 12.6%. Subsequently, transformation capacity rose from 6,58,949 MVA in fiscal 2016 to 10,25,468 MVA in fiscal 2021, growing at a CAGR of ~7.6%.

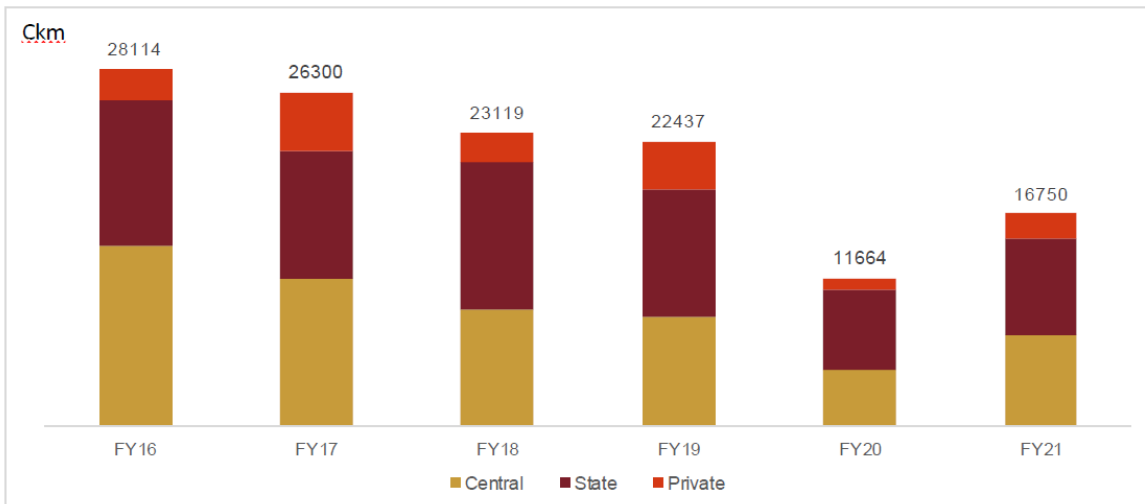
### Growth in transformation capacity and inter-regional power transmission capacity



Source: CEA, CRISIL Research

Investments in transmission line additions continue to be dominated by the central and state sectors. In the 12<sup>th</sup> five-year plan (2012- 2017), a total of 110,370 ckt km was set up in the country, with the central and state sectors contributing to 44% and 41% respectively.

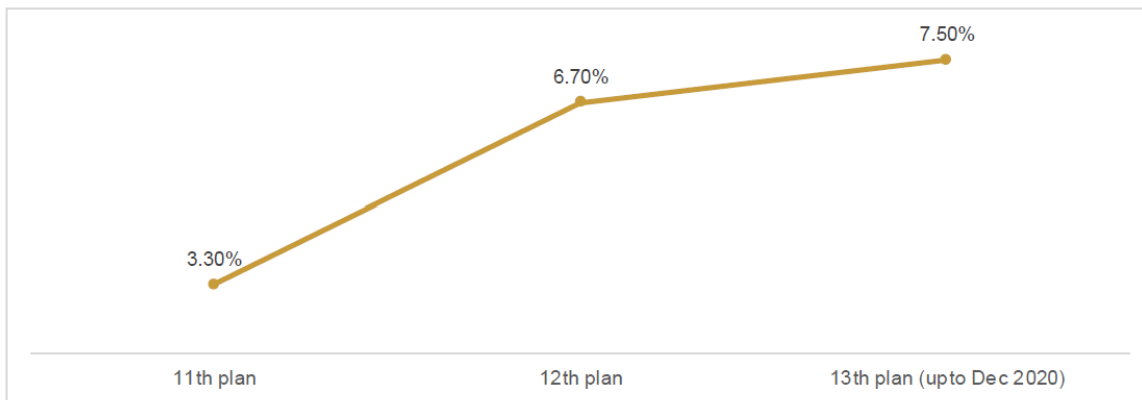
### Sector-Wise share of transmission line additions



Source: CEA, CRISIL Research

Although private sector participation has been growing in the segment, with contribution reaching ~7.5% in fiscal 2021 (till Dec 2020) (from nil in fiscal 2007). However, private participation in the transmission segment still lags the generation segment, where private contribution has grown strongly from 39% in fiscal 2015 to 47% in fiscal 2021\*.

### Private sector participation in transmission sector



\* Up to Dec 2020

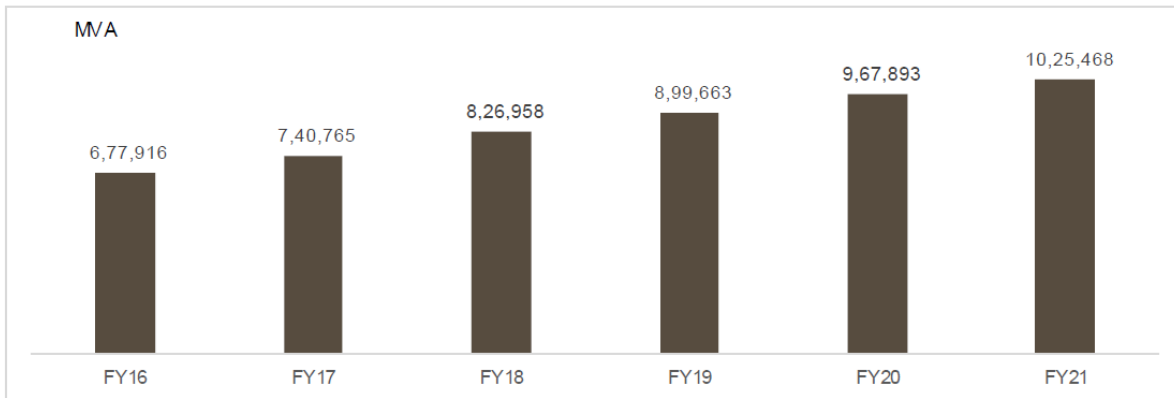
Source: CEA, CRISIL Research

Although to encourage private-sector participation in building transmission capacity, the central government notified power-transmission schemes to be undertaken through TBCB, but still lower private player penetration in the transmission sector necessitates higher allotment of transmission lines to private players by the central transmission utilities.

Sub-station capacities in the country have grown from 677,916 MVA in fiscal 2016 to reach 10,25,468 MVA in fiscal 2021, at a CAGR of 8.6%.



### Total substations in the country

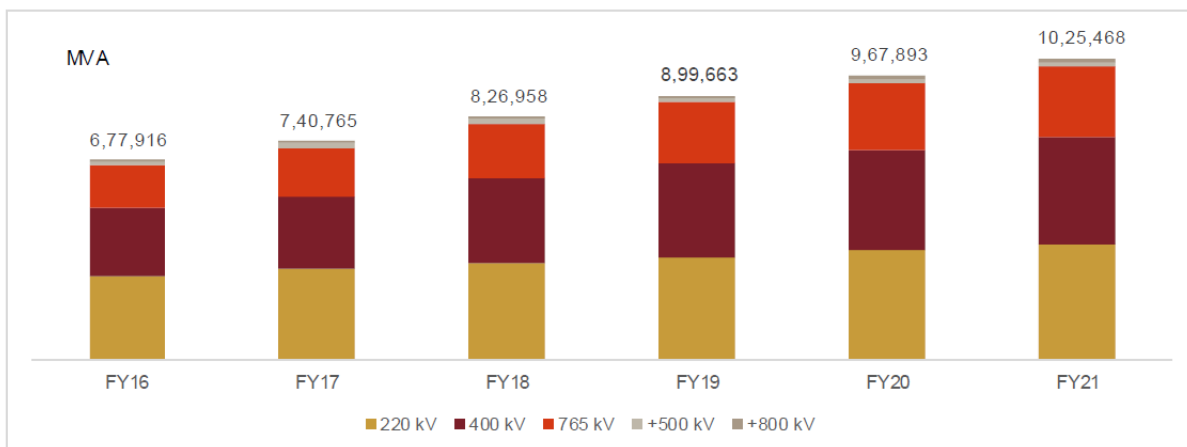


Source: CEA, CRISIL Research

The growth in sub-station capacities have majorly seen traction in 220 kV, 400 kV and 765 kV segments, contributing to 28%, 37% and 31% of the incremental additions respectively between fiscals 2016 and 2021.

Similarly, growth in the sub-station capacity addition was 12.9% CAGR between 2006-07 and 2011-12, and it has increased by 18.2% CAGR from 2011-12 to 2016-17. During 2017-18, the robust growth in capacity additions have continued which witnessed a 15.9% y-o-y rise.

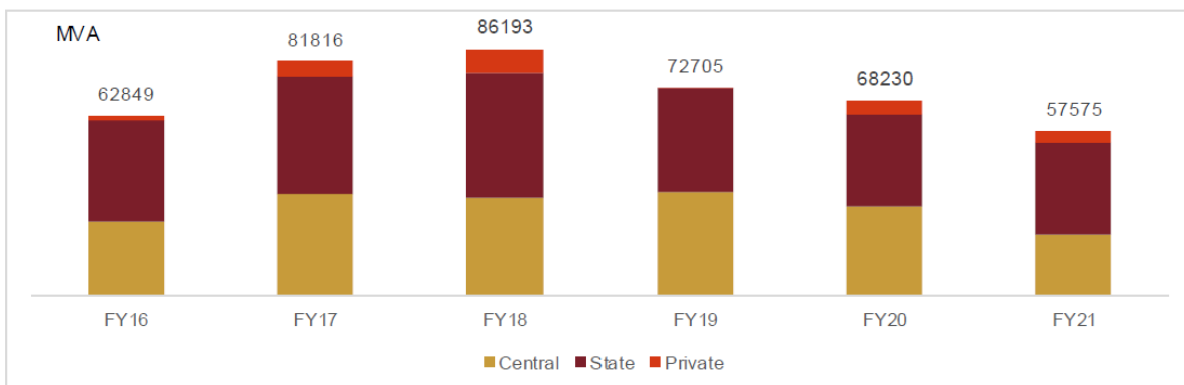
### Robust growth in high voltage sub-station capacity (above 220 kV)



Source: CEA, CRISIL Research

Substation additions have dominated by the state sector and central sector, contributing to 51% and 43% of the cumulative capacity additions over fiscal 2015 to fiscal 2021.

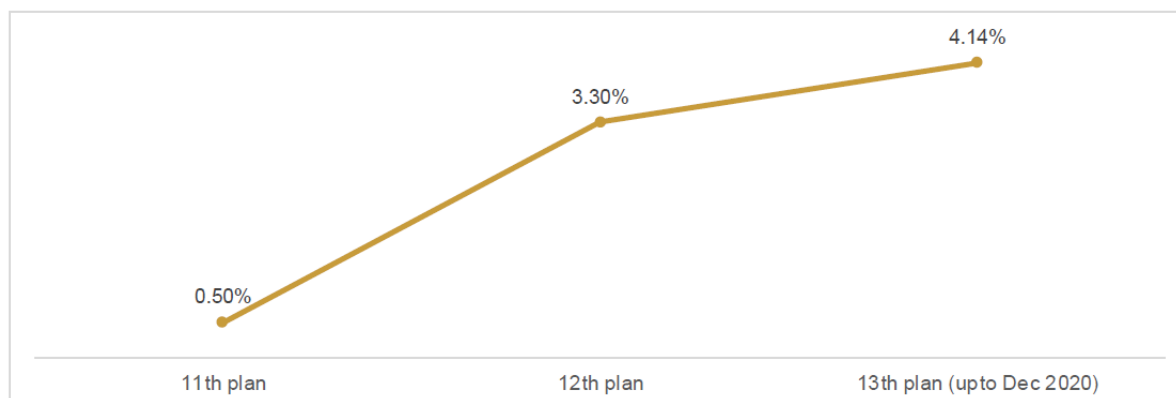
### Sector-Wise share of substation additions



Source: CEA, CRISIL Research

Of the total substation capacity-additions of 331,210 MVA during the 12th five-year plan, about 49% can be attributed to the central sector, followed by state (44%) and JV/ private sector (7%). Private sector investments continue to be tepid, with the cumulative share reaching 4.1% in December, fiscal 2021.

### Share of private sector in substation investments



Source: CEA, CRISIL Research

### Unification of regional grids into the national grid

To facilitate the transfer of power between neighbouring states, state grids are inter-connected through high-voltage transmission links to form a regional grid. There are five regional grids, namely, Northern, Western, Southern, Eastern and North-eastern regional grid. As peak demand for power does not take place at the same time in all states, it results in a surplus in one state and a deficit in another. Regional or inter-state grids facilitate the transfer of power from a surplus region to the one facing a deficit. Additionally, they also facilitate the optimal scheduling of maintenance outages and better coordination between power plants.

The Indian national grid has evolved over a period of past 60 years all the way from isolated state grids to regional grids and finally with the commissioning of 765 kV transmission line between Raichur and Solapur in December 2013 India achieved one nation one Grid status. Although the interregional transmission capacity is still low, unification of grid has helped in bridging the gap between load centers to the demand centers in India.

### Plans to increase grid infrastructure

Based on the 19<sup>th</sup> Electrical Power survey conducted by CEA, the total power generation installed capacity by the end of fiscal 2022 is expected to reach ~480.4 GW. This would necessitate ~110,000 ckm of transmission lines and ~383,000 MVA of transformation capacity in substations at 220 kV and above.

### Planned Transmission capacity additions by CEA during period 2017-2022 as of March 2021

Transmission system type/ voltage class	Unit	At the end of 12th plan (March 2017)	Required to be added during the plan period 2017-22	Required ckm/ MVA (cumulative) at the end of plan period i.e. by 2021-22	Current status of Transmission network (Ckm, MVA) till March 2021
<b>Transmission lines</b>					
(a) HVDC + 500 kV/ 800 kV bipole	ckm	15,556	4,040	19,596	19,375
(b) 765 kV	ckm	31,240	21,603	52,843	46,090
(c) 400 kV	ckm	157,787	48,092	205,879	189,910
(d) 230/ 220 kV	ckm	163,268	36,546	199,814	186,446
Total transmission lines	ckm	367,851	110,281	478,132	441,821
<b>Substations</b>					
(a) 765 kV	MVA	167,500	109,500	277,000	238,700
(b) 400 kV	MVA	240,807	178,610	419,417	362,327
(c) 230/ 220 kV	MVA	312,958	95,580	408,538	394,941
Total substations		721,265	383,690	1,104,955	995,968
<b>HVDC</b>					
(a) Bi-pole link capacity	MW	16,500	14,000	30,500	29,500
(b) Back to back capacity	MW	3,000	0	3,000	3,000

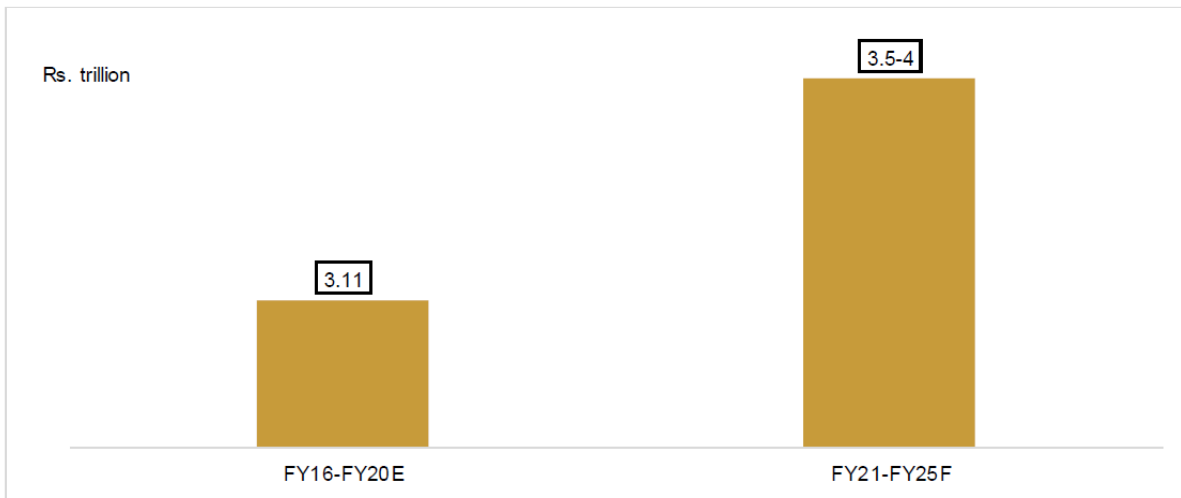
Transmission system type/ voltage class	Unit	At the end of 12th plan (March 2017)	Required to be added during the plan period 2017-22	Required ckm/ MVA (cumulative) at the end of plan period i.e. by 2021-22	Current status of Transmission network (Ckm, MVA) till March 2021
Total HVDC		19,500	14,000	33,500	32,500

Source: National Electricity Plan, CEA, CRISIL Research

### Transmission Segment Investments to Rise to Rs ~3.5-4 Trillion Over Next Five Years

To service a large power generation installed base, the estimated investment in the transmission sector is expected to be ~Rs 3.5-4 trillion over the next five years. Investments in the sector are expected to be driven by the need for a robust and reliable transmission system to support continued generation additions and the strong push to the renewable energy sector as well as rural electrification. Also, strong execution capability coupled with healthy financials of PGCIL will drive investments. Moreover, rising private sector participation with favourable risk-return profile of transmission projects will also support growth in investments. Transmission investments could slow down slightly in fiscal 2021 due to COVID-19 outbreak, but are expected to rebound strongly in the subsequent year.

#### Expected investments in transmission segment (fiscals 2021-2025)



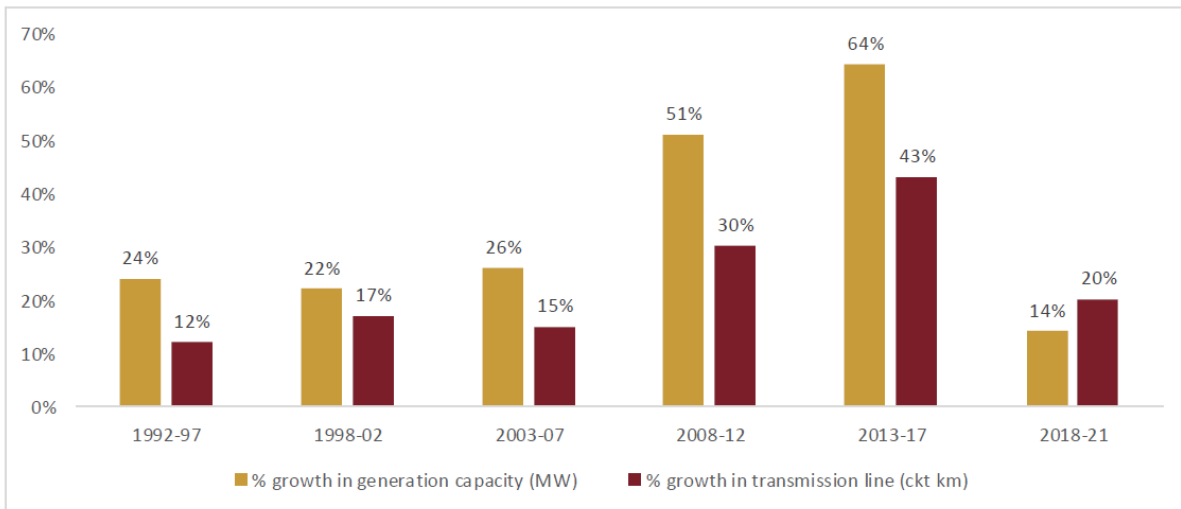
Source: CRISIL Research

With the introduction of TBCB and viability gap funding schemes for intra-state projects, the share of private sector players in the power transmission sector is expected to increase gradually over the next five years.

#### Healthy line additions in transmission to drive investments

Historically, the generation segment has dominated investments in the Indian power sector. Of the total power sector investments, more than 60% investments have been in the power generation sector segment, while that in the transmission and distribution (T&D) segments have lagged at around 20% each. This is clearly visible in the chart below, which shows the difference in growth across different plan periods.

## Transmission line growth has lagged generation capacity

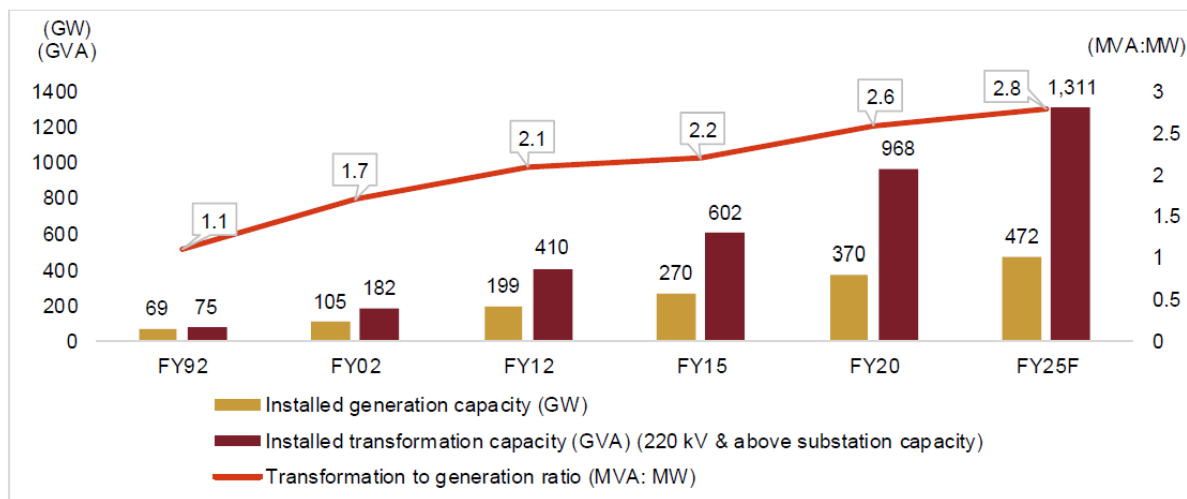


Source: CEA, CRISIL Research

In the 13th five-year plan (2018-22), generation growth has slowed down owing to oversupply situation, lack of fresh power purchase agreements, stretched financials of private players in the conventional power segment and delays in commissioning of large hydro and nuclear projects.

To ensure free and uninterrupted flow of power, every megawatt of new generation capacity needs a certain transformation capacity added to the system. In the Indian context, 220 kV and above level transformation to generation addition ratio (MVA: MW) has remained low over the years. At the end of March 1985, this ratio was 1.1 times and has only improved to 2.6 times by the end of March 2020. Lower transformation capacity results in line congestion, which has been visible particularly in interstate transmission of power. With government's focus on alleviating congestion, transmission capacities are expected to witness robust growth in transformation capacity additions during the 13th Five Year Plan.

## Outlook on transformation capacity additions



Source: CEA, Power Finance Corporation (PFC), CRISIL Research

Transformation capacity of 330-350 GVA is expected to be commissioned in the next five years. In the transmission line segment, we expect moderate growth (~5%-7%) in HV lines of 400 and 765 kV due to their importance in interstate transmission lines. Higher voltage level enhances power density, reduces losses and efficiently delivers bulk power. Moreover, it reduces requirement of right of way, a key challenge facing the transmission sector. Thus, CRISIL Research believes the MVA: MW ratio would further improve to ~2.8 by fiscal 2025.

Investments in the transmission sector grew at ~9.5% CAGR over the last five years and aggregated to ~Rs 3.1 trillion. While installed transformation capacity (220 kV and above) increased to 968 giga volt ampere (GVA) as of March 2020, from 602 GVA in March 2015, the total installed capacity of transmission lines at 220 kV and above increased to 425,071 circuit kilometres (ckm) from 313,437 ckm over the period. This was led by robust line additions by Power Grid Corporation of India Limited (PGCIL). Also, a few state transmission utilities, particularly in Maharashtra, Haryana, Andhra Pradesh and Rajasthan, witnessed healthy additions to transmission lines.

Going forward, installed transformation capacity is expected to reach 1,311 GVA by March 2025 and grow at a CAGR of ~6.2%. In the transmission line segment, moderate growth in HV lines of 400 and 765 kV due to their importance in inter-state transmission lines.

In order to strengthen the power system and ensure free flow of power, significant investments would be required in the T&D segment. Moreover, commissioning of additional generation capacity, rising penetration of renewable energy, regional demand-supply mismatches, upgradation of existing lines, rising cross border power trading would necessitate huge investments in transmission sector in India.

CRISIL Research projects investments of Rs 10-11 trillion in the power sector over the next five years. The share of generation, transmission, and distributions segments over the forecast period is expected to remain largely unchanged, with similar investments across the segments.

Investments in the generation segment are expected to remain stable in the 32-34% range despite lower capacity additions, majorly due to higher nuclear capacities likely to be commissioned over the next five years, which are costlier on a per MW basis. Investments in distribution are likely to be subdued in the short to medium term on account of ongoing financial stress among state utilities.

In the 13th five-year plan (fiscals 2018-2022), the Ministry of Power has increased its focus on the T&D segments through higher budgetary allocations coupled with targets set under the UDAY scheme (ended March 2019). Though UDAY has ended in March 2019, state utilities were able to bring down aggregate AT&C losses from ~21% as on March 2016 to ~18-19% as on March 2020 (estimated). However, post UDAY, it is estimated that AT&C losses have again started to rise (~27% as of June 2020), though the government is looking at longer term structural measures to mitigate the same.

As a result, investments in the T&D segments are expected to witness a growth of 12% in fiscals 2021-25 over fiscals 2016-20. Strong execution capability, coupled with healthy financials of PGCIL, will drive investments. Moreover, the rising private-sector participation with favourable risk-return profile of transmission projects will also support growth in investments. Player investments in the freshly bid transmission lines are expected to be over 50%. This is expected to mobilize ~Rs. 1.7-2 trillion of private player investments over the next 5 fiscals.

#### *Inter-regional transmission capacity to rise led by regional system strengthening schemes*

CRISIL Research believes that the northern and southern regions would be required to import power and the other three regions would be in a position to export power in fiscal 2025. To cater to this import/export requirement, a number of inter-regional transmission corridors have been planned, and some of these high capacity transmission corridors are in various stages of implementation. Newly sanctioned projects under the North-Eastern System Strengthening Scheme and system strengthening schemes focused in the Ladakh region are also expected to augment investments in the transmission segment.

In addition, the following schemes in the North-East and Kashmir are funded by the Centre, with an estimated cumulative cost of Rs 116 billion:

- North-Eastern region power system improvement project
- Comprehensive scheme of transmission and distribution system in Arunachal Pradesh and Sikkim
- 220 kV transmission system from Alusteng (Srinagar) to Leh (via Drass, Kargil, Khalsti and Leh Sub-stations in Jammu and Kashmir)

Overall, the inter-regional transmission capacity is expected to increase from 102 GW in March 2020 to ~145 GW by fiscal 2024.

#### *Inter-connection with neighbouring countries to boost investments*

In order to ensure effective utilisation of regional resources, India is actively planning to inter-connect the national grid with neighbouring countries like Nepal, Bhutan, Sri Lanka and Bangladesh. Nepal is radially connected with India through 11, 33 and 132 kV lines. India and Bhutan have transmission lines of 400, 220 and 132 kV to import ~2,850 MW of power. Further, for transfer of power from upcoming hydroelectric projects in Bhutan, India is implementing two cross-border inter-connection lines of 400 kV each. Between India and Bangladesh, 400 kV DC line connecting Baharampur (India) to Bheramara (Bangladesh) and 765 kV DC line connecting Katihar (India) to Parbotipur (Bangladesh) along with 500 MW HVDC back-to-back terminal at Parbotipur are planned. A feasibility study has been carried out for two 500 MW bi-pole lines between Madurai (India) and New Anuradhapura (Sri Lanka) including submarine cable for the sea portion. Implementation of these transmission projects is expected to support investments in T&D segments over the next five years.

### *Rising private sector participation to support transmission segment investments*

With a view to encourage participation of the private sector in building transmission capacity in India, procurement of transmission has been made mandatory on competitive bidding basis, except for urgent projects, which are required to be commissioned within 2-3-years and continue to be allotted on a cost-plus basis to PGCIL. Under TBCB, interested parties are required to quote a levelised tariff through the life of the asset. Transmission schemes including 765 and 400 kV transmission system strengthening schemes in the northern, western, southern, northeastern regions, would facilitate transfer of power from power surplus states such as Chhattisgarh and Odisha and new hydro-electric projects in Bhutan.

As of June 2021, of the 59 transmission projects envisaged under TBCB, 31 have already been commissioned/ready for commissioning, while 24 are under construction/ partly commissioned. Construction of two projects could not be started due to litigations, while one project has been cancelled by CERC and another one is expected to be cancelled as per the request of the transmission service provider.

Along with such inter-state projects, there will be steady investments in transmission from the state sector as well, primarily driven by the construction of associated transmission systems for upcoming power projects. States such as Maharashtra, Gujarat, Rajasthan, Chhattisgarh, Andhra Pradesh and Karnataka are expected to witness significant investments in the transmission space.

### *Key growth drivers for transmission sector*

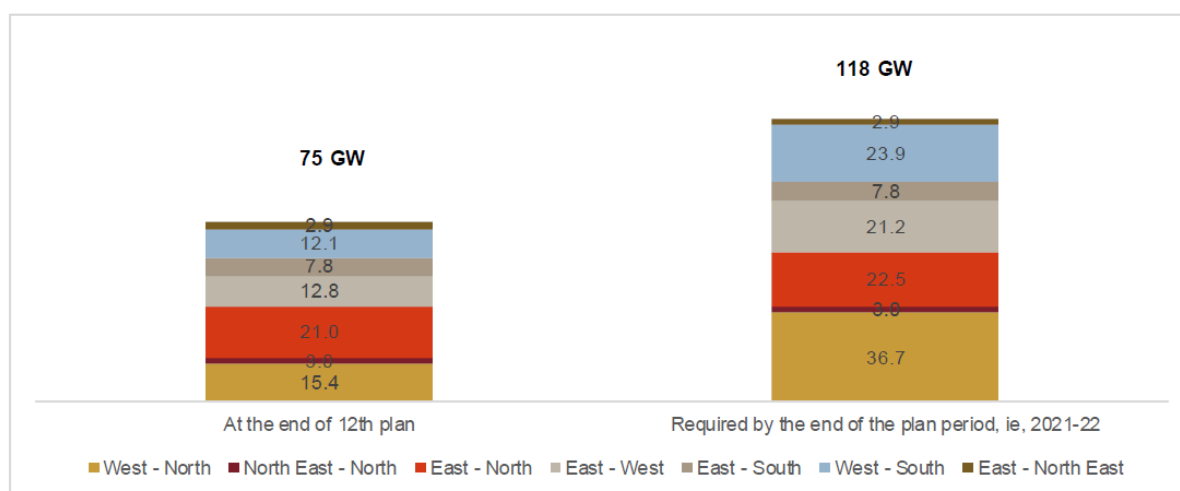
#### ***Widening gap between inter-regional power demand-supply to drive transmission capacity additions***

CRISIL Research believes that the total power generation capacity (including renewable energy) at a pan India would rise to ~472 GW in fiscal 2025 from ~382 GW in fiscal 2021. However, the upcoming generation capacity will not be spread evenly across India. Most of the upcoming renewable capacities would be concentrated in the western and southern regions of India, while significant thermal capacities would commission close to the coal mines in eastern and central regions of India. The addition of such large quantity of generation capacities would necessitate the investments in transmission segment to supply power to different demand centers.

Further, the infirm nature of renewable energy (extreme variations in the power output) would give rise to grid issues unless the generated power is distributed over longer distances and to multiple demand centers via transmission lines. Moreover, there exists significant variation in demand on account of seasonal differences and time of day demand differences, which will necessitate large inter-regional transmission capacities to prevent grid fluctuations.

As a result, to reduce the demand-supply mismatch, government has planned to increase the interregional power transfer capacity at 9.5% CAGR to 118,050 MW by fiscal 2022. Moreover the share of inter-regional transmission capacity is expected to increase from 13.9% in fiscal 2012 to 27% in fiscal 2022 (inter-regional transmission capacity as a fraction of total installed generation capacity), resulting in three times growth of investment in the power transmission sector. To facilitate inter-regional power transfer capabilities from power surplus regions to deficit regions, CEA estimates regional power transmission capacity by 2021-22 at 118,050 MW. The inter-regional transmission line corridor expansion requirement, as per CEA estimates, would be as follows:

#### **Inter-regional transmission links and capacity (MW)**



Source: National Electricity Plan, CEA, CRISIL Research

To cater to the above import/export requirement, a number of inter-regional transmission corridors have been planned and some of these high-capacity transmission corridors are in various stages of implementation, taking care of past under investments in grid. The table given below depicts the projections as per report on Advance National Transmission plan by CEA:

**Region-wise loads assumed for 2021-22 period, in MW**

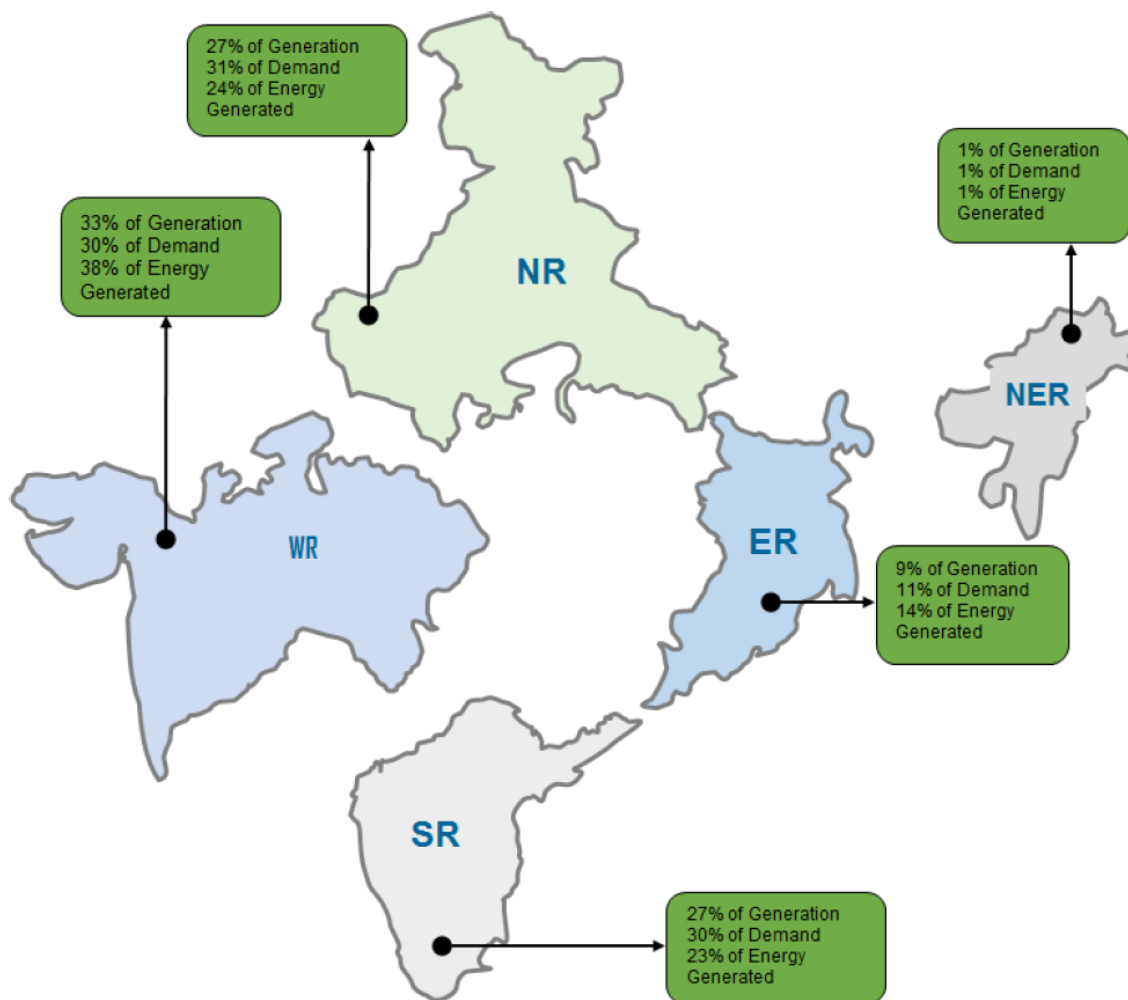
Region	Peak Load
Northern Region	76,167
Western Region	71,682
Southern Region	60,120
Eastern Region	26,852
North Eastern Region	3,688
Total - All India	238,509
Bangladesh Export	1,100
All India	239,609

Source: CEA

The government is currently under the process of preparing the National Electricity plan for transmission (Volume II), (Updated as on December 2017) in India which expects total inter-regional transmission capacity addition during 13<sup>th</sup> year plan (fiscal 2018-2022) to be ~45,700 MW. With such capacity augmentations, total inter-regional capacity would grow from ~78,050 MW as on Nov 2017 to about 118,050 MW by the end of the 13th plan.

However, interregional demand and supply gaps remain. While the western and eastern regions generate in excess of their corresponding regional demand, the northern and southern region fall short in terms of actual power generation, although the generation capacity of the southern region exceeds demand. This necessitates strong inter-regional capacities to suffice the energy gaps and reduce energy as well as peak deficit.

**Region-wise energy Demand and generation in FY20**



Note: Percentages are computed as proportion of total in India  
 Source: LGBR, CEA, CRISIL Research

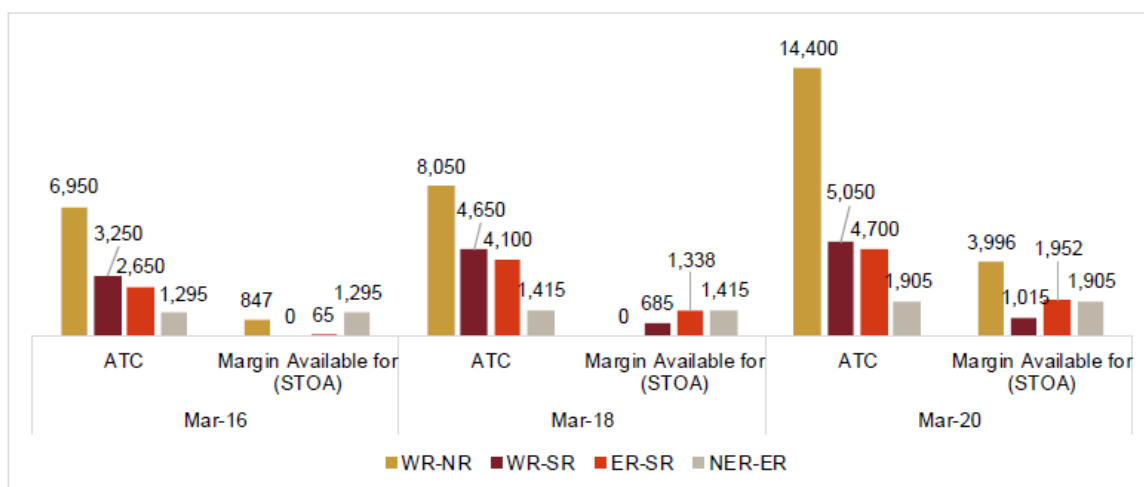
Despite healthy inter-regional transmission additions, on account of seasonal differences and time of day demand differences large inter-regional transmission capacities would be required to prevent grid fluctuations. As per Ministry of Power (Perspective Transmission Plan for Twenty Years, 2014-2034), it is estimated that the northern region would have a deficit of about 18,500 – 22,200 MW depending on the season, while the southern region will have a deficit of about 13,000 to 19,100 MW depending on the season at the end of fiscal 2022. Surplus in the western region is expected to be 11,500-15,900 MW in the summer peak, winter peak and winter-off peak conditions, while during the monsoon peak, the surplus is expected to drop to about 2,000 MW.

**Short-term open access availability limited; to drive further transmission capacity additions**

India has added ~26% (95 GW) of its total power capacity in the past six years (fiscals 2015 o 2020) itself, of which a reasonable proportion of capacity do not have long term PPAs. Consequently, there are under-utilized capacities, especially in the conventional power segment. Improved and enhanced transmission corridors, which should help evacuate power from surplus region through power trading, is an important requirement to bridge this gap and support PLFs. Further there exist significant transmission constraints for availing short-term open access between two regions. Despite overall inter-regional transmission capacity having increased 2.2 times to ~102 GW in fiscal 2020 from fiscal 2020, that available for short-term open access has remained range bound between 15-35% across the period. This is reflected from the significant disparity in merchant prices on power exchanges across various regions of India. During fiscal 2016-17, the price of electricity in the S2 (Tamil Nadu and Pondicherry) and S3 (Kerala) regions was relatively high (~Rs. 3.2-3.3/unit during high demand) vis-à-vis prices in the other regions. Apart from high demand of electricity in the region prices were high on account of congestion (lack of transmission infrastructure) between southern regions and other regions of India, coupled with market splitting on the power exchanges. Although transmission connectivity to the southern region has increased, availability for open access has been constrained. Going forward, the congestion to the southern region is expected to reduce with the commissioning of 6000 MW Raipur-Pugalur HVDC system.

Although improvement in transmission corridors has led to price rationalization across areas, in fiscal 2020 it was observed that block-wise and region-wise prices of electricity transacted through power exchanges in the Southern region was marginally higher than the price in other regions during peak period (~Rs. 0.1-0.3/unit). The prices were high due to congestion between southern region and rest of the regions, accompanied by market splitting on the power exchanges.

**Inter-regional transmission availability (in MW) for STOA**



Note: Available transfer capability (ATC) = Total transfer capability - Reliability margin  
 STOA: Short term open access  
 Source: NLDC; CRISIL Research

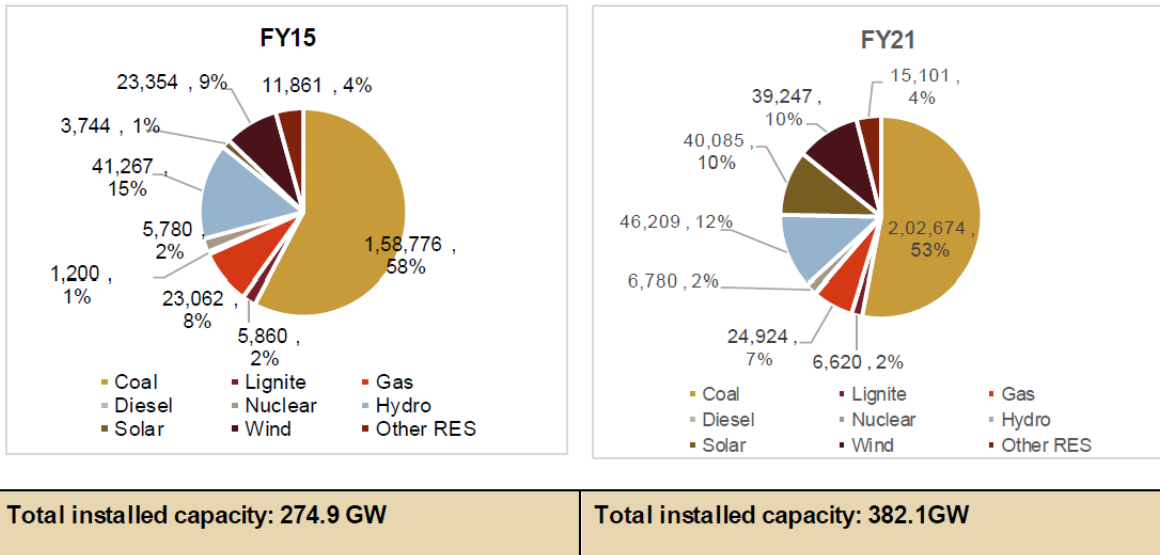
Although transmission connectivity to the southern region has increased, availability for short-term open access has been constrained. Further larger allocations under the high voltage 765 kV transmission line segment having high transfer capacity and lower technical losses will reduce the overall number of lines and right of way required to deliver equivalent capacity. Power performance in a transmission line improves as the voltage improves and as 765 kV lines uses highest voltage, they experience least amount of losses.

**Strong renewable energy capacity additions to also drive transmission capacity**

Power generation in India is dominated by coal-based generation, contributing to ~53% of the total installed capacity in India. Further, with 202 GW installed capacity, the coal-based generation contributes to around 3/4<sup>th</sup> of total electricity generation in India. However, there has been a staggering growth in installed capacity of Renewable energy sources from 15.5 GW in fiscal 2010 to 94 GW in fiscal 2021.



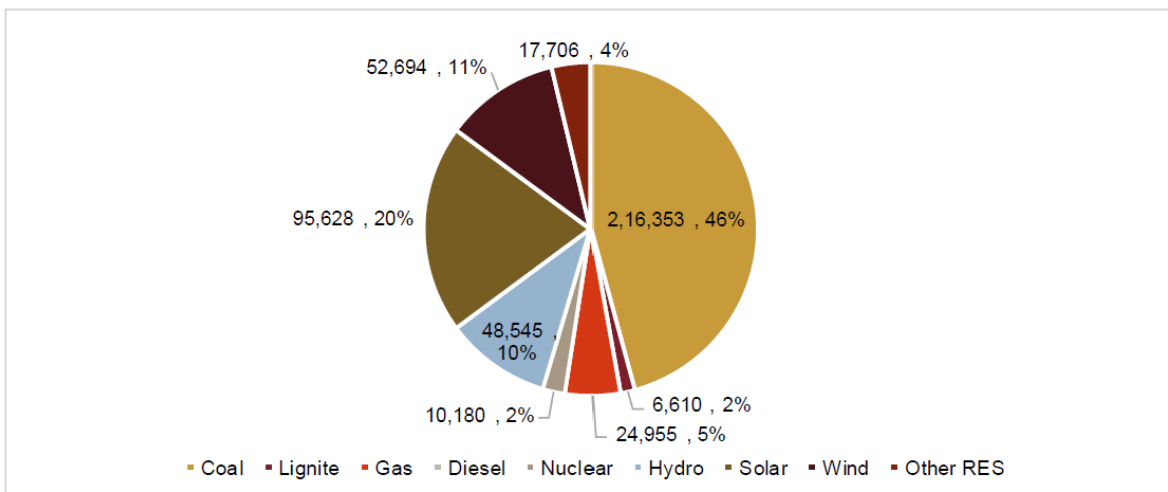
### Increase in share of renewable energy sources



Source: CEA, CRISIL Research

Furthermore, government has planned to achieve a total renewable capacity of 175 GW by fiscal 2022 which primarily includes wind and solar capacities. The share of renewable energy in the power generation mix is expected to reach ~19% in fiscal 2025 from 10% in fiscal 2020.

### Expected installed capacity base in fiscal 2025 (in GW)



Source: CRISIL Research

Under solar Park policy, the designated state nodal agency will set up pooling stations inside the solar park and will also draw transmission to transmit power to 220 KV/400 KV sub-station. The cost for the same would be borne by the state transmission utility (STU), if it is willing to buy substantial amount of power from the solar park else central transmission utility (CTU) will connect the solar park to the grid at its own cost.

Government has planned to integrate renewable energy into the National grid by setting up inter-state and intrastate schemes for evacuation of power from wind and solar projects termed as ‘Green energy Corridors’, for which KfW (The German government-owned development bank) has opened the credit line of 1 billion euro at concessional rate of interest. The central government has tendered out two 765 KV ISTS line from Banaskantha in Gujarat to Chittorgarh in Rajasthan, and another from Chittorgarh-Ajmer-Suratgarh-Moga. Further projects for construction of 400 KV pooling substation and associated lines in the Tirunelveli and Tuticorin region for renewable energy projects were awarded in 2014-15. A single circuit 765 KV of transmission line will be able to evacuate approximately 2500 MW of generated capacity.

For the realization of large-scale renewable energy installations, the Green Energy Corridor project (GEC-I) was formulated in 2012 and is set to play a critical enabling role for India’s energy system transformation. The Government of India has set a target for establishing 175 GW renewable capacity by 2022 which includes 100 GW solar and 60 GW wind generation capacity. MNRE (Ministry of New and Renewable Energy, Government of India) vide its order dated 08.06.2018 had constituted a sub-committee to identify ISTS connectivity for RE projects from potential Solar Energy Zones (SEZs) and potential Wind Energy

Zones (WEZs) of about 50 GW and 16.5 GW respectively. SEZs and WEZs envisaged in 7 RE rich states (Tamil Nadu, Andhra Pradesh, Karnataka, Gujarat, Rajasthan, Maharashtra and Madhya Pradesh) were identified by SECI (Solar Energy Corporation of India) in association with MNRE and in consultation with RE power developers. The envisaged solar (50 GW) and wind (16.5 GW) generation capacity is expected to generate ~115 billion units of RE per annum.

#### State-Wise and Phase-Wise details of SEZ and WEZ (in GW)

Solar Energy Zone			Wind Energy Zone				
	Phase 1	Phase 2	Total		Phase 1	Phase 2	Total
Rajasthan	10	10	20	Tamil Nadu	1.5	1.5	3
Andhra Pradesh	2.5	2.5	5	Andhra Pradesh	2	1	3
Karnataka	0	5	5	Karnataka	2.5	0	2.5
Gujarat	4	6	10	Gujarat	3	3	6
Maharashtra	1	4	5	Maharashtra	0	2	2
Madhya Pradesh	2.5	2.5	5				
<b>Total</b>	<b>20</b>	<b>30</b>	<b>50</b>	<b>Total</b>	<b>9</b>	<b>7.5</b>	<b>16.5</b>

Source: CEA PSPA division

The estimates cost for the transmission scheme of 66.5 GW of RE generation projects is ~43,235 Cr., based on CEA estimates. The individual schemes are being taken up for implementation of RE projects in a phased manner, i.e. 12.4 GW by December 2020 and 26.10 GW by December 2021 and 28 GW by December 2022.

The transmission system for generating a total of 20GW of solar and 9GW of wind projects is planned in Phase-I (to be commissioned by December 2020), and another 30GW of solar and 7.5GW of wind projects is planned for Phase-II (to be commissioned by December 2021).

The scheme is being implemented in phases by way of either Tariff Based Competitive Bidding (TBCB) or through Regulated Tariff Mechanism (RTM) by PGCIL. The TBCB bids are being carried out by PFC and REC. The allotment of works in TBCB or RTM is done by established committees of transmission constituted by Ministry of Power. Of this, Phase-I projects (for evacuation of 12.4 GW) have been bid out, awarded and are under implementation. Phase-II projects (for evacuation of approx. 15 GW) have been allotted by Ministry of Power in October/November 2019 and the bids have been issued by PGCIL/PFC. The Phase-III (approx. 39 GW) projects are under approval of the National Committee on Transmission.

#### Bid results for GEC Phase 1

Project Name	Winning Bidder	Project Cost (Rs. Cr.)	Winning Tariff (Rs. Cr.)
P1 - WRSS 21 - Part A	Adani Transmission Limited	1,090	95
P2 - WRSS 21 - Part B	Sterlite Power Transmission Limited	2,003	179
P3 - Bhuj Dwarka Lakadiya	Adani Transmission Limited	1,053	83
P4 - Bhuj II	PGCIL	1,409	124
P5 - Jam Khambaliya	Adani Transmission Limited	394	34
P6 - Ajmer Phagi	PGCIL	872	61
P7 - Raj SEZ Part B	PGCIL	1,186	72
P8 - Rajasthan SEZ Part C	PGCIL	1,448	122
P9 - Rajasthan SEZ Part D	Adani Transmission Limited	1,631	100

Source: CEA, RECPTCL and PFCCCL Bid Results, CRISIL Research

The Ministry of Power entrusted PGCIL to formulate a Grid Integration Plan for envisaged renewable capacity addition by 2022 as Green Energy Corridors-II (GEC II). This involved grid integration of solar power parks in twenty-one states, for evacuation of about 20,000 MW capacity through the intra-state and interstate systems. Under the scheme, 13 interstate solar parks of 9,220 MW and 21 intra-state solar parks of 1,0780 MW have been planned. This is expected to drive transmission capacity addition at the state and central level.

#### Conventional power generation capacity additions of 37.5 GW to necessitate concomitant transmission capacity

As discussed in the previous section, CRISIL Research expects ~37.5 GW worth of conventional power generation projects are expected to be commissioned over fiscals 2021-25. This coupled with estimated increase of ~3% in power demand is expected to necessitate augmenting of transmission capacities. Moreover, several upcoming capacities have long-term power purchase agreements with outside states, which will require inter-state transmission corridors.

#### Upgradation of existing lines critical to meet rising power demand in an economical way

India has ~4.41 lakh ckm of transmission network as on March 2021 of which most of the lines are using the Aluminum core steel reinforced (ACSR) conductor. This type of conductor is having lower current carrying capacity and also lower withstand temperature (85 degree celsius) capacity as compared to other latest available technology and substitutes such as ACCC (Aluminium Conductor Composite Core), CCC (Copper clad composite conductors) which are High tension low sag conductors (HTLS). Further these lines have lower efficiency and higher T&D losses. As per World Bank sturdy T&D losses in 2011-12

costed the Indian economy ~1% of its GDP, hence CEA in its recent revisions of the National transmission planning has embodied the new technological advancements.

Both upgradation and re-conducturing of lines are economically viable as it can augment capacity without the need for heavy investments. Further, upgradation of transmission lines will not result in RoW issues as newer technology conductors can easily replace the existing transmission line without modifying or reinforcing the existing lattice. Upgrading transmission network to a higher voltage i.e. from 400 kV capacity to 765 kV capacity increases the power handling capacity of the system four fold. Other benefits of replacing old conductors with high capacity new conductors include reduction in losses. Moreover, the gestation period of for upgrading a line is much lesser as compared to erection of a completely new line. Power transmission lines have reaped huge benefits in terms of increased power transmission capacity with such upgradation efforts.

### ***Improving power scenario and measures to stabilize grid to lead to transmission corridors to neighbouring countries***

Power deficit in India has been on a declining trajectory with base deficit shrinking to 0.5% for fiscal 2021 as compared 3.6% in fiscal 2015. India is expected to further expand its generation capacity (conventional power) by ~32 GW over the next five years. Thus, with healthy availability of power, India is evaluating opportunities to tap neighbouring countries for better integration and synergies.

India and its neighbouring countries are interlinking the electricity transmission systems allowing surplus power to be exported to other grid while simultaneously importing large hydro based power from Nepal and Bhutan. Further, India is evaluating to build a platform to establish power exchange beyond its shores, which will act as a neutral and robust price discovery platform to create an orderly marketplace for all buyers and sellers for neighbouring Asian countries.

Nepal is already radially interconnected with India at various places through 11kV, 33kV, 132kV, and 220kV lines. About 550MW of power can be supplied to Nepal through these interconnections. With the operation of Muzaffarpur – Dhalkebar link at 400kV, about 950 MW power can be transferred to Nepal. India and Bhutan already have existing arrangements mainly for import of about 1350MW power. With the commissioning of proposed 400KV D/C Jigmeling - Alipurduar line, the power transfer between Bhutan and India would be enhanced to about 4250MW. Similarly, with the Bangladesh commissioning of Baharampur (India) – Bheramara (Bangladesh) 400kV D/C 2nd line would increase power transfer capacity to ~1540 MW. Presently, several inter-country projects are under implementation by PGCIL in RTM mode. Some of the key projects include:

### ***Strong government support to also drive transmission investments***

Government support to power transmission is expected to continue. In the past, it has supported the transmission segment through several measures – increasing the concession period of a transmission asset, relaxation of norms to speed up project construction and implementation of UDAY scheme to boost power demand, which in turn, will eventually result in rise in transmission requirements.

### **Evolution of Tariff-Based Competitive Bidding and PoC Mechanism in the Transmission Segment**

India is one of the few countries that has opened up its transmission sector for private participation, and it has garnered significant interest from private business. This was accomplished through the Electricity Act which permitted private sector participation through tariff-based competitive bidding (TBCB) in the power transmission sector. The National Tariff Policy, 2006, introduced TBCB guidelines for all transmission projects, promoted competition in the construction of transmission infrastructure, encouraged greater investment by private business in the sector and increased transparency. In May 2018, the government proposed amendments to improve power supply, provide clarity to competitively bid projects, reduce the cost burden on consumers and boost the renewable energy segment.

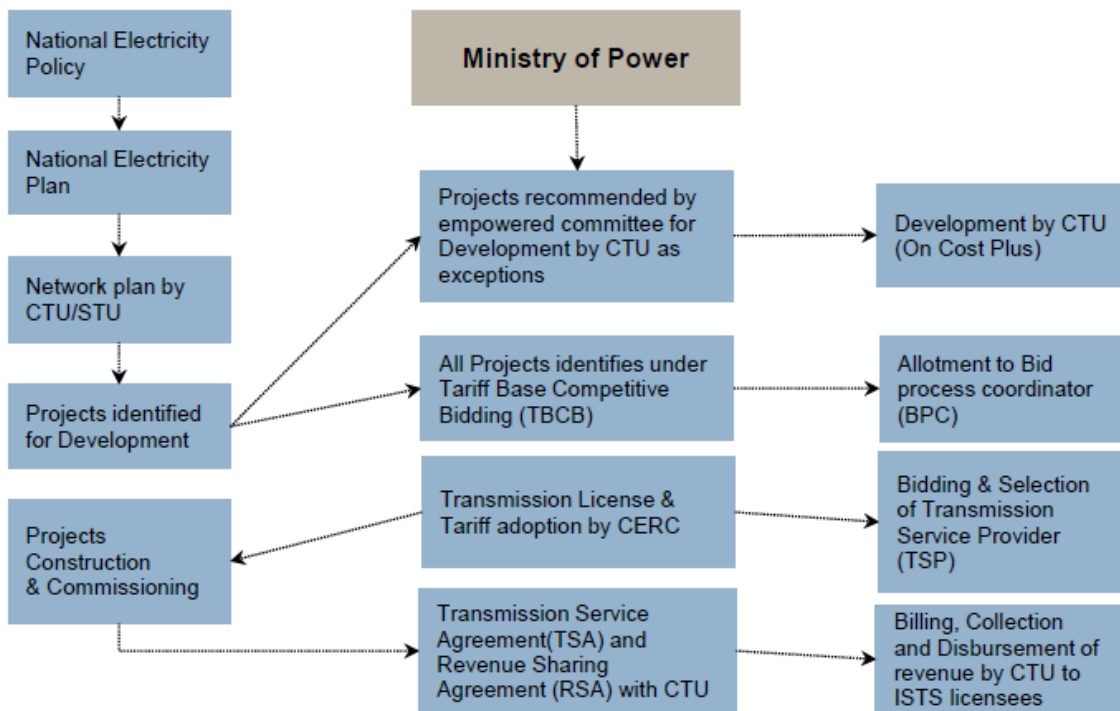
The highlights of TBCB guidelines issued by the MoP are:

- The transmission line will be awarded under the build-own-operate-and-maintain (BOOM) basis to the successful bidder;
- Procurement of transmission services will include all activities related to the survey, preparation of detailed project report (DPR), arranging finance, project management, obtaining transmission license, getting right of way (RoW) and other site clearances, providing compensation for land, engineering and project design, arranging for equipment, material supplies, construction services, testing and commissioning, maintenance and operation of transmission lines and/or switching substations or HVDC links, including terminal stations and HVDC transmission lines.
- A bid process coordinator (normally central government appoints central PSUs) such as Rural Electrification Corporation (REC) or Power Finance Corporation (PFC), would be appointed for each project as the bid process coordinator (BPC) for procurement of required transmission service. Further, the charges incurred by the BPC under the bidding process would be recovered from the winning bidder.

- The successful bidder will be designated as the transmission service provider (TSP) and shall seek appropriate license from the regulatory commission, if it is not a deemed license. The transmission service agreement (TSA) would be effective from the date of grant of license from the appropriate regulatory commission.
- The TSP should commission the line as per the schedule specified in the TSA.
- The TSA shall include an agreement for payment security, which will include a revolving letter of credit of required amount and escrow mechanism.
- Under tariff-based competitive bidding, technically qualified developers quoting the lowest levelised tariff is awarded the project, as against the erstwhile ‘cost-plus’ model.

Hence, under the TBCB, tariff for projects is not on a cost-plus basis and bidders are required to quote tariff for a period of 35 years for establishing transmission lines. The bidder quoting the lowest levelised tariff is selected. The successful bidder is then required to acquire a special purpose vehicle (SPV) incorporated by the bid process coordinator or BPC. Once the process of acquisition is complete, the SPV approaches CERC to obtain a transmission license.

### Mechanism of awarding of transmission projects



Source: Ministry of power; CRISIL Research

### ‘Point of Connection’ mechanism

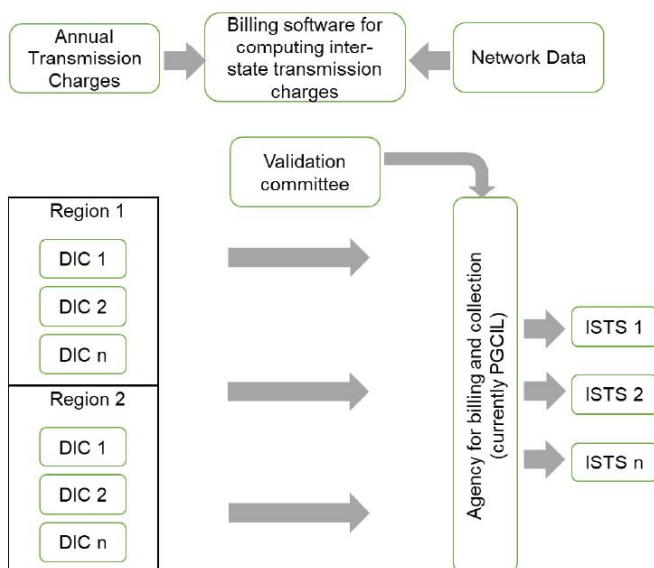
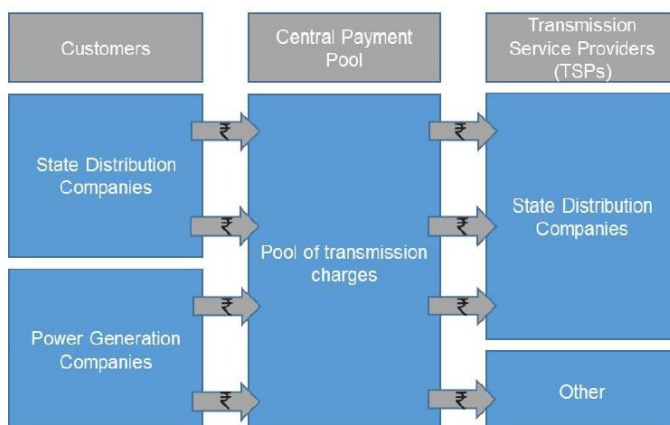
In 2011, the CERC introduced the ‘Point of Connection’ (PoC) method for determining inter-state transmission charges. The PoC methodology was introduced to meet the requirements of an integrated grid with rapidly increasing inter-regional transmission of power. It replaced the regional postage stamp method, which was more suited to simple power flows restricted to a small geographical area or electric network. With the new system, the regulator also aims to promote an efficient transmission pricing regime that is sensitive to distance, direction and quantum of power flow – factors which were not addressed by the postage stamp method.

In the PoC method, the transmission charges to be recovered from the entire system have been allocated between users based on their location in the grid. The inter-state grid has been divided into generation and withdrawal (demand) zones, and prices for each zone are determined by an algorithm based on the load profile of the zone. Separate transmission charges are attributable to both generators and distribution companies as they are both deemed to be beneficiaries of the transmission network. However, in almost all cases, transmission charges attributed to the generator are recovered from the discoms.

The transmission grid is divided into injection and withdrawal nodes and for the sake of simplicity, various nodes of a contiguous region have been further aggregated into zones. The charges for each node are determined by an algorithm. The algorithm is based on load flow analysis of the entire transmission network and how a change in injection or withdrawal of 1 MW of power at each node affects the network. Thus, it captures the network utilisation of each zone. The algorithm also takes into account the electrical distance and direction of power flows for each node in the system.

The total PoC charges to be paid for a transaction between two locations is the sum of the PoC charges and losses of a generator zone and injection zone.

### Procedure for payment pooling mechanism



Source: CERC; CRISIL Research

### Project awarding under TBCB has increased in the last few fiscals

Between 2010-11 and 2014-15, the pace of award of project was slow with only Rs. 180-190 billion (~USD 2.482.62 billion) of projects being awarded. However, the pace of award of project has significantly increased. In fact, in 2015-16, projects aggregating to ~Rs. 260 billion (~USD 3.58 billion) were awarded. Awarding of projects through TBCB picked up from fiscal 2017 onwards. In fact, between fiscals 2017 and 2020, projects worth ~312 billion have been awarded by BPCs (REC, PFC). This is sharp contrast with the tenure from fiscals 2011 to 2016 where cumulatively ~400 billion of transmission projects were awarded by the BPCs. Presently, 31 projects, awarded under the TBCB route have been commissioned.

States like Uttar Pradesh, Maharashtra, Jharkhand, and Madhya Pradesh have initiated bid processes through the competitive route. The National Tariff Policy, 2016 envisages the development of all Intra-State Transmission projects costing above a threshold limit under TBCB. In line with this Bihar Electricity Regulatory Commission (BERC), has notified that new intrastate transmission projects and transmission augmentation schemes beyond threshold limit of Rs 100 Cr will be taken up under TBCB route. Similarly, Punjab State Electricity Regulatory Commission (PSERC) has notified threshold limit of Rs 50 Cr and Rajasthan Electricity Regulatory Commission (RERC) has notified threshold limit of Rs 100 Cr. This is a positive development towards adopting TBCB mode.

The project pipeline under TBCB remains strong with ~10 projects and ~5 projects presently under bidding by REC and PFC respectively which are likely to be bid out and awarded over the next 1-2 fiscals.

## List of projects under bidding with REC as BPC

SI. No	Project Name
1	Development Of Intra-state Transmission Work In M.P. Through Tariff Based Competitive Bidding: Package- I
2	Development Of Intra-state Transmission Work In M.P. Through Tariff Based Competitive Bidding: Package- II
3	Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra
4	Transmission System for Solar Energy Zone in Gadag (2500 MW), Karnataka – Part A
5	Transmission System for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh
6	Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka
7	Transmission System Strengthening in Jharkhand State (Package-1)
8	Transmission System Strengthening in Jharkhand State (Package-2)
9	Transmission System Strengthening in Jharkhand State (Package-3)
10	Transmission System Strengthening in Jharkhand State (Package-4)

Note: Projects likely to be bid out and awarded in the next 1-2 fiscals

Source: REC, CRISIL Research

## List of projects under bidding with PFC as BPC

SI. No	Project Name
1	Evacuation of power from RE sources in Koppal Wind Energy Zone (Karnataka) (2500MW)
2	Evacuation of Power from RE Sources in Karur/ Tiruppur Wind Energy Zone (Tamil Nadu) (2500 MW)
3	Transmission scheme for Solar Energy Zone in Ananthapuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh
4	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-E
5	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase-II-Part G

Note: Projects are likely to be bid out and awarded over the next 1-2 fiscals

Source: PFC, CRISIL Research

Among the National Investment Pipeline (NIP), a group of social and economic infrastructure projects in India over a period of five years with an initial sanctioned amount of ₹102 lakh crore ((US\$1.4 trillion), which was first announced in 2019 and list of projects were unveiled in August 2020, a total of 125 transmission projects have been identified for fast track development.

Some of key projects (based on project size), under the NIP are as given below.

## Key transmission projects identified under NIP

SI. No	Name of scheme / project	Region
1	Pan-India Power Transmission Project A	Pan India
2	Chennai Power Transmission Project	Tamil Nadu
3	Pan-India Power Transmission Project B	Pan India
4	Lucknow Power Transmission Project	Uttar Pradesh
5	Hyderabad Power Transmission Project	Telangana
6	HVDC bipole between western region (Raigarh, Chhattisgarh) and Southern Region (Pugalur, Tamil Nadu)	Chhattisgarh, Kerala, Maharashtra, Tamil Nadu, Telangana
7	LT and HT distribution infrastructure development project	Tamil Nadu
8	HVDC bipole between western region (Raigarh, Chhattisgarh) and Southern Region (Pugalur, Tamil Nadu)- North Trichur [Kerala] Scheme 1 - Raigarh Pugalur 6000 MW HVDC system	Pan India
9	North East - North West Interconnector 1	Pan India
10	Bangalore power transmission project	Karnataka
11	Underground cable replacement project	Uttar Pradesh
12	LT AG connection to HVDS development project	Maharashtra
13	Creation of intra state transmission system in 8 RE rich states	Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Rajasthan Tamil Nadu
14	Gandhinagar power transmission project	Gujarat
15	Kamrup Metropolitan power transmission project	Assam
16	Guntur power transmission project	Andhra Pradesh
17	Jaipur power transmission project	Rajasthan
18	Mumbai city power transmission project	Maharashtra
19	HVDS pump energization project	Maharashtra
20	Bhopal power transmission project	Madhya Pradesh

Note: These projects are likely to be bid out and awarded in the next 4-5 fiscals depending on government thrust and private player participation

Source: India Investment Grid portal, CRISIL Research

Projects continue to get added through the RTM route

Mode	Number of projects	Cumulative Project Cost
RTM	12 (PGCIL: 11, Adani Power Limited: 1)	2,727.3
TBCB	9	8,708
Proposed for potential basis	10	NA
De notified	1	NA

Source: Minutes of meeting from ECT

### Consolidation in the Transmission Segment Constricting Competition

Prior to the competitive bidding, transmission projects were allocated on the fixed 15.5% return on equity basis. However, post 2011, competitive bidding for all interstate transmission lines were made mandatory which has led to rising competition among players intending to establish their presence in the sector. Players were competing to establish their presence and garner higher share in the market.

Players across the value chain have participated in these bids:

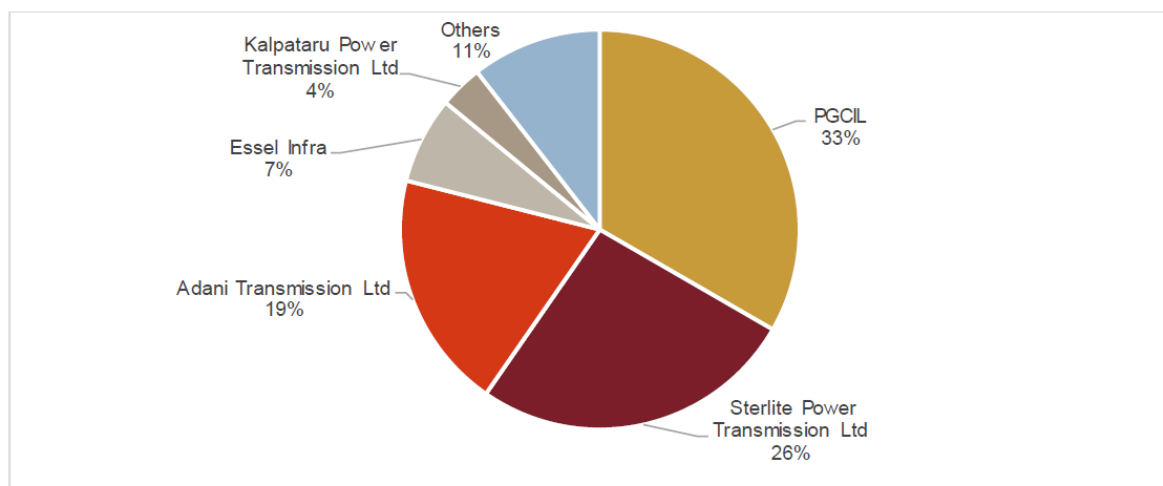
- Power sector players such as Tata Power, Lanco Infratech, Adani Power, Torrent Power, JSW Energy
- Construction companies such as ECI Engineering, Ashoka Buildcon, L&T, Isolux, Navyug Engineering
- Transmission equipment suppliers/EPC players such as Sterlite Power Transmission Limited, Adani Transmission Limited, Kalpataru Power Transmission, Jyoti Structures, KEC International, Deepak Cables
- Other companies in construction and other diversified interest such as M/S Patel Engineering Ltd, M/S Simplex Infrastructure Ltd, M/s B S Transcom Ltd, L&T Infrastructure, Essel Infraprojects Ltd, Instalaciones Inabensa S.A. and Reliance Power Transmission Limited.

Post fiscal 2014, competition intensity in the sector has started waning away as reflected from presence of major credible players in the private sector with relevant experience. In fact, the average number of players participating in the bids reduced from 7 between fiscal 2011-2014 to 4 in the bids in fiscal 2018. This is because few developers experienced difficulties in commissioning projects in time, which led to escalation in the project cost and revenue loss due to delay in commissioning. Hence, the projects have been bid more rationally, keeping equity returns in mind. In fiscals 2019 and 2020, degree of competition further reduced, with key private companies like Adani Transmission Limited and Sterlite Power Transmission Limited being awarded projects apart from PGCIL.

Out of 59 transmission projects commissioned/ awarded through TBCB route, with the centre being as counterparty, of which 38 are won by private players while remaining 21 are won by the PGCIL. Furthermore, among private developers, Sterlite Power Transmission Limited (SPTL) is the largest player with a market share of 26% (in terms of project portfolio) followed by Adani Transmission Limited (11 projects awarded, 19% project share) in India. PGCIL remains a strong player in the TBCB mode as well. This shows that the public sector entity has fared well, even when it was not safeguarded or protected from competition.

Some of the other major players include Kalpataru Transmission Limited and Essel Infra.

### Market share of players among central transmission projects awarded through TBCB mode



Source: Monthly progress report as of June 2021 of transmission projects awarded through TBCM (CEA), CRISIL Research

## Portfolio of private players in Central transmission projects under TBCB mode

Sl. No.	Name of the player	Operational route length (ckm)	Route length under construction (ckm)	No. of projects (Operational)	No. of projects (Under construction)
1	Sterlite Power Transmission Limited	6,897	2,340	10	5
2	Adani Transmission Limited	2,806	1,741	6	5
3	Essel Infra Projects*	707	951	2	2
4	Kalpataru Power Transmission Ltd.**	578	-	2	0

\* Note: Essel has sold all 4 assets (both operational and upcoming) to Sekura Energy

\*\* Note: Kalpataru has sold both its assets (operational) to CLP India

\*\*\* Note: Includes transmission projects awarded by centre in TBCB mode, till June 2021  
Source: CEA, CRISIL Research

## Power Transmission Infrastructure Has Better Risk-Return Profile as Compared to Most Other Infrastructure Projects

Returns from various infrastructure projects (other than transmission line projects) like roads, ports and power generation rely mostly on the operational performance of the assets, which in turn is dependent on factors where developers have limited control.

In the case of an inter-state transmission asset, the revenue stream is consistent based on the unitary charge (Rs. Million/annum) determined at the time of bidding for the entire concession period of 35 years. These charges are independent of the total power transmitted through the transmission lines and hence factors such as volume, traffic do not fluctuate the revenues.

Moreover, inter-state transmission assets have limited O&M costs as compared to other infrastructure assets. Typically, transmission projects incur relatively low O&M costs of 7-8 per cent of revenues in order to ensure normative availability. In comparison, road projects incur as high as 35-40 per cent as O&M costs.

In addition, transmission lines could also be used for providing telecom services thereby diversifying the revenue profile. Telecom and data service companies leverage reach of the transmission towers in potential semi-urban and rural regions to offer their services. The telecom companies could plan low cost and high-quality telecom infrastructure on the existing and planned transmission line infrastructure. This can be done by using technologies such as OPGW – Optical Fibre Ground Wire over high voltage Transmission line and MPLS – Multi Protocol Label Switching. In fact, PGCIL has been able to leverage its assets by supporting telecom service providers. PGCIL operates its telecom business through a wholly-owned subsidiary named Powertel. During the year 2019-20, the Company's telecom network coverage increased to 66,922 km. The revenue from the telecom business rose to Rs. 698.21 Cr. (~USD 0.09 bn) in fiscal 2020, which constituted ~2% of its net revenues.

The company is also exploring new business segments and offering novel solutions such as MPLS, VPN, content delivery networks etc. Further few of the other government institutions have leveraged their existing tower infrastructure assets for generating additional revenue stream. For instance, RailTel (a subsidiary of Indian Railways and provider of neutral telecom infrastructure) has created its optical fiber network by having point of presence (PoP) at each of the station (for the purpose of signalling and tracking), spaced at every 8 to 10 Kms, thereby generating additional revenues by leasing their network and microwave tower assets to telecom operators. Also GAILTel, the telecom and telemetry services arm of GAIL (India) Limited, which is primarily in the business of processing and distributing natural gas has been leasing its OFC network and towers spaces to telecom operators across India. For renewable power generation, counter-party risk remains a key concern, especially for those which do not have any payment security mechanism. Certainty of cash flows remain strong while future growth potential is robust. The chart given below compares other infrastructure assets to the transmission assets.



## Comparison of transmission assets with other infrastructure assets

	Inter-state power transmission	Roads	Ports	Conventional power generation	Solar energy power generation	Wind energy power generation	Commercial Real Estate
<b>Certainty of cash flows</b>	Driven by long-term agreements	Traffic risk in BOT projects	End-user industry risk	Offtake and cost of fuel	Broadly driven by long-term agreements	Broadly driven by long-term agreements	Preferred by global institutional investors and HNI investors but risks of seasonality
<b>Counterparty risk</b>	Exposure limited to systemic risk	Cost overruns, limited O&M impact toll collection	Exposure to multiple end-users	Direct exposure to debt-laden SEBs	Faster clearance to payments under NNW/SEOI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months)	Faster clearance to payments under NNW/SEOI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months)	Regular challenges of delays and cancellations
<b>Operational Risk</b>	Limited O&M requirements	High O&M required	Limited O&M requirements	Substantial periodic maintenance needs	Limited O&M requirements	Substantial periodic O&M requirements	Limited O&M requirements
<b>Future Growth Potential</b>	Severe deficit in power transmission capacity	High growth potential	Good potential, limited by feasible locations	Moderate potential from baseload power demand	Governments to scale up capacity to 100 GW by FY2022 from ~12 GW in FY2017	Governments to scale up capacity to 90 GW by FY2022 from ~32 GW in FY2017	Pivoting towards hybrid mode as work from home becomes more acceptable with digital means of communication
<b>Competitive Environment</b>	Few credible players	Highly competitive given multiple private players	Few private players	High competitiveness given multiple players	Highly competitive given multiple private players	Highly competitive given multiple private players	Low number of large players, smaller ones merging due to impact on business
<b>Summary</b>							

Source: CRISIL Research

Thus, other infrastructure projects, over and above the construction risk, also bear the risk of poor returns in case of lower utilization of assets. Transmission projects, on the other hand, are insulated from such risk, thus making it an attractive investment.

### Other Key Trends

#### Key technology trends

To meet the long-term power transfer requirement by fiscal 2022 and beyond as well as for the optimal utilization of right of way, large power evacuation corridors are needed to be planned, which requires advancements in transmission voltage, conductor technology, substation equipment and infrastructure etc. Further, due to large geographical expanse of India and strongly growing power consumption need, there is requirement for transfer of large quantum of power from various generation complexes in Chhattisgarh, Jharkhand, Orissa to load centers in Northern and Western regions. Hence PGCIL planned to test evacuation at higher voltage of 1200 KV. In a joint initiative taken by PGCIL, CPRI and Equipment Manufacturers a 1200 kV testing station and an experimental line at Bina in Madhya Pradesh is already set up. However, major limitations in erection of an ultra-high voltage lines is transportation of large equipment's to remote places, dielectric design and short circuit withstand capability.

On the conductor front there have been many advancements such as usage of high temperature low sag, high surge impedance loading and gas insulated line conductors. These conductors have been used in recent 132kv lines bid out by the Odisha power Transmission Corporation limited, 400 kv Meerut- Kaithal D/C line and in the Naptha- Jhakri hydro project. Usage of these conductors increases the transfer capability of the transmission line and simultaneously reduce the line losses.

Further due to growing urbanization and high real estate prices in cities, newer technology-based Gas insulated switchgear (GIS) substations are used, which not only reduces the space requirement by also cuts down on the maintenance and improves reliability. Modern substations are also using highly automated components with digital communication facilities, to increase the reliability of operations and reduce system downtime. With the advent of smart grid networking infrastructure and communication solutions synchronous digital hierarchy is utilized to communicate between substations, which not only helps in quick addressal of the fault but also helps in maintaining the grid frequency.

There have also been new innovative techniques used in the construction of transmission lines. For instance, there have been use of Light Detection and Ranging (LIDAR) technology, which uses laser distance measuring technology to conduct topographic mapping with the help of aircrafts. Further, helicopters are used for stringing (heli stringing) of transmission lines. A helicopter pulls the rope through stringing wheels, which are attached to each arm of structure. Conductor is then pulled back through the stringing wheels using a machine located on the ground. Then the stringing wheels are removed from each arm while attachments including dampeners are used to minimize the vibration on the conductor. Other newer technologies which

helps in automated inspection and maintenance planning such as drones are used to monitor lines spread over long distances. Further preventive maintenance of transmission lines are also done by modern equipment's which includes thermo vision scanning, punctured insulator detector, corona measurement devices etc.

### Operation and maintenance of transmission line

Transmission lines carry extra high voltage power over long distances, hence its efficient functioning is required for maintaining power quality, reliability and security of the grid. In order to ensure the proper functioning of transmission line, The Indian Electricity Grid Code (IEGC) regulation made by the Central Commission has laid down rules, guidelines and standards to be followed by participants in the system to plan, develop, maintain and operate the power system while facilitating healthy competition in the generation and supply of electricity. In order to monitor the compliance of IEGC norms, Regional Power Committee (RPC) in the regions are vested with the responsibility to continuously monitor the instances of non-compliance and also deliberate the ways in which noncompliance can be averted in future.

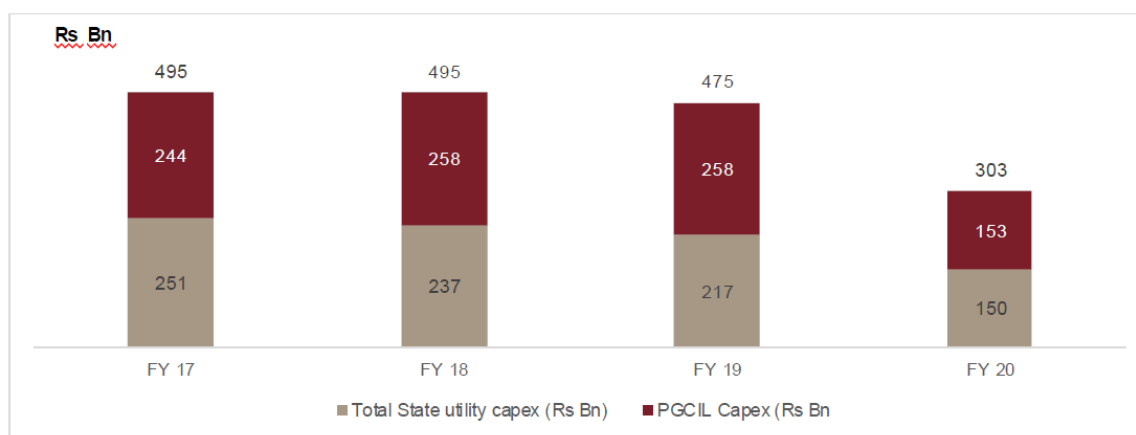
These norms have enlisted various technical and operational parameters such as Procedure for connection, Protection requirements for Connectivity to the Grid, Reactive Power Compensation, Data and Communication Facilities, Responsibilities for safety, guidelines for connectivity of renewable energy generating station to the grid, governor action for a generation plant etc. Further, these guidelines detail out the reporting procedure for various organizations such as NLDC, RLDCs and RPCs.

Most of the large ISTS transmission lines in India have high availability factor, upwards of 98 per cent (i.e. continuous operation), which requires them to undergo checks and inspections. Since transmission lines run for hundreds of kms hence maintenance activity takes days and weeks with multiple teams operating simultaneously. Transmission line maintenance is a recurring process that requires cleaning insulators in order clean them of dust and other particles that build up in the air. Line inspection is usually ocular in nature, but for transmission lines located at remote distances, technicians use infrared or ultraviolet light cameras and ultrasound detectors to obtain data locally or remotely. Techniques such as live-line (or hot line) maintenance is used to perform maintenance activities without removing them from service.

### Brownfield Redevelopment of Transmission Lines

India's power grid has been in a state of rapid evolution due to increased load demand. The past decade has seen substantial changes in the Indian power ecosystem. Going forward, growth in power demand and addition of power generation capacities would require increasing transmission infrastructure at a rapid pace, which in turn would need more space on the ground for right of way (ROW) for transmission lines and substations. Moreover, the faster pace of addition in Grid of Renewable Generation (RE) has put additional pressure on reducing timelines for enhancing transmission infrastructure. Maximizing power carrying capacities of existing transmission corridors will help to meet the growing demand faster in an economical way. The need to replace ageing and obsolete transmission and distribution infrastructure, high investments, right-of-way constraints and long gestation periods involved in building new networks have driven transmission utilities to focus on reconductoring. Upgradation of the existing infrastructure enables utilities to augment the quantum and quality of power transmitted through the existing corridors. It also ensures the timely completion of transmission projects and enable utilities to significantly scale down losses and prevent instances of power outage. Capital expenditure from central and state transmission utilities have been the major drivers of EPC segment in transmission & distribution sector. The total revenue of major EPC players including KEC, KEI Industries Ltd, Sterlite Power Transmission Ltd and Kalpataru Power Transmission Ltd have grown by ~16% from Rs 115 Bn to Rs 178 Bn between fiscal 2017-20. Over the same span, the capital expenditure of transmission utilities have remained stable till fiscal 2019, however it declined over fiscal 2020 and fiscal 2021 due to a slowdown in power demand, delayed payments from distribution utilities owing to weak financial condition and a slowdown on account of the pandemic.

**Capex trend of transmission utilities**



Note: State transmission utility capex is for 13 major state transmission utilities  
 Source: State Transmission Tariff orders, PGCIL, CRISIL Research

### Market outlook on brownfield segment

The Indian Government’s push for urbanization, industrialization and housing & electrification augurs well for power industry. Additionally, Government is encouraging private investments and EPC mode of operations in the infrastructure projects in the National Infrastructure Pipeline (NIP) roadmap. The National Infrastructure Pipeline of Government of India has estimated a cumulative capital expenditure of ~21 lakh crore in the area of Power and Renewable Energy, accounting for more than 20% of the total pipeline. PGCIL has estimated capex investment of ~Rs 63,000 Cr till fiscal 25. Thus, capital expenditure plans of Central & State Transmission Utilities would continue to be major drivers of transmission EPC market in India. The overall capital expenditure of central & major state transmission utilities is estimated to increase from Rs 210-230 Bn in fiscal 2021 to Rs 390-410 Bn by fiscal 2025.

CRISIL Research estimates overall share of State transmission utility capex for network augmentation, renovation & upgradation works to remain around 10-15% whereas Central transmission utility PGCIL’s share would remain in range of 20-25% of the overall capex. The overall EPC market for transmission infrastructure augmentation, renovation & upgradation is estimated to reach Rs 60-80 Bn by fiscal 2025.

### Competitor landscape

There is significant activity in the transmission and distribution (T&D) projects EPC segment on account of continued thrust from Government initiatives for last-mile connectivity and inter-regional connectivity for power security system strengthening to cater to growing renewable generation capacity. State transmission companies have also started investing in their networks. Multilateral funding from Asian Development Bank and KfW to state transmission utilities have aided the transmission projects. In the past, the majority of EPC project works used to be driven by significant investments from central and state transmission utilities; now a lot of orders are coming from private investment in transmission projects through tariff-based competitive bids.

The transmission line EPC market is characterized by a few large players who have established presence in power transmission infrastructure and equipment value chain. There are other major infrastructure EPC players who cater to business in other sectors like Oil & Gas, Railways, Commercial buildings, highways & public infrastructure projects.

Given the tender-driven nature of the contracts, competition is quite high in this segment. However, level of competition can vary significantly project-wise given the scope of the work. A company can differentiate itself through its designing and engineering capabilities. KEI Industries, KEC cables, Kalpataru Power Transmission Limited and Sterlite Power Transmission Limited are some of the major players in the Transmission line EPC segment. These players have established their presence in the manufacturing business of transmission project components such as cables, conductors or transmission towers and have forward integrated these into EPC business.

### Profile of major transmission line EPC players

Player name	EPC offering	Geography	Other businesses
KEI Industries Limited	<ul style="list-style-type: none"> <li>• HV &amp; EHV underground cabling 33-400 KV</li> <li>• Substation (AIS &amp; GIS) on turnkey basis up to 400 KV</li> <li>• Conversion from overhead line to underground line (HT &amp; LT)</li> <li>• Railway Electrification including Traction s/s- 132 KV</li> <li>• International Rural Electrification &amp; substation projects: Africa, Asia &amp; Middle East</li> <li>• Metro &amp; Smart city projects</li> </ul>	Domestic & International	Manufacturing of LT, HT & EHV cables, along with control

Player name	EPC offering	Geography	Other businesses
Kalpataru Power Transmission Limited (KPTL)	<ul style="list-style-type: none"> <li>• Comprehensive solutions encompassing design, testing, fabrication, erection and construction of transmission lines, oil and gas infrastructure, civil construction and railway projects on a turnkey basis</li> <li>• Commissioning &amp; operation and maintenance of power transmission lines (up to 1200 kV) &amp; Sub-stations (up to 400 kV AIS/GIS).</li> <li>• Transmission Tower design, manufacturing &amp; fabrication. Annual production capacity of 180000 MT.</li> </ul>	Domestic & International (T&D turnkey projects ongoing in 20 countries)	<ul style="list-style-type: none"> <li>• End-to-end logistical solutions in the agricultural sector.</li> <li>• Asset ownership in power transmission sector through its SPVs (BOOT model) &amp; Biomass plants</li> <li>• Construction contracts for infrastructure, industrial projects &amp; Real Estate Business through subsidiaries</li> </ul>
Sterlite Power Transmission Ltd	<ul style="list-style-type: none"> <li>• Bid, design, construct, own and operate power transmission assets across multiple geographies. 15 projects in India spanning 9262 ckm.</li> <li>• Offers solutions for upgrading, uprating and strengthening existing transmission networks through system design, application engineering, complete engineering procurement and construction as well as project management. More than 3500 ckm of transmission line uprate &amp; upgradation work completed or under execution</li> <li>• EHV turnkey projects include cable laying &amp; substation development</li> </ul>	Domestic & International (developed transmission projects in Brazil spanning ~4416 ckm)	<ul style="list-style-type: none"> <li>• Developer of power transmission infrastructure in India and Brazil.</li> <li>• Manufacturer of conductors, extra-high voltage Extra-High Voltage (EHV) cables and optical ground wire Optical Ground Wire (OPGW)</li> <li>• Sponsor of IndiGrid, India's first power sector Infrastructure Investment Trust (InvIT) to acquire operating power transmission assets</li> </ul>
KEC International Ltd	<ul style="list-style-type: none"> <li>• Design, manufacture, test, supply and erect transmission lines on turnkey basis up to 1,200 kV</li> <li>• End-to-end solutions for underground HT and EHV cabling works.</li> <li>• Turnkey EPC projects that involve High Voltage Electrical Switching and Distribution Substations</li> </ul>	Domestic & International (executed/executing projects in 30+countries in fiscal 2020)	<ul style="list-style-type: none"> <li>• Manufactures power and telecom cables</li> <li>• Solar EPC services and roof-top PV solutions for Industrial and Commercial consumers</li> <li>• Implementation &amp; commissioning of technologies along with O&amp;M service in utilities, traffic management, surveillance, banking,</li> </ul>

Player name	EPC offering	Geography	Other businesses
	<p>(AIS up to 1150 KV &amp; GIS up to 765 KV)</p> <ul style="list-style-type: none"> <li>Complete turnkey solutions for all types of railway contracts including overhead electrification, signalling &amp; telecommunication for naawew lines and capacity augmentation works, traction substation and civil infrastructure</li> </ul>		<p>mobility, education, healthcare</p> <ul style="list-style-type: none"> <li>Construction of factories, warehouses, residential buildings, railway stations, metros, and sewage &amp; water treatment plants, Oil &amp; Gas cross-country pipelines</li> </ul>

Note: The EPC offerings & other business segments are as per the company website  
Source: Company website, Annual reports, CRISIL Research

KPTL has been appointed by PGCIL for extension of 400 KV AIS substation in six different locations on EPC basis along with complete civil work. Sterlite Power Transmission Limited has partnered with KSEB for setting up 400/220 KV substations under Transgrid 2.0 project scheme. KEC International has undertaken execution of 220 KV underground cabling project along with 765 KV transmission line and 765/400 KV GIS substation project in fiscal 2020.

*Technological evolution and landscape*

EPC companies are implementing digital solutions through technology intervention for improving efficiency in operations. EPC service providers are focusing on developing digital capabilities in leading-edge technologies such as artificial intelligence, computer vision, geo-spatial, BIM, immersive solutions, IoT, and analytics.

***Drones for surveys & stringing conductor***

Drones have emerged as a highly viable commercial tool in the transmission line construction segment. Drones have been used for stringing conductors in transmission line projects, enabling transmission EPC players us to cut down stringing time and enhance safety in operations. They are also being used to perform periodic surveys, combined with technologies such as LiDAR and photogrammetry, to generate meaningful insights about sight conditions and to reduce the time taken for surveys. Drones capture high resolution imagery of construction structures, helping perform inspections remotely in a safe and efficient manner.

***Digital platforms using technologies such as Mobility, Analytics, Artificial Intelligence, and Virtual Reality***

Mobile solutions are being implemented in companies that enable users and sub-contractors to own Environment Health & Safety (EHS) compliance themselves. User can report near-miss, unsafe acts, unsafe conditions, work stoppage notices and other safety incidents along with photos, right from a mobile device even when network connectivity is not available. Geo-fencing capabilities are designed to ensure safety of employees working at remote areas. Adoption of AI-enabled platform using CCTV feeds at factories to identify potential dangers and eliminates manual intervention for surveillance & monitoring has helped players to improve accessibility & accuracy. Virtual reality-based trainings are provided to improve the worker engagement & training effectiveness.

***Reconductoring in live line condition***

Live-line reconductoring undertakes uprate of transmission lines without any load shutdown. Thus, this method is suitable for all voltage levels. Solutions for Uprate, help to increase and/or unlock the latent potential capacity of existing Transmission lines, in the same Right of Way (RoW) by means of reconductoring, use of Dynamic Line rating (DLR).

***Dynamic Line Rating***

Transmission lines should ensure safe, reliable and assured power delivery. In India, renewable energy sources are being added rapidly while transmission lines traditionally had longer lead times to be built to evacuate the power. It may also happen that load on a transmission line has increased while alternate infrastructure to share higher load is still under development. Dynamic line rating (DLR) is an overhead transmission line real time monitoring system. DLR sensors are becoming popular globally with the utilities for enhancing effective line capacity. DLR once installed on the line conductor, provides real-time situational awareness of conductor temperature, sag, current, and weather conditions. Additionally, it provides predictive load model to effectively enhance the line capacity, under favourable weather conditions. Depending upon the weather, transmission line capacity can be enhanced, and reliability can be increased by using DLR devices across the lines.

## POWER CABLES, CONDUCTORS AND OPGW IN INDIA

Power conductors and cables are used for the bulk transfer of electrical energy from generating power plants to sub-stations and thereon for distribution to end consumers. While bare conductors are largely used for the transmission of power, power cables are used in the sub-transmission and distribution segment. High voltage cables are used mainly in power stations, large switchyards and major industrial complexes. Medium voltage cables are used for power distribution. Low voltage cables have a variety of end-user applications in addition to being used in power distribution.

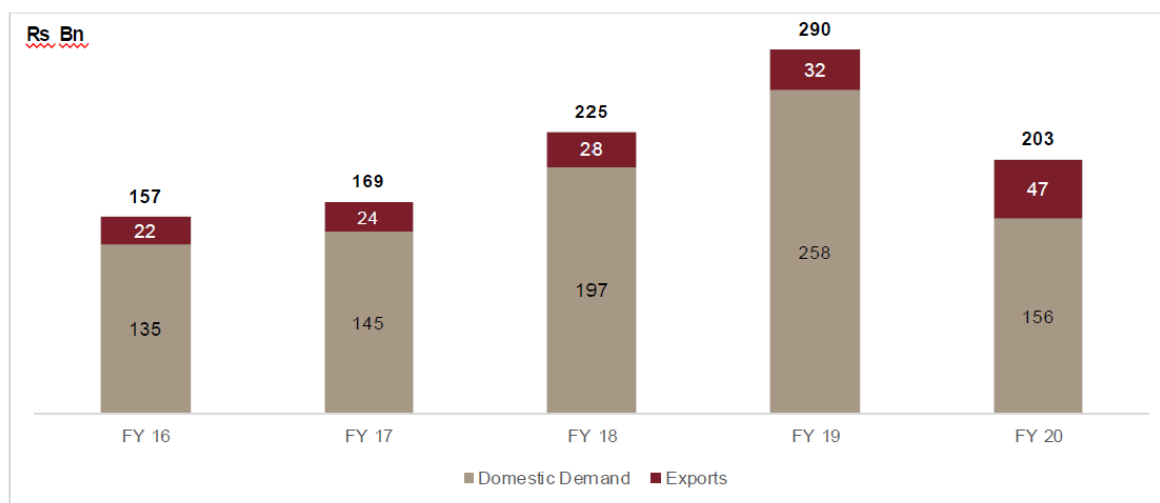
The overall market size of power cable & conductor segment in India increased from Rs 238-380 Bn between fiscal 16-19 owing to the boost provided by Central policy and regulatory initiatives as well as Government schemes in power sector. Further increasing electricity demand due to rapid industrialization, rural electrification, electrification of railways has generated the need for the development of quality electrical infrastructure. Market size has been declining since fiscal 2019 to reach Rs 260 Bn in fiscal 2020 on account of economic slowdown, subdued power demand & restricted investments from utilities on account of weak financials. The trend is estimated to continue in fiscal 2021 on account of restrictions due to pandemic. Domestic demand of power cable & conductor till fiscal 2025 will continue to be driven by upgradation & expansion of electrical network to meet growing renewable energy capacity addition, improved inter regional connectivity, continued support from central schemes. Further, the government's emphasis on the Make in India and Atmanirbhar Bharat initiatives has put the focus back on minimising imports and promoting domestic manufacturing of cables and conductors. Revival of global economies coupled with large scale transmission projects funded by multilateral agencies would provide robust growth in export market.

### Indian Power Cable Market

#### Cable market review

The overall power cable market has been dominated by domestic demand driven by overall growth in renewable capacity addition, growth in power demand and increase in connectivity due to central schemes like DDUGJY, IPDS & Saubhagya scheme. Power cable market size has grown by ~7% from Rs 157 Bn to reach Rs 203 Bn between fiscal 2016-2020.

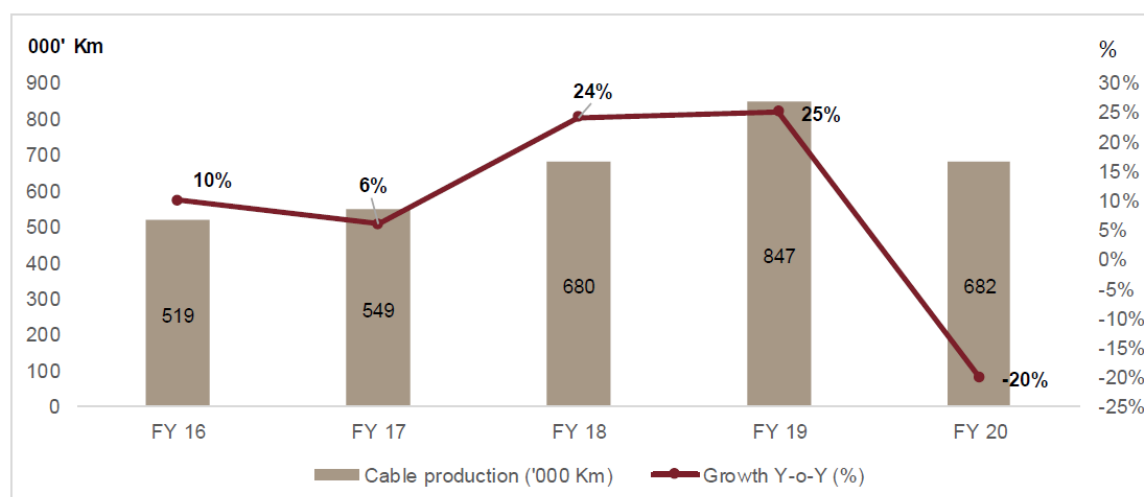
#### Growth of power cable market from fiscal 2016-20



Source: CRISIL Research

Domestic demand has been the major driver of power cable market however share of exports in power cable market has increased from 14% on fiscal 2016 to 23% in fiscal 2020. Domestic power cable production has grown from fiscal 16-19 to support growth in demand however it declined by 20% in fiscal 2020 on account of slowdown in the power sector owing to weak financial condition of utilities.

### Trend of power cable production (Km)



Source: IEEMA, CRISIL Research

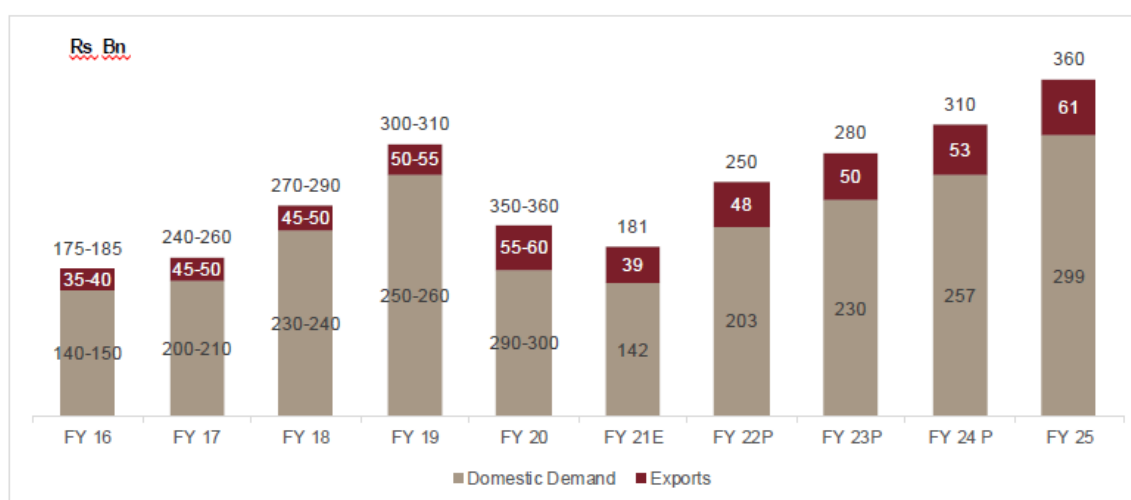
Cable production in over eight months (Apr-Nov) of fiscal 2021 declined by 23% over same period in fiscal 2020 due to slowdown in domestic & export demand amid pandemic.

*Power cables market to grow by 18-19% to reach Rs 350-360 billion by fiscal 2025*

In fiscal 2021, the power cable market size is estimated to continue decline further by ~11% over fiscal 2020. The decline in would be on account of weak demand in both domestic and export markets amid recessionary environment. In fiscal 2022, the power cable industry size is expected to increase by ~38-40% to ~Rs 250-255 billion, owing to strong domestic and export demand. The domestic industry is estimated to grow by ~43-45% in fiscal 2022 on the back of estimated growth in volumes and realisation with commodity price increase. The industry will have some support from export demand as the contribution of exports is estimated to remain high at ~19-22% in fiscal 2022. The exports are estimated to grow by ~23-25% on-year in fiscal 2022 over low base of fiscal 2021. During the Apr-Feb period in previous fiscal 2021, the exports decline by ~18%, however revival of economic activities along with reopening of markets will lead to demand from export markets in fiscal 2022.

CRISIL Research expects the size of the cable industry to expand by 18-19% CAGR to Rs 350-360 billion over fiscal 21-25. High growth during fiscal 2021-2025 will also be a result of low base in fiscal 2021 amid pandemic and the recovery thereafter. The domestic demand will be driven by distribution led investments, central schemes such as DDUJGY and IPDS, PGCIL investment on system strengthening and new GEC projects and state transmission line additions.

### Power cable market outlook from fiscal 21-25 in Rs Bn



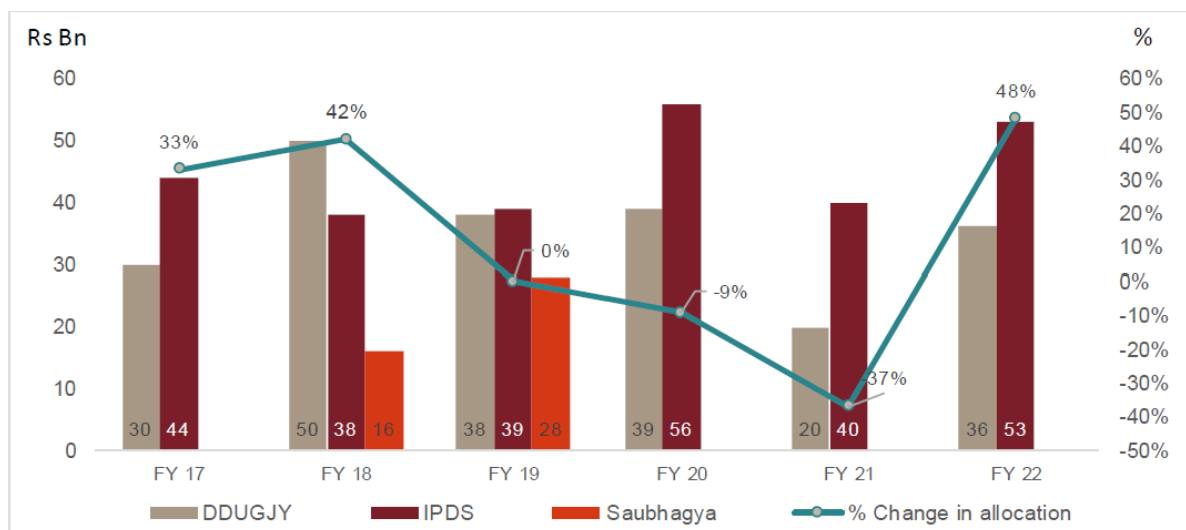
Note: E-Estimated, P-Projected

Source: CRISIL Research

### Centrally sponsored schemes to drive domestic demand

Demand from schemes such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) has slowed down in fiscal 21 with utilities facing a fund crunch and incidents of delayed payments to the EPC contractors cropping up.

**Budgetary allocation for centrally sponsored schemes**

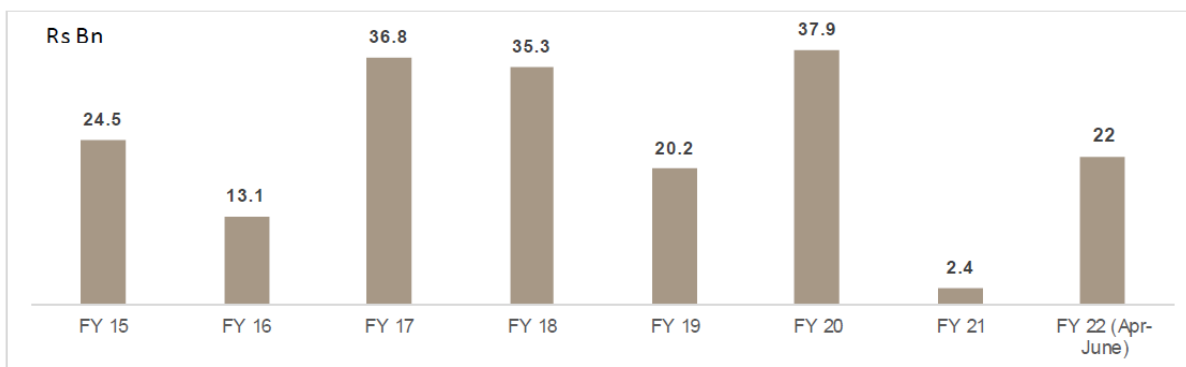


Source: Union Budget 20-21, CRISIL Research

### PGCIL's focus on system strengthening and Green Energy Corridor scheme to propel demand for power cables

Significant investments have been approved by PGCIL over the course of fiscals 2019 and 2020. This includes major projects in the renewable space (~68%), especially for planned solar parks; however the approvals declined drastically in fiscal 2021. During Q1 fiscal 2022, the PGCIL approvals increased further with high growth rate. The approvals create visibility in terms of revenue for the next 2-3 years in the T&D space as commissioning schedules for these projects range between 25-30 months on average. Some proportion of this will translate into demand for power cables, and they are an essential part of transmission lines. In fiscal 2021, PGCIL approved investments worth only Rs 2.4 bn, however during Apr-June period in fiscal 2022 investments worth Rs 22 bn were approved.

**Major investment approvals by PGCIL**



Source: PGCIL, CRISIL Research

### Private sector players to also be a key source of domestic demand going forward

At present, private sector participation in the T&D space is low. However, with the introduction of tariff based competitive bidding (TBCB) and viability gap funding schemes for intra-state projects, the share of private sector players in the power transmission sector is expected to increase gradually over the long term. This move is purportedly to shift burden from PGCIL and increase private sector participation in the sector, though PGCIL is also allowed to bid for the same. Even for the renewable energy projects mentioned above, a significant share is to be awarded via the TBCB route. A few key players that bid in the project allocations are Sterlite Power Transmission Ltd, Adani Transmission Ltd, Essel Infra Ltd, PGCIL, and Kalpataru Power Transmission Ltd. With increased awarding of projects under TBCB in the future, private participants are expected to be key in driving domestic demand, going forward. However, since typically the cost of projects bid out instead of direct allotment to PGCIL is lower, realisations may be lower for transmission equipment suppliers such as transmission tower players.



### Going forward, demand for HV and EHV cables to grow at a faster pace

Amid lockdown and restrained industrial activities, in fiscal 2021, the transmission line completion estimated to have declined by ~68%. In fiscal 2020, the completion declined by ~37% on-year. Despite, the decline, the transmission line completion is estimated to increase in long term due to resumption of industrial activity from H2 fiscal 2021. Over the next three years, demand for HV and EHV cables is expected to grow at a faster pace due to increasing focus of distribution utilities on upgrading their low-tension networks to high voltage distribution systems (HVDS). Moreover, the Smart City programme of the central government will also boost the demand for HV and EHV categories, as a key feature of the smart city mission entails efficient energy management through smart metering and strengthening of the existing power network. Also, as a part of thirteenth five-year plan, around 1,05,580 ckm of transmission lines (220 kV and above) are to be added. This would entail robust growth in High Voltage (HV) lines of 400 kV (46,000 ckm) and 765 kV (27,300 ckm) due to their importance in the inter-state transmission network, as higher voltage level enhances power density, reduces losses and efficiently delivers bulk power.

### Competitor landscape

The cables market is more fragmented and commoditised, especially the low and medium voltage segments due to the presence of several unorganised players. Although competition is high in the industry, there are very few players in the extra high voltage (EHV) category as it is more technology intensive as compared to the low and medium voltage segment. Players like KEI Industries Ltd & Sterlite Power Transmission Ltd offer EHV cables up to 400 KV whereas KEC International Ltd & Universal Cables Ltd offer EHV cables up to 220 KV.

### Product portfolio of major power cable manufacturers

Player name	Product line	Variants/Specifications	Applications
KEC International Ltd	Power cables	<ul style="list-style-type: none"> <li>Extra High Voltage cables (EHV): 66 KV to 220 KV with either Poly-Al, Lead Sheathed &amp; Corrugated Al up to 2000 Sq.mm.</li> </ul>	<ul style="list-style-type: none"> <li>Power transmission utilities, renewable energy, nuclear and thermal power stations, airports, railways, steel, and other manufacturing industries</li> <li>Electric power distribution substations, industrial applications to distribution electric panels</li> </ul>
		<ul style="list-style-type: none"> <li>High Voltage Cables (HVC): 3.3 – 33 kV Screened / Unscreened CU / Al conductor, armoured / unarmoured cables</li> </ul>	
		<ul style="list-style-type: none"> <li>Low Voltage Cables: PVC &amp; XLPE insulation up to voltage grade 1.1 kV, AL/CU conductor from 4 Sq.mm TO 1000 Sq.mm with FR/FRLS/LSZH sheathing</li> </ul>	
	Telecom & signalling cables	<ul style="list-style-type: none"> <li>Optic Fibre cable: 2F to 288F, Jelly Filled PBT loose tube, Steel Tape Armour</li> <li>Control &amp; Instrumentation cables: 2 cores to 61 cores in 1.5 &amp; 2.5 Sq.mm sizes with PVC/ XLPE/ HR PVC Insulation</li> </ul>	<ul style="list-style-type: none"> <li>Telecommunications for transmission of data. Control, communication, data (analog/digital) and voice transmission signals, industrial signalling and process control circuit in Industries</li> </ul>
Railway & metro cables	<ul style="list-style-type: none"> <li>4 Quad &amp; 6 Quad Cables with 0.9 mm conductor size. (RDSO Specification). Hard drawn contact wire &amp; copper catenary wire of ETL/OHE/50(6/97) standard.</li> </ul>	<ul style="list-style-type: none"> <li>Supply electricity to locomotives and trains.</li> </ul>	
Power Cables	<ul style="list-style-type: none"> <li>EHV: Copper and aluminium XLPE</li> </ul>	<ul style="list-style-type: none"> <li>Power transmission &amp; distribution utilities, renewable energy, nuclear</li> </ul>	

Player name	Product line	Variants/Specifications	Applications
		<ul style="list-style-type: none"> <li>insulated cables from 66KV to 400KV</li> <li>• HV: 3.3-33 KV, 1/3 core, corrugated Aluminium sheath (CAS), corrugated Copper sheath (CCU), corrugated Stainless steel sheath (CSS), lead alloy sheath (LAS), Flame retardant (FR), Flame retardant low smoke &amp; halogen (FR-LSH), low smoke, zero halogen</li> <li>• LV: PVC / XLPE insulated cables, up to 1.1 KV, single/multi core 1.5 to 1000 sq. mm</li> </ul>	and thermal power stations, airports, railways, steel, and other manufacturing industries
	Winding wires	<ul style="list-style-type: none"> <li>• PVC winding wire (0.60 mm to 3.00 mm), POLY winding wire (0.50 mm to 3.00 mm), PVC Insulated &amp; Sheathed 3 Core Flat Cable or XLPE-PVC Flat Cable (1.50 Sq.mm to 35.00 Sq.mm)</li> </ul>	<ul style="list-style-type: none"> <li>• Winding Submersible Pumps Motors of all sizes, pump connections</li> </ul>
	Stainless steel wires	<ul style="list-style-type: none"> <li>• Stainless Steel Wires in grades of 302, 304, 316, 316Ti, in bright as well as annealed condition.</li> <li>• Spring wire/Rope wire: 0.19 mm to 1.20 mm in bright finish and 0.50 mm to 6.0mm in matt finish (coated) in grade of AISI 302, 304 &amp; 316, 321</li> </ul>	<ul style="list-style-type: none"> <li>• Stainless steel wires for weaving, hoses, braiding, filters, fencing, knitting, conveyor belt, redrawing wire</li> </ul>
	Marine cables	<ul style="list-style-type: none"> <li>• Tinned/untinned copper conductor with class 2-5 stranding, 0.5-1000 sq mm. EPDM, XLPE, halogen free EVA based, PE, PVC, fiberglass tape insulations</li> </ul>	<ul style="list-style-type: none"> <li>• Offshore &amp; marine applications</li> </ul>
	Solar Cables	<ul style="list-style-type: none"> <li>• Flexible Electrolytic Tinned fine copper strands, Crosslinked Halogen Free &amp; Flame Retardant UV and ozone resistant sheath &amp; insulation for 1.5-1.8 KV DC voltage</li> </ul>	<ul style="list-style-type: none"> <li>• Outdoor long-term use, under variable and harsh climate conditions</li> </ul>
	Control cables	<ul style="list-style-type: none"> <li>• Cables have copper conductor, which may or may not be enveloped in galvanized steel braid and can be manufactured as per any applicable standard. It offers protection against electrical interference and</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial, signalling, transmission, measurement, control and regulation. These cables allow to transmit power at very low voltage to control the process or equipment</li> </ul>

Player name	Product line	Variants/Specifications	Applications
		resistance to caustic substances and oils	
	Instrumentation cables	<ul style="list-style-type: none"> <li>Insulated in PVC, PE, XLPE, and HEPR and sheathed in PUR, LSF, PVC, and PE.</li> </ul>	<ul style="list-style-type: none"> <li>Used in process plants to connect instrument for communicating with each other</li> </ul>
APAR Industries	Electrical cables	<ul style="list-style-type: none"> <li>MV/HV XLPE insulated power cables up to 66 kV (150mm<sup>2</sup> to 1000 mm<sup>2</sup>), LV (1000 mm): copper/aluminium, armoured/non armoured, PVC/PE/LSOH sheathing</li> <li>LV &amp; MV aerial bunch cables: multi core cables, PVC/PE sheathed cables 600/1000 V and 1900/3300 V</li> <li>Instrumentation cables, LV fire performance cables, Subsea underwater LV/MV cables, Railway signalling cables, High ampacity XLPE cables</li> </ul>	<ul style="list-style-type: none"> <li>Distribution and transmission of power</li> <li>Low-voltage power distribution by utilities supplying power to industrial and commercial enterprises, and for various equipment, large motors</li> <li>Control, communication, data and voice transmission signals, for Oil, Gas and Petroleum Industries, Railways and for industrial applications</li> </ul>
	Elastomer & E-beam cables	<ul style="list-style-type: none"> <li>MV &amp; track feeder cables, signaling cables, rolling stock cables, fibre optic cables, feeder &amp; bonding cables, contact wires, trolley wires</li> <li>Solar cables: Annealed tinned flexible copper conductor, electron beam cross-linked polyolefin (XLPO) insulation and sheath</li> <li>Mining cables: Flame retardant to IEC 60331-1-2</li> <li>Welding cables, EPR/EPDM/CPE/CSP/silicon polymer cables, Uninyvin cables</li> </ul>	<ul style="list-style-type: none"> <li>Power, control, communications, heating and ventilation inside railway, metro, coach and underground rail infrastructure</li> <li>Mining cables are used as connecting cables for very high mechanical stress in tools for industrial applications and outdoor use</li> <li>Used in railways and industries like ship building, steel, cement, power, defence and mining</li> </ul>
	Fibre Optic Cables	<ul style="list-style-type: none"> <li>CATV cables, Unitube fibre optic cables, Multi-tube fibre optic cables, Breakout tight buffer optical cables, FTTH cables, Optical fibre festoon cables, Hybrid copper &amp; OF cables, Single-mode and multi-mode fibre cables</li> </ul>	<ul style="list-style-type: none"> <li>Telephone call transmission, broadband connections, security camera and high-speed data, video and audio transfer for computer networks</li> </ul>
Sterlite Power Transmission Ltd	Power cables	<ul style="list-style-type: none"> <li>Power cables for 6.6-400 KV</li> <li>High ampacity &amp; low loss cables</li> </ul>	<ul style="list-style-type: none"> <li>Power transmission &amp; distribution at high &amp; low voltages</li> </ul>

Player name	Product line	Variants/Specifications	Applications
		<ul style="list-style-type: none"> <li>3-Core EHV Cables</li> <li>Fiber Integrated Power Cables (FIPC)</li> </ul>	<ul style="list-style-type: none"> <li>SCADA: monitoring and maintenance in the Transmission and Distribution network, high-speed communication</li> </ul>
Universal Cables Ltd	XLPE Cables	<ul style="list-style-type: none"> <li>EHV cables: 66-220 KV, Lead sheath corrugated / aluminium sheathed Poly laminate with or without Copper screen.</li> <li>Medium voltage cable: single/three core, 3.3-33 KV</li> <li>Low voltage cables: power cables, control cables, mining cables &amp; instrumentation cables</li> <li>Aerial bunched cables: Three Phase with/without insulated neutral and one bare steel messenger (1.1-11 KV)</li> </ul>	<ul style="list-style-type: none"> <li>Power transmission &amp; distribution, Under water Transmission, Radiation resistant cables up to 11 KV for power transmission in nuclear power plants</li> <li>Low voltage power distribution application in steel plants, power station wiring, and chemical plants, under water wiring, mines for power distribution, control and instrumentation circuits.</li> </ul>
	PVC cables	<ul style="list-style-type: none"> <li>power cables (single/multi core, 4-630 sq mm), control cables (multi core, 1.5-2.5 sq mm), mining cables (multi core, 16-630 sq mm) &amp; instrumentation cables (multi core, 0.5-2.5 sq mm)</li> <li>Welding wire: PVC, single core, 0.5 / 1.1mm to 3.8 / 5.5mm. Flat motor leads, three core, 1.5-95 sq mm.</li> </ul>	<ul style="list-style-type: none"> <li>Used in power distribution, control system, utility network, railway signalling installations, switching stations, textile mills, chemical plants, and machine shops</li> </ul>
	Elastomeric cables	<ul style="list-style-type: none"> <li>General wiring &amp; control cables: 1.1-33 KV</li> <li>Railway &amp; coach wiring- 300-3000 V</li> <li>High temperature elastomeric cables: 1500V</li> <li>Ship wiring: 440-1000 V</li> <li>Fire survival cables: 1.1-1.5 KV</li> <li>Mining &amp; High temperature silicon cable: 1.1-11 KV</li> <li>Wind energy cables &amp; Radar cables: 1.1 KV</li> <li>Radiation resistant cables: 1.1-11 KV</li> </ul>	<ul style="list-style-type: none"> <li>Application spreads from Power, control &amp; composite cables for trailing, ship wiring and Defense use to mining cables for land line, LHD &amp; SDL machines, Drills, Coal cutters, Stacker-Reclaimers and earth moving equipment. Silicon rubber cables are manufactured for high temperature locations</li> </ul>

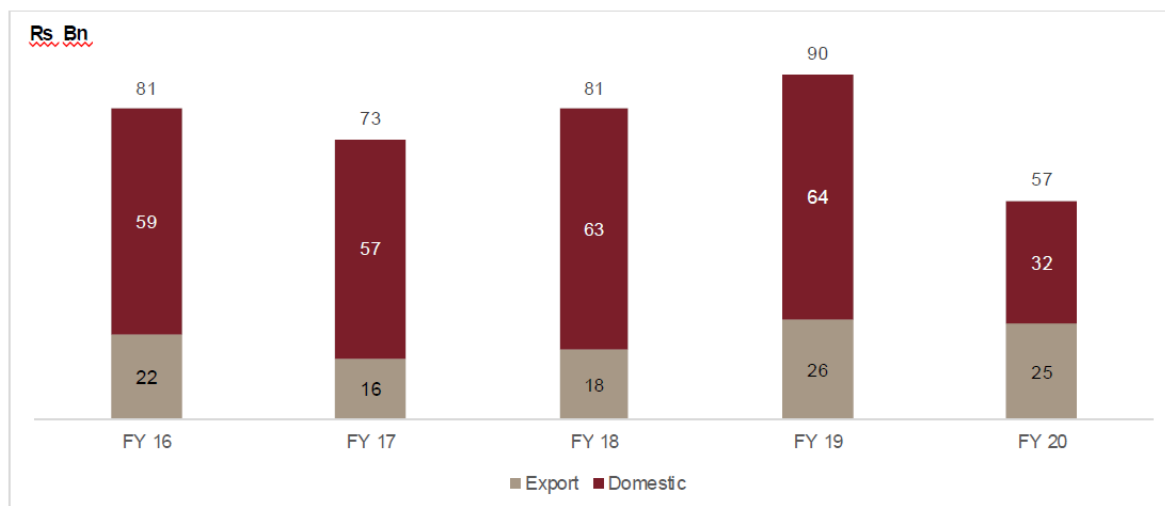
Note: The product names or segment names are as per the company website  
 Source: Company website, Annual reports, CRISIL Research

## Indian Power Conductor Market

### Conductor market review

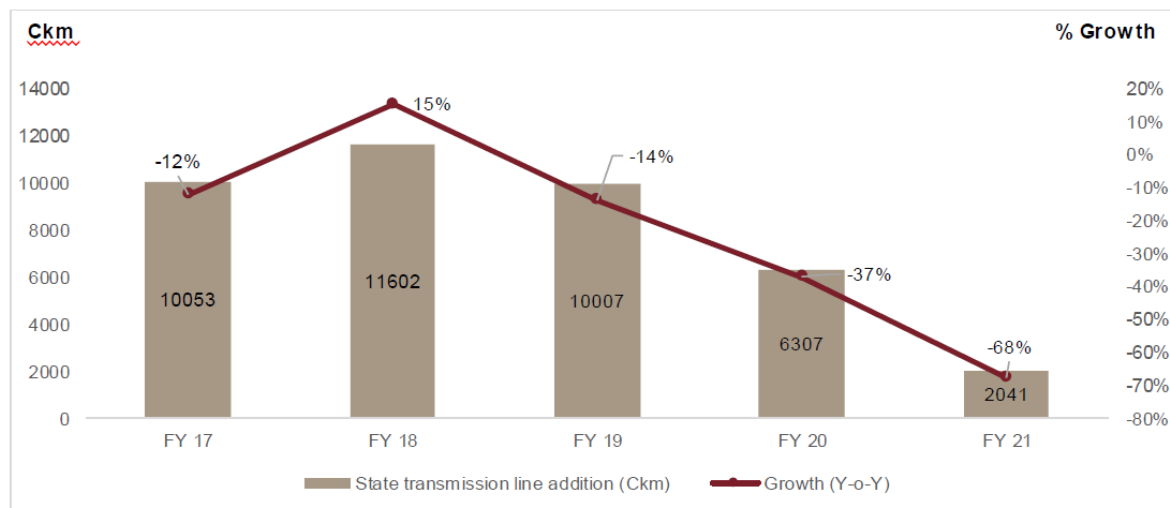
The conductor market grew from Rs 73 Bn to Rs 90 Bn between fiscal 2017-19. It further declined to Rs 57 Bn in fiscal 20. Post fiscal 18, fall in PGCIL ordering led to significant drop in power conductor demand which was further accentuated due to pandemic in fiscal 2021.

### Growth of power conductor market from fiscal 16-20 in Rs Bn



Source: CRISIL Research

### State transmission line additions



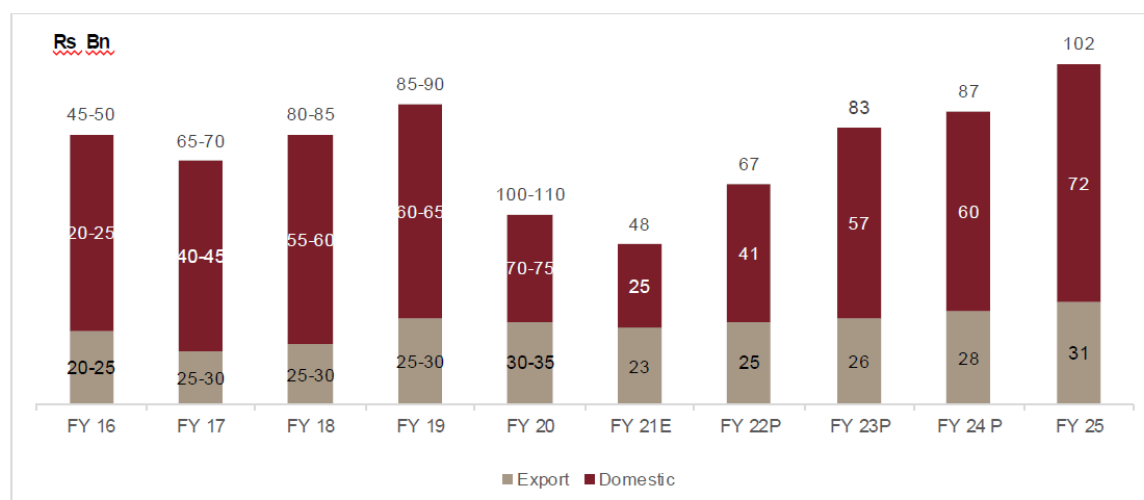
Source: CEA, CRISIL Research

Market size for power conductors to grow by 21-23% CAGR driven by exports and railway electrification projects over fiscal 2021-25

The conductor industry is estimated to have declined by ~16% on-year in fiscal 2021. The domestic power conductor market declined sharply at an estimated rate of ~23% on-year, to ~Rs 23 billion from Rs 25 billion in fiscal 2020. The primary reason was a decline of ~17% in realisation as both aluminium and steel prices declined by ~13% and ~12% respectively as well as slowdown in demand. The demand from planned Green Energy Corridor (GEC) projects, and augmentation of the intra-state grid under various schemes will further aid to the growth. Realisations are expected to improve significantly, at ~11% in current fiscal, owing to an expected rise in commodity prices for aluminium (~5%) and steel (~43%).

Consequently, the overall power conductor market size is expected to increase by 21-23% over fiscals 2021 to 2025, to reach ~ Rs. 100-110 billion in fiscal 2025. The growth will be largely driven by domestic market demand which is expected to grow at average rate of ~30-33%, whereas the export market will grow at a slower pace of 68%.

## Outlook on power conductor market from fiscal 2021-25 in Rs Bn



Note: E-Estimated, P-Projected

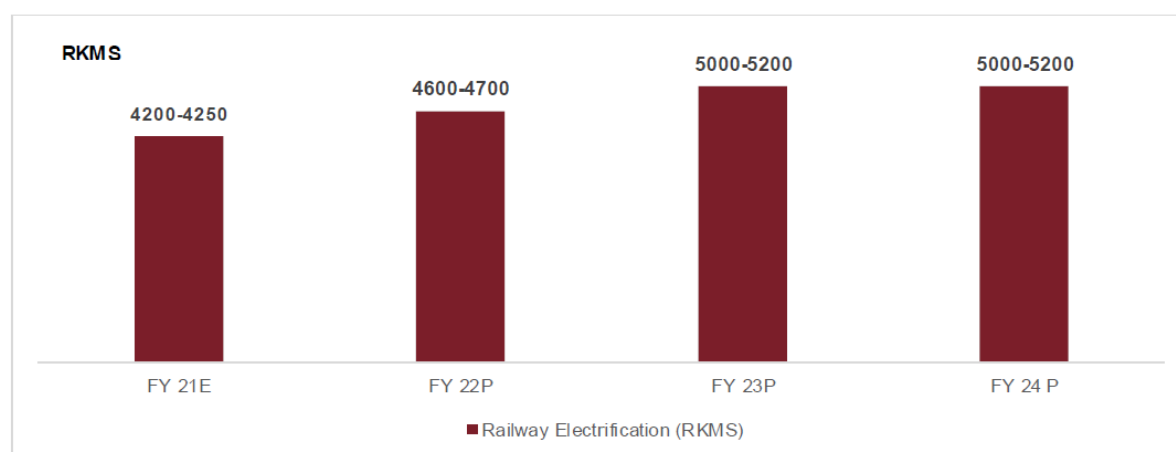
Source: CRISIL Research

### Railway electrification and renewable energy grid integration schemes to support domestic demand

To reduce fuel costs and lower its carbon footprint, Indian Railways (IR) is laying great emphasis on railway electrification. Railway electrification projects have picked up speed in terms of execution post fiscal 2017. Railway authorities electrified around 4,000 rkms (route kms), 4,943 rkms, 5,010 rkms, and 4,227 rkms in fiscal 18, fiscal 19, fiscal 20 and fiscal 21, respectively. Amid pandemic in fiscal 21, railway electrification declined by ~16%; however, in fiscal 22 it is estimated to increase by 11% to 4,700 rkms.

The railway electrification work is expected to pick up pace from current fiscal again given the government's focus to achieve electrification targets. Railway authorities are targeting a full electrification of the network within the next four years. It is estimated that the railways achieved cumulative electrification of ~43,556 rkms at the end of fiscal 21.

### Annual railway electrification till fiscal 24 (RKMS)



Source: Indian Railways, CRISIL Research

### Investment in GEC to support power conductors demand in the long run

Lower generation capacity additions of 102 GW (of which 82 GW is through renewable sources) over fiscals 2022-2026 compared to 123 GW added over fiscals 2017-2021 will slow down demand growth for power cables and conductors. Capacity additions in the conventional segment are expected to be slower at 28-33 GW over the next five years, as compared to ~43 GW over the last five years. On the other hand, robust capacity additions of ~82 GW in renewables (primarily solar and wind energy) over fiscals 2021 to 2026, as compared with ~48 GW in the previous five years, is expected to offset weak demand on the conventional side. Such multifold generation expansion plans also require large-scale development in the transmission sector because grid-connected solar and wind plants are usually located in far-flung areas which have limited transmission infrastructure.

### ***Focus shifting towards high temperature low sag (HTLS) conductors***

Going forward, we expect a pickup in demand for high-voltage conductors, given increasing focus on adding transmission lines of higher voltage levels, for evacuation of bulk power. It reduces requirement of right-of-way, a key challenge facing the transmission sector. Consequently, the increasing thrust on high-voltage transmission lines will stimulate demand for high-voltage power conductors going ahead.

### ***Competitor landscape***

The conductor domestic market is less competitive with three players Apar Industries Ltd, Sterlite Power Transmission Ltd and Hindustan Urban Infrastructure Ltd (HUIL) capturing ~80% of the market share in fiscal 2020. Apar Industries is the leading players in the market with most diverse portfolio of conductors for different applications, while Sterlite Power Transmission Limited is the only conductor manufacturer among these three major players to own and operate a transmission network in India.

### **Product portfolio of major power conductor manufacturers**

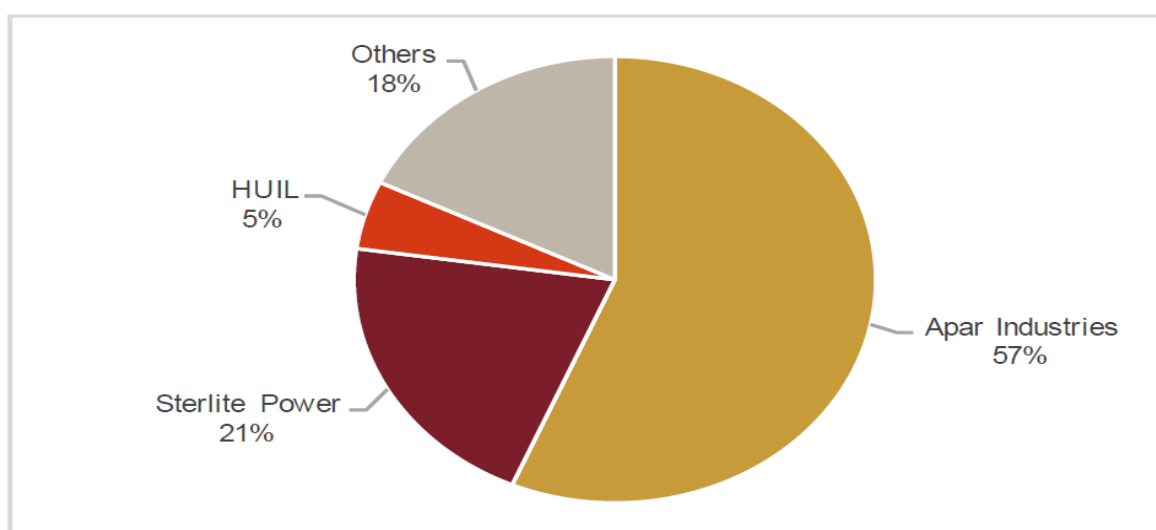
<b>Player name</b>	<b>Product line</b>	<b>Variants/Specifications</b>	<b>Applications</b>
Apar Industries	Continuously Transposed Conductor (CTC)	Continuously transposed conductor, twin CTC special protection paper-covered CTC, netting tape CTC	These conductors are used in power distribution, traction and furnace transformers
	Paper-Insulated Covered Conductor (PICC)	Copper, Aluminium in Single, Bunch and mixed configuration. These can be simple PICC or enamel covered PICC	PICC are used as winding wires in a number of applications such as, Oil-filled Power and Distribution Transformers, Dry-Type Transformers, High-Tension Motors/Generators, and Traction Equipment's
	Railway Conductors	Catenary/messenger wire, Contact wire, Jumper wire, Feeder wire & span wire, Dropper wire & copper magnesium, Bridle Wire, and Anti-creep wire	These conductors are used in the railway locomotives to support the conductors, transmit power, and interconnection wires as a part of OHE
	Rods & wires, bus bars & strips	Copper or Alloy Rod, Bus bar, Strip, Sections, wired-bunched conductors, stranded bunch conductors, and wires	Multiple used cases such as mobility, renewable energy, low voltage systems, etc, eliminating the need of wires, soldering
	Optical ground wire (OPGW)	G652 D, G655, low loss, ultra-low loss fibres	33kV to 765kV, including 800kV Lines
	Overhead Conductors	Traditional Conductors: ACSR, AASCR, AAAC, ACSR/AW, AAC, ACAR, and Galvanised Steel Wire (GSW)/Earth Wire  Updated Product Line: High conductivity alloy business, Thermal-resistant alloy, Invar, Aluminium Conductor Composite Core (ACCC), Aluminium Conductor Steel Supported (ACSS), GAP thermal-resistant aluminium alloy conductor, All Aluminium Conductors Steel Reinforced, Twisted Pair	The traditional conductors are used in the Transmission and Distribution sectors  On the other hand the new generation conductors are used in sectors such as Renewable Energy, HTLS, European and American T&D networks.
	Aluminium and alloy rods	Series 1XXX to 8XXX conductors	These conductors are used for making cables, conductors, metal wire mesh, industrial strainers, marine and automotive rivets, cable armouring, and braiding and welding wires

Player name	Product line	Variants/Specifications	Applications
	Speciality Wire	Steel, aluminium and alloy wires	Used for making conductors, cables and OPGW
Sterlite Power Transmission Ltd	Overhead Conductors	Conventional Conductors: AAC, ACAR, ACSR, ACSRTM / AS OR STER - ACSRTM / AW.  High performance conductors: ACCC, ACSS, AL59, ECO-trapezoidal shaped special aluminium alloy with round core, Super Thermal Alloy Conductor Invar Reinforced (STACIR) conductor, Thermal-resistant Aluminium-alloy Conductor, Steel Reinforced (TACSR),	These conductors are used in transmission and distribution networks with high performance conductors catering to the newest applications
	Optical ground wire (OPGW)	Central Steel Tube, Central Core Aluminium Sheet head Tube, High Strength	Transmission lines in usual as well as in high stress regions
HUIL	Overhead Conductors	Traditional Conductors: AAC, ACSR, ACAR, AACSR Conductors  High Performance Conductors: STACIR, TACSR, ACSS TW, GAP, Carbon Core Conductor	These conductors are used in transmission lines up to 800 kV
	Aluminium and alloy rods	AAAC/AL-59/AL-7/8XXX Series Aluminium wire rods from 1XXX to 8XXX series	These conductors are used in transmission and distribution lines while the aluminium wire rods are used for Rivet, Clamps, Clips metalizing, Screen Wire, Armour Wire, Aluminium Wire and Conductor Manufacturing

Note: The product names or segment names are as per the company website  
Source: Company website, Annual reports, CRISIL Research

In fiscal 2020, Sterlite Power Transmission Ltd had the second-largest market share of around 21%, after Apar Industries. The power conductor market share is dominated by these two players followed by Hindustan Urban Infrastructure Ltd (HUIL) capturing market share of 5% in fiscal 2020. Other small players catered to the remaining 18% of the overall conductor market of around Rs 57 Bn in fiscal 2020.

#### Market share of major conductor manufacturers in fiscal 2020



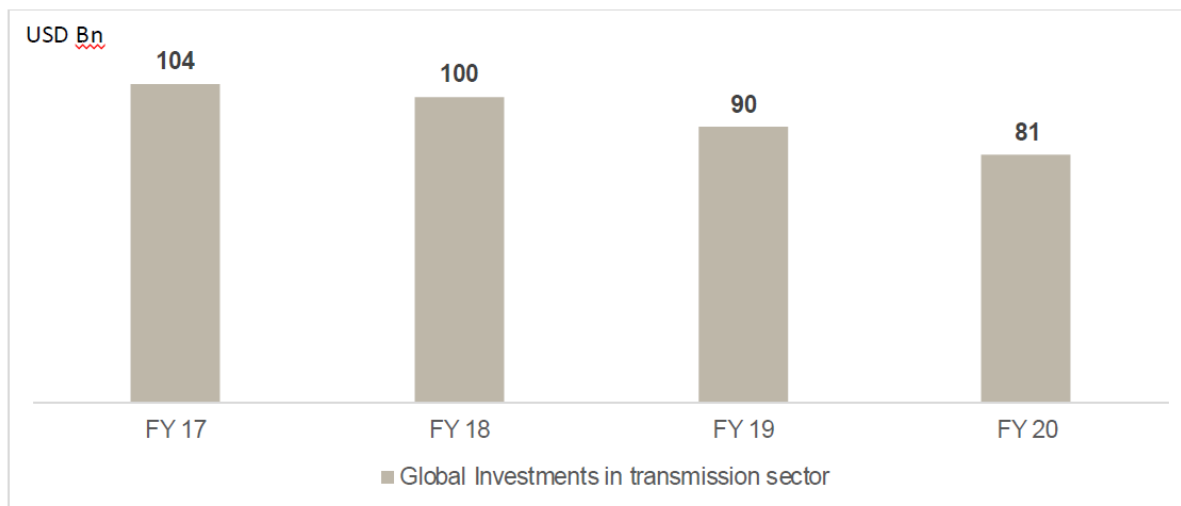
Source: Company Annual Reports, CRISIL Research



## Global Cable and Conductor Market

According to IEA's World Energy Investment Report 2020, overall global investments in the transmission sector reduced from 104 USD Bn in fiscal 17 to 81 USD Bn in fiscal 20. The decline in investments was most in developing countries as most of the investment in networks is financed by state-owned utilities which are in weak financial position, driven by more limited fiscal capacity from governments and higher financing costs as sovereign risks increase. In some countries, recent government announcements result in investment uncertainties. For example, investment expectations for Mexico and Brazil, the two largest markets in Latin America have been deteriorating, as Brazil is postponing all transmission and renewable auctions and Mexico is slowing down the connection of renewables to ensure grid reliability. In fiscal 19, investments in electricity grid in China declined mainly driven by regulatory changes and reduced grid tariffs. However, in US grid investments showed an increasing trend driven by up gradation of ageing infrastructure, electrify sectors such as transport or heating applications and secure the grid against natural disasters and cyber-attacks. In Europe, investments have remained stable with an increase share for upgrading and refurbishment of the existing grid, as the role of variable renewables and electrification have grown.

**Global investments in transmission sector**

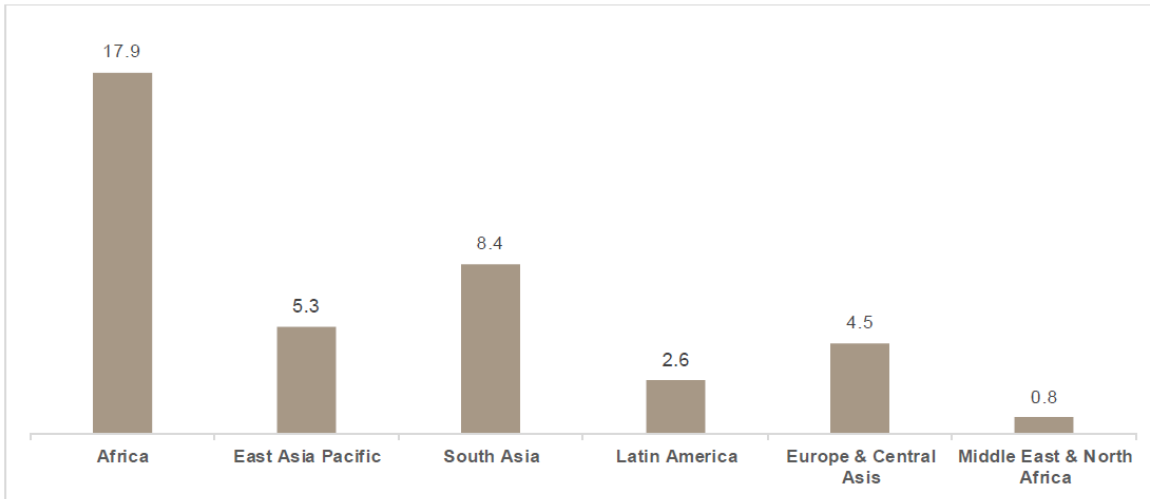


Source: IEA (2021), World Energy Investment 2021, IEA, Paris, CRISIL Research

### *Investments by multi-lateral agencies in power infrastructure & growth in renewable capacity to drive conductor and cable market globally*

Power cable and conductor exports are estimated to decline in fiscal 21 due to pandemic induced recession. Going forward, The Middle East and North Africa (MENA), Southeast Asia, SAARC region and the US would continue to be major markets for cables and conductors. Assistance of multi-lateral agencies to African countries for development of critical infrastructure and investments by developed economies in Europe and the Americas will be key drivers for global investments in transmission infrastructure. World Bank (WB) (through its arms, International Development Association (IDA), African Development Bank (AfDB) and International Bank for Reconstruction and Development (IBRD)) are continuously engaged in investing in many projects in the power transmission space across regions such as Africa, Central Asia, South and East Asia. Additionally, Middle Eastern economies, in a bid to reduce reliance on oil revenue by focussing on renewable capacity addition on large scale, are expected to undertake reform measures to facilitate higher investments in transmission infrastructure. World Bank funding increased from 2.6 USD Bn in fiscal 19 to 4.1 USD Bn by fiscal 20 (i.e 55% growth), which shows higher potential growth for demand of cables and conductors in global market.

## World Bank commitment across key regions till fiscal 21



Source: World Bank, CRISIL Research

### Optical Ground Wire Market

OPGW is one of the most reliable fiber optic medium for the telecom service providers, ISPs, Cable TVs, or other organizations who are involved in the transmission of one or more form of voice, data, video, text, messages, conferencing and telemetering kind of things. Many electric utilities are installing high capacity fiber optic cables and wires on their high voltage lines to satisfy their own internal communication needs and to gain additional revenues by leasing excess capacity to telecommunication network providers. Overhead transmission power line corridors provide the telecommunications industry with cost-effective alternative routes and at the same time benefit the electric utilities by generating additional revenues using existing facilities. The inherent advantage of fiber optic technology as a means of communication is that fiber optics provides fixed link, point to point communications with a remarkably high capacity for carrying data.

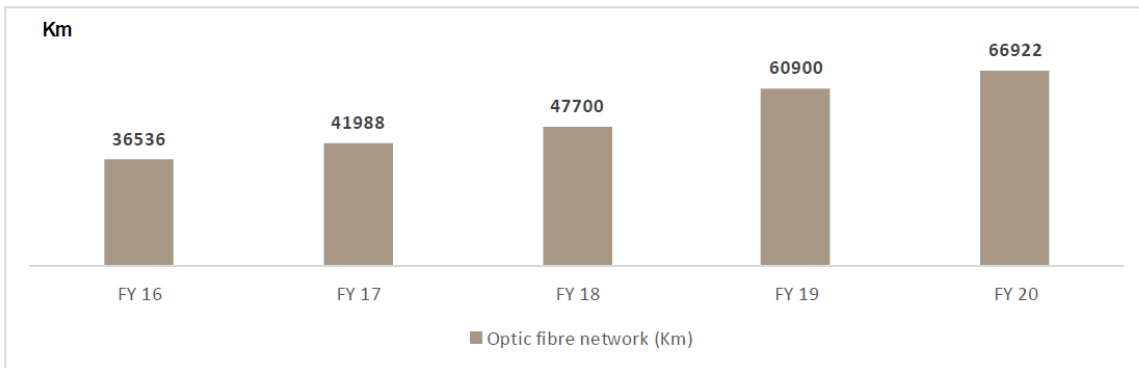
#### Advantages of OPGW cables

- Fiber optic communication cables are neither subject to electromagnetic interference nor do they cause any interference.
- Aerial fiber optic cables and any related equipment can be electrically insulated from system components.
- The technology offers very long information transmission distances of up to 80 km (50 miles) without requiring the use of repeaters.

#### Review of OPGW cable market

Transmission lines criss-crosses the entire length and breadth of the country connecting all the major metropolitan cities/towns. Central & State transmission utilities over the years have managed to set up OPGW network over their power transmission lines to provide an infrastructure which can be used to set up a high-grade long-distance telecommunication network of high capacity across India. OPGW network was added subsequently to support voice and data communication with Regional Load Despatch Centres (RLDCs)/ State Load Despatch Centres (SLDCs) for effective grid management. This also enabled grid operators & transmission utilities to serve evolving power markets in the country with introduction of new products for renewable energy integration. To explore opportunities towards optimal utilization of transmission assets central transmission utility PGCIL created telecom infrastructure on its existing and planned transmission infrastructure through OPGW. PGCIL's fibre optic network for telecom business has increased from 36,536 Km in fiscal 16 to 66,922 Km in fiscal 20 at rate of around 16%.

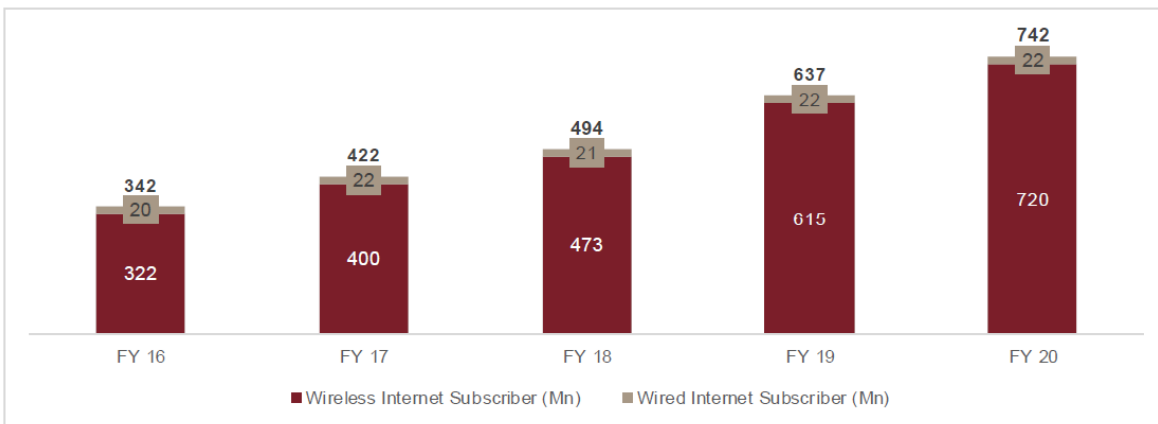
### Optic fibre network growth trend of PGCIL



Source: PGCIL, CRISIL Research

India has seen exponential growth in the number of internet subscribers, which has more than doubled to ~740 million in fiscal 20 from ~340 million in fiscal 15 as internet penetration as a percentage of population increased to ~54% from ~23%. The growth was led by explosion in the number of wireless internet subscribers triggered by accelerated adoption of 4G services due to cheap tariffs and increased availability of affordable smartphones. Of the total internet subscribers, wireless subscribers account for ~720 million, with rest being wired subscribers.

### Trend of internet subscribers in India (Mn)



Source: Telecom Regulatory Authority of India (TRAI), CRISIL Research

*Rise in internet subscriber base and upgradation of telecom infrastructure to support digital initiatives of Government to drive OPGW market*

OPGW market in future would continue to be majorly driven by rising internet subscriber base, introduction of 5G technology, evolving power markets and overall growth in data centre infrastructure to support Government initiatives like Digital India and Smart City Mission.

### **Transmission utilities expanding telecom network**

The changing landscape of Indian Power Sector together with other developments like smart cities, digitization, railway electrification, energy security, demand side management, electric vehicles, and improving financial health of DISCOMs with focus on customer are driving Central and state transmission utilities to expand their optic fibre cable network within cities. PGCIL having pan India fibre optic based communication network is expected upgrade its network by enhancing new bandwidth capacity in existing routes and adding new routes at new locations. PGCIL is planning to expand its OPGW network by an additional 50,000 km and targets to increase its optical network lines from 71000 km in fiscal 21 to ~85,000 km. It has signed an agreement with Himachal Pradesh State Electricity Board Limited (HPSEBL) for utilization of 500 km of optical ground wire (OPGW) telecom network. While efforts to move towards information technology (IT)-operational technology (OT) convergence have been under way, the Covid-19 pandemic has compelled utilities to accelerate this shift. Utilities are prioritising their IT-OT initiatives and realising the benefits of fast-tracking their digital transformation plans in order to work remotely and effectively. Central & State transmission utilities are expected to award capacities for installing OPGW on the existing transmission lines as well as new transmission infrastructure to support increasing power generation in next five fiscals.

*Key prevalent and upcoming technology*

***Robotic technology for installation of OPGW***

OPGW is installed on the transmission towers using Cradle Block Method which uses traction machine for installation. However, this traditional method involved significant risk around safety of the personnel as the OPGW is installed under live line conditions. Robotic technology is now being considered by players for the installation & maintenance of Optical Ground Wire (OPGW) on high voltage power transmission lines under energised (live-line) conditions. This has enabled players to improve safety of personnel ensuring efficiency and quality of operations.

## II. BRAZIL OVERVIEW

### BRAZIL MACROECONOMIC OVERVIEW

#### Risk Overview

Fitch Solutions forecasts that real GDP in Brazil will grow by 3.2% in 2021, after a 4.1% contraction in 2020, implying that Brazil will come close to recovering to pre-Covid levels. However, a worsening Covid-19 crisis will slow the pace of the rebound over the coming quarters, presenting significant downside risks to the forecast.

- Policy uncertainty will drive market volatility and undermine investment, as President Jair Bolsonaro responds to rising political pressure by moving away from his administration's prior pro-investment economic agenda.
- Although the election of Bolsonaro's favoured candidates to leadership of Congress will reduce near-term risks to his administration's stability, Fitch remains downbeat on the outlook for fiscal reforms due to a lack of political will. That said, market pressure could spur legislators to become more supportive of fiscal reforms in order to avoid triggering an economic downturn.
- Fitch expects the Banco Central do Brasil to hike its benchmark Selic target interest rate by a cumulative 250 basis points to 4.50% by the end of 2021. Headline inflation is likely to exceed the central bank's 5.25% year-on-year upper target over the coming months due to higher fuel costs and unfavourable base effects.
- Brazil's budget deficit will remain wide in 2021 at 8.3% of GDP but narrower from 13.6% in 2020. The extension of direct income payments will keep expenditure elevated, although spending is likely to fall from 2020's unprecedented highs. Growing investor concern over a lack of progress on fiscal reforms will drive up risk perceptions and borrowing costs, weighing on investment.

#### Economic SWOT Analysis

##### *Strengths*

- A massive consumer base and significant hydrocarbon, mineral and agricultural wealth will help to underpin economic activity in the long term.

##### *Weaknesses*

- Persistent fiscal deficits and limited political willingness to address long-term structural imbalances in the economy have driven up risk perceptions and borrowing costs.
- Labour market rigidity and a large public sector have undermined the development of a dynamic, competitive private sector and have contributed to economic stagnation.

##### *Opportunities*

- Brazilian assets have become relatively cheap, providing opportunities for foreign investors, particularly once the economy stabilises following the outbreak of Covid-19.
- The administration could advance significant reforms to ensure long-term fiscal sustainability and reduce the cost of doing business, which could spur new investment and diversification.

##### *Threats*

- The inability of successive governments to implement successful economic reforms, such as an overhaul of the tax system and the reform of the inflexible labour market, are key threats to Brazil's economy.
- Reform efforts will be undermined by popular opposition to cuts to social spending.

#### Brazil's Covid-19 Crisis

Fitch forecasts real GDP in Brazil will grow by 3.2% in 2021 after a 4.1% contraction in 2020, leaving the economy 1.0% smaller than it was in 2019. However, a worsening Covid-19 crisis will slow the pace of the rebound over the coming quarters, presenting significant downside risks to Fitch's forecast. Further, policy uncertainty will drive market volatility and undermine investment, as President Jair Bolsonaro responds to rising political pressure by moving away from his administration's prior pro-investment economic agenda.

Real GDP contracted by 4.1% in 2020, less than Fitch’s 4.7% estimate. This was the shallowest recession from Covid-19 among Latin America’s major markets. This outperformance, despite having one of the world’s worst outbreaks of Covid-19, reflects two factors. First, the federal government has taken a notably lax approach to implementing public health measures, which has led to fewer restrictions on activity across many sectors of the economy. Second, the government’s enactment of emergency salary benefits to affected workers has helped prop up consumption.

## POWER AND TRANSMISSION INDUSTRY IN BRAZIL

### Power Sector Overview

Brazil’s power sector is set to see robust growth over the coming decade, in which Fitch forecasts total electricity capacity will increase from 181.6GW in year-end 2020 to 238.5GW in 2030. Subsequently, electricity generation will reach 785TWh in 2030—up from 601TWh in 2020.

Headline Power Forecasts (Brazil 2020-2025)						
Indicator	2020e	2021f	2022f	2023f	2024f	2025f
Generation, Total, TWh	600.6	617.0	637.2	658.4	672.2	691.2
Consumption, Net Consumption, TWh	517.5	537.6	550.9	566.3	582.0	598.7
Capacity, Net, MW	181,601.0	189,896.4	197,235.7	206,055.5	210,224.4	217,285.5

*ef = Fitch Solutions estimate/forecast. Source: EIA, Fitch Solutions*

### Updates and Structural Trends

Brazil’s Ministry of Mines and Energy (MME) is planning to resume new electricity generation auctions after nearly every auction was cancelled in 2020 due to the Covid-19 pandemic. In January 2021, the MME released guidelines for the first two new energy auctions, which took place on June 25, 2021. Both the A-3 and A-4 auctions—the numbers refer to the number of years that developers will have to develop the projects—allowed wind, solar, biomass and hydropower projects to participate. The government is also planning to hold two additional auctions, the A-5 and A-6 auctions, in September 2021. While these auctions will allow both traditional and renewable power sources to participate, Fitch expects the wind and solar sectors to be highly competitive, as seen in auctions from the past several years—presenting upside risks to Fitch’s forecasts.

Fitch continues to note elevated risks within the power sector in the near term as a result of the ongoing Covid-19 pandemic and from downside risks to Fitch’s Country Risk team’s macroeconomic outlook for Brazil. While Fitch’s Country Risk team forecasts real GDP growth to rebound by 3.5% in 2021, following a decline of 4.1% in 2020, a worsening Covid-19 crisis will slow the pace of the rebound over the coming quarters, presenting significant downside risk. A weaker economic rebound could weigh on electricity consumption within the power sector over the near term.

The thermal power sector will see strong growth over the coming decade, with capacity set to increase from 30.3GW in 2020 to 36.1GW in 2030, resulting in thermal power generation increasing its share in Brazil’s power generation mix to just under 15% by the end of the decade. The natural gas-fired power sector will drive growth within the sector, while the use of oil and coal-fired power will decline as a result of Brazil’s focus on expanding hydropower, natural gas-fired power capacity and non-hydro renewable power sources.

Fitch forecasts Brazil’s hydropower sector will see moderate growth over a 10-year forecast period, in which hydropower capacity is set to increase from 109.5GW in 2020 to 113.8GW in 2030. While hydropower will remain the dominant source within Brazil’s electricity generation mix, its share will decline from 67% in 2020 to 53% by the end of the decade—resulting from stronger growth in the non-hydro renewables and natural gas sectors. Over the near term, Fitch notes downside risks as a result of the ongoing drought which has negatively impacted hydropower generation over H121. Fitch notes that continued heavy reliance on hydropower will continue to pose a risk to Brazil’s energy security, as fluctuations in rainfall pose a risk of supply shortages and spiking wholesale prices. Over the long-term, Fitch notes upside risks to its forecasts towards the end of the decade, given plans by the government to expand hydropower capacity with several large projects, including the 400MW Tabajara hydropower project in 2027, the 650MW Bem Querer Hydropower Project in 2028, and a handful of other 100+MW projects between 2026 and 2029.

Fitch maintains its view that there will not be any growth in Brazil’s nuclear power sector over the coming decade, with power capacity set to remain at 1,884MW through 2030. That said, ongoing developments of the 1,405MW Angra 3 Nuclear Power Project continues to present upside risks to Fitch’s growth forecasts, with the government launching a tender in February 2021 to resume civil construction works on the site. The lack of growth will result in the nuclear power sector maintaining its marginal role in Brazil’s power generation mix over the coming decade, accounting for 1.8% in 2030.

Brazil’s non-hydro renewables sector will see robust growth through to 2030, with a large project pipeline due to auctions and private power purchase agreements, as well as strong growth in distributed generation solar systems. Fitch has once again revised up its forecasts this quarter, particularly for the wind sector, and note significant upside risks remain with additional upwards revisions likely over the coming months for both the wind and solar power sectors. Fitch forecasts non-hydro renewables capacity to increase from 39.9GW in 2020 to 86.7GW by the end of the decade, with the wind and solar power

subsectors set to drive growth. As a result, the non-hydro renewables share within Brazil's power generation mix is set to increase from 19.4% in 2020 to 30.1% by 2030.

The privatisation efforts of Brazil's state-controlled electric utilities company Eletrobras have moved forward significantly over the past two years, although Fitch now expects that the process will be complete in late-2021 to early-2022 following delays due to the Covid-19 pandemic. Most recently in June 2020, the Brazilian congress passed a bill allowing for the privatization of Eletrobras, thereby sending the bill to President Jair Bolsonaro for his signature.

EPC companies and asset operators will continue to find new business opportunities in the Brazilian power transmission sector over the coming years, as the country aims to improve its T&D network. Supporting this view in July 2020, Brazil's Ministry of Energy and Mines announced its plans to hold five auctions for transmission projects through 2022—one which was completed in December 2020, two in 2021 and two in 2022. The December 2020 auction attracted strong interest, and Fitch expects the next auction in June 2021 to be competitive as well.

## **Power Industry SWOT**

### ***Strengths***

- Brazil's power market is the biggest in Latin America, and its energy needs will be substantial over the coming decade.
- The country has abundant natural resources for power generation, ranging from hydropower and natural gas to non-hydro renewables.
- The Brazilian infrastructure bank BNDES offers subsidised financing for renewable projects that meet local content requirements.
- The continuation of energy auctions in Brazil under the administration of President Jair Bolsonaro will support future growth in the power market.

### ***Weaknesses***

- A challenging geography increases costs and time required to connect to the national grid power plants located in remote areas.
- Import tariffs, labour market rigidity and a complex customs system increase operational risk, as well as costs.
- Brazil will remain heavily dependent on hydropower, which poses a risk of supply shortages and spiking wholesale prices in times of drought.
- Obtaining environmental licences has proved a lengthy process for projects with a large impact on people and the environment.

### ***Opportunities***

- The use of auctions for contracting new power generation and transmission projects offers long-term visibility to investors.
- The privatisation of Brazil's power sector assets continues to develop, with the government aiming to complete the privatisation process for Eletrobras over the next several quarters.
- Strong investor interest in the development of renewables projects and the acquisition of power companies, with distributors a key target.
- Growing opportunities for international companies in the development of power transmission lines and smart-grid infrastructure.

### ***Threats***

- A track record of delays in the implementation of power projects suggests caution in relation to the plants expected to be developed as a result of power auctions.
- President Jair Bolsonaro's intervention in national oil company Petrobras is a clear signal that he is more concerned with managing domestic political pressures than with pursuing the pro-investment economic agenda promoted by his economic advisers, elevating investor uncertainty over the near-term.

## Power Industry Forecast

COUNTRY SNAPSHOT: ECONOMIC AND DEMOGRAPHIC DATA (BRAZIL 2019-2024)						
Indicator	2019	2020e	2021f	2022f	2023f	2024f
Nominal GDP, USDbn	1,877.8	1,444.7	1,498.0	1,680.2	1,826.3	1,932.6
Real GDP growth, % y-o-y	1.4	-4.1	3.5	1.7	2.3	2.4
GDP per capita, USD	8,897	6,796	7,000	7,802	8,429	8,870
Population, mn	211.05	212.56	213.99	215.35	216.64	217.86

*ef = Fitch Solutions estimate/forecast. Source: BCB, Fitch Solutions*

COUNTRY SNAPSHOT: ECONOMIC AND DEMOGRAPHIC DATA (BRAZIL 2025-2030)						
Indicator	2025f	2026f	2027f	2028f	2029f	2030f
Nominal GDP, USDbn	2,052.7	2,177.1	2,305.7	2,441.4	2,586.4	2,741.0
Real GDP growth, % y-o-y	2.5	2.5	2.6	2.5	2.6	2.5
GDP per capita, USD	9,372	9,890	10,426	10,991	11,597	12,244
Population, mn	219.02	220.11	221.14	222.11	223.01	223.85

*f = Fitch Solutions forecast. Source: BCB, Fitch Solutions*

COUNTRY SNAPSHOT: POWER SECTOR	
Access to electricity	100
Quality of electricity supply (score)	87.4/100
Quality of electricity supply (rank)	102/124

*Source: World Economic Forum - Global Competitiveness Report 2019, World Bank, Fitch Solutions*

Brazil's power sector is expected to see significant growth over Fitch's 10-year forecast period. The non-hydro renewables sector will drive capacity and generation growth, accounting for 82% of forecasted capacity additions, resulting from extensive utility-scale wind and solar project pipelines, as well as robust growth in distributed generation solar systems. In addition to the non-hydro renewables sector, a handful of large-scale projects in the thermal and hydropower sectors will also support growth. As a result, Fitch forecasts Brazil's electricity generation to increase by an annual average of 2.7% between 2021 and 2030 - totalling 785TWh by the end of the decade.

Fitch estimates that Brazil's total power generation reached around 611TWh in 2019, a 3.4% increase year-on-year. Prior to the Covid-19 pandemic, Fitch was forecasting power generation to grow by 2.6% in 2020, reaching 626.8TWh. That said, Fitch estimates that electricity consumption declined by 2.55% and generation by 1.7%. The declines in generation and consumption last year were the result of the reduced demand from the containment measures put into place, as well as reduced industrial and commercial activity due to the weakened global and national economic outlook. Looking forward, Fitch expects electricity consumption and generation to rebound in 2021 with 3.9% and 2.7% growth, respectively. Fitch notes that it has revised down electricity generation growth this quarter as a result of a weakened outlook for hydropower generation in 2021 as a result of the ongoing drought, although it notes generation faces primarily upside risks still as the thermal power sector faces upside risks over the coming months. From 2021 to 2030, Fitch forecasts total power generation to expand at an average annual rate of 2.7%, with total electricity generation reaching 785TWh at the end of the decade.

In terms of capacity, Fitch estimates that Brazil's electricity capacity totalled 173.9GW in 2019 and 181.6GW in 2020, and forecasts that it will be 189.9GW by the end of 2021. This once again marks an upward revision since last quarter as a result of strengthened outlooks in primarily the wind power sector, although risks remain for project delays result of the pandemic and heightened economic and political risks. Over the long term, Fitch expects installed power capacity to expand by an annual average of 2.8% between 2021 and 2030, totalling approximately 238.5GW by the end of the 10-year forecast period. This growth will be driven by significant capacity additions from renewable energy, thermal and hydropower plants—the solar and wind power sectors are set to experience the strongest growth.

The initial uncertainty surrounding the impact of Bolsonaro's administration for the country's power sector lessened significantly over the past couple of years, especially with regards to the privatization efforts of the state-owned utility Eletrobras. Bolsonaro did not hold an initial strong position on the issue, but his government has continued to push for privatisation in recent months, and in February 2021 Bolsonaro went to Congress to deliver a provisional measure associated with privatisation plans for Eletrobras. In May 2021, the amended bill was approved by the Lower House. Weeks later in mid-May, a highly-contested clause included in the amended bill supporting natural gas power capacity growth—which some industry experts feel would have greatly increased costs—was removed and the bill received Senate approval in June 2021. Fitch expects the privatisation will occur in late 2021, at the earliest, as a result of delays from the Covid-19 pandemic. In addition, power auctions have continued to progress under Bolsonaro's administration, with 2.98GW of additional electricity capacity procured at the A-6 power auction in October 2019, and 402MW of additional electricity capacity procured at the A-4 auction in June 2019. Power and transmission infrastructure auctions have started to resume, with the next A-6 Power auction and transmission infrastructure auctions scheduled to be held in June 2021.



## Electricity Generation and Power Generating Capacity

### TOTAL ELECTRICITY GENERATION DATA AND FORECASTS (BRAZIL 2025-2030)

Indicator	2025f	2026f	2027f	2028f	2029f	2030f
Generation, Total, TWh	691.2	707.9	726.0	746.9	764.2	785.2
Generation, Thermal, % of total generation	12.043	12.345	12.834	13.619	14.306	14.827
Generation, Coal, TWh	11.339	10.965	10.636	9.785	8.513	6.981
Generation, Coal, % y-o-y	-7.000	-3.300	-3.000	-8.000	-13.000	-18.000
Generation, Coal, % of total electricity generation	1.640	1.549	1.465	1.310	1.114	0.889
Generation, Natural Gas, TWh	67.99	72.55	78.68	88.12	97.02	105.66
Generation, Natural Gas, % change y-o-y	7.0	6.7	8.5	12.0	10.1	8.9
Generation, Natural Gas, % of total electricity generation	9.836	10.249	10.838	11.799	12.695	13.456
Generation, Oil, TWh	3.917	3.876	3.857	3.810	3.791	3.784
Generation, Oil, % change y-o-y	-4.5	-1.0	-0.5	-1.2	-0.5	-0.2
Generation, Oil, % of total electricity generation	0.567	0.548	0.531	0.510	0.496	0.482
Generation, Nuclear, TWh	14.147	14.147	14.147	14.147	14.147	14.147
Generation, Nuclear, % y-o-y	0.000	0.000	0.000	0.000	0.000	0.000
Generation, Nuclear, % of total electricity generation	2.047	1.998	1.949	1.894	1.851	1.802
Generation, Hydropower, TWh	412.204	412.699	413.565	414.310	414.517	414.931
Generation, Hydropower, % change y-o-y	0.450	0.120	0.210	0.180	0.050	0.100
Generation, Hydropower, % of total electricity generation	59.635	58.299	56.966	55.473	54.240	52.843
Hydro-Electric Pumped Storage, TWh	0.000	1.000	1.000	2.000	2.000	3.000
Hydro-Electric Pumped Storage, % total electricity generation	0.000	0.141	0.138	0.268	0.262	0.382
Generation, Non-Hydropower Renewables, TWh	181.619	192.666	204.100	214.698	224.241	236.707
Generation, Non-Hydropower Renewables, % change y-o-y	8.2	6.1	5.9	5.2	4.4	5.6
Generation, Non-Hydropower Renewables, % of total electricity generation	26.3	27.2	28.1	28.7	29.3	30.1

f = Fitch Solutions forecast. Source: EIA, EPE, MME, Fitch Solutions

### ELECTRICITY GENERATING CAPACITY DATA AND FORECASTS (BRAZIL 2019-2024)

Indicator	2019e	2020e	2021f	2022f	2023f	2024f
Capacity, Net, MW	174,183.2	181,601.0	189,896.4	197,235.7	206,055.5	210,224.4
Capacity, Net, % y-o-y	5.2	4.3	4.6	3.9	4.5	2.0
Capacity, Conventional Thermal, MW	28,291.2	30,294.2	31,930.1	31,930.1	34,197.1	34,197.1
Capacity, Conventional Thermal, % y-o-y	1.2	7.1	5.4	0.0	7.1	0.0
Capacity, Conventional Thermal, % of total capacity	16.2	16.7	16.8	16.2	16.6	16.3
Capacity, Nuclear, MW	1,884.0	1,884.0	1,884.0	1,884.0	1,884.0	1,884.0
Capacity, Nuclear, % y-o-y	0.0	0.0	0.0	0.0	0.0	0.0
Capacity, Nuclear, % of total capacity	1.1	1.0	1.0	1.0	0.9	0.9
Capacity, Hydropower, MW	109,058.0	109,494.2	109,899.4	110,360.9	111,056.2	111,378.3
Capacity, Hydropower, % y-o-y	4.7	0.4	0.4	0.4	0.6	0.3
Capacity, Hydropower, % of total capacity	62.6	60.3	57.9	56.0	53.9	53.0
Capacity, Non-Hydroelectric Renewables, MW	34,950.0	39,928.6	46,182.9	53,060.7	58,918.1	62,765.0
Capacity, Non-Hydroelectric Renewables, % y-o-y	10.6	14.2	15.7	14.9	11.0	6.5
Capacity, Non-Hydroelectric Renewables, % of total capacity	20.1	22.0	24.3	26.9	28.6	29.9

e/f = Fitch Solutions estimate/forecast. Source: EIA, EPE, MME, Fitch Solutions

### ELECTRICITY GENERATING CAPACITY DATA AND FORECASTS (BRAZIL 2025-2030)

Indicator	2025f	2026f	2027f	2028f	2029f	2030f
Capacity, Net, MW	217,285.5	222,151.9	226,122.6	229,573.6	233,692.6	238,450.9
Capacity, Net, % y-o-y	3.4	2.2	1.8	1.5	1.8	2.0
Capacity, Conventional Thermal, MW	34,970.0	34,994.5	35,008.5	35,008.5	35,358.6	36,065.7
Capacity, Conventional Thermal, % y-o-y	2.3	0.1	0.0	0.0	1.0	2.0

Indicator	2025f	2026f	2027f	2028f	2029f	2030f
Capacity, Conventional Thermal, % of total capacity	16.1	15.8	15.5	15.2	15.1	15.1
Capacity, Nuclear, MW	1,884.0	1,884.0	1,884.0	1,884.0	1,884.0	1,884.0
Capacity, Nuclear, % y-o-y	0.0	0.0	0.0	0.0	0.0	0.0
Capacity, Nuclear, % of total capacity	0.9	0.8	0.8	0.8	0.8	0.8
Capacity, Hydropower, MW	112,369.5	112,762.8	113,101.1	113,383.9	113,610.6	113,781.1
Capacity, Hydropower, % y-o-y	0.9	0.4	0.3	0.3	0.2	0.2
Capacity, Hydropower, % of total capacity	51.7	50.8	50.0	49.4	48.6	47.7
Capacity, Non-Hydroelectric Renewables, MW	68,062.0	72,510.6	76,129.0	79,297.3	82,839.4	86,720.1
Capacity, Non-Hydroelectric Renewables, % y-o-y	8.4	6.5	5.0	4.2	4.5	4.7
Capacity, Non-Hydroelectric Renewables, % of total capacity	31.3	32.6	33.7	34.5	35.4	36.4

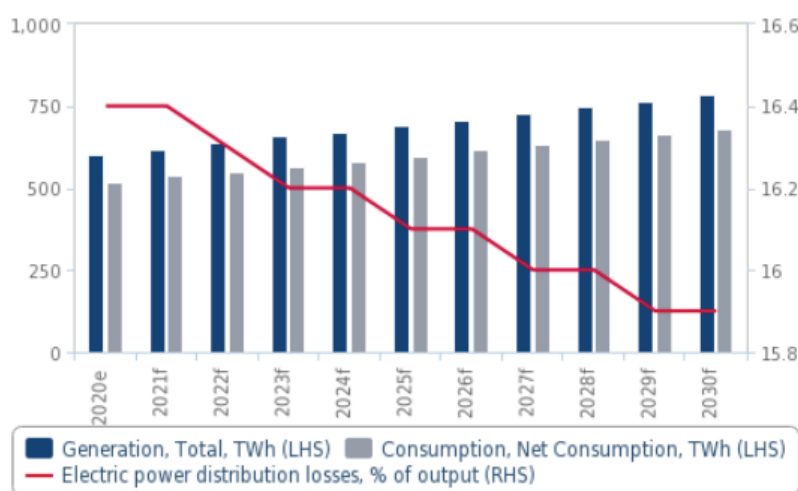
f = Fitch Solutions forecast. Source: EIA, EPE, MME, Fitch Solutions

## Electricity Consumption

Fitch estimates that electricity consumption declined by 2.6% in 2020 as a result of weakened commercial and industrial activity in H120 amid the Covid-19 pandemic. Fitch's estimated contraction remains unchanged from Q121, when Fitch revised up given a better-than-anticipated recovery in electricity consumption in H220. Looking forward, Fitch has slightly revised up electricity consumption for 2021 and forecast electricity consumption to rebound to 3.9% growth this year—up from 3.8% forecasted in Q221. This is the result of Fitch's Country Risks team's slight upward revision to real GDP growth, up from 3.2% to 3.5%, as well as strong electricity consumption figures from the Brazilian government through March 2021. From 2021 and beyond, Fitch expects growth to return and continue, and forecast power consumption to expand by an annual average of 2.8% between 2021 and 2030, when it will total 683.1TWh.

### Total Net Generation And Consumption

#### Brazil (2020-2030)



e/f = Fitch Solutions estimate/forecast. Source: EIA, EPE, Fitch Solutions

In line with the strengthening of the country's power consumption growth over the long term, Fitch expects Brazil will remain a net importer of electricity over the coming decade. Among the factors causing power demand to outstrip supply are high electricity losses along the transmission and distribution infrastructure. Growing investment in increasing the efficiency of the power distribution infrastructure over the coming years, including by the deployment of a smarter grid, should help to gradually reduce losses.

### TOTAL ELECTRICITY CONSUMPTION DATA AND FORECASTS (BRAZIL 2019-2024)

Indicator	2019e	2020e	2021f	2022f	2023f	2024f
Consumption, Net Consumption, TWh	531.0	517.5	537.6	550.9	566.3	582.0
Consumption, Net Consumption, % y-o-y	2.0	-2.6	3.9	2.5	2.8	2.8
Consumption, Net Consumption, KWh per capita	2,516.0	2,434.4	2,512.4	2,558.2	2,614.0	2,671.6

e/f = Fitch Solutions estimate/forecast. Source: EIA, Fitch Solutions

## TOTAL ELECTRICITY CONSUMPTION DATA AND FORECASTS (BRAZIL 2025-2030)

Indicator	2025f	2026f	2027f	2028f	2029f	2030f
Consumption, Net Consumption, TWh	598.7	615.7	632.1	648.2	665.2	683.1
Consumption, Net Consumption, % y-o-y	2.9	2.8	2.7	2.5	2.6	2.7
Consumption, Net Consumption, KWh per capita	2,733.4	2,797.1	2,858.4	2,918.3	2,982.7	3,051.7

f = Fitch Solutions forecast. Source: EIA, Fitch Solutions

### Transmission And Distribution, Imports And Exports

EPC companies and asset operators are expected to continue to find new business opportunities in the Brazilian power transmission sector over the coming years, as the country aims to improve its T&D network. Supporting this view, Brazil's ANEEL announced its plan to hold five transmission auctions between December 2020 and year-end 2022. The June 2020 tender was suspended as a result of the Covid-19 pandemic, and Fitch notes risks for further delays for the December tender as well, given the ongoing pandemic as of late November 2020.

#### Latest Updates

- Brazil's Ministry of Energy and Mines held its first electric power transmission auction of 2020 on December 17 2020. The auction included 16 transmission lines and 12 substations, across nine states and drew strong interest. Concessions awarded will be for 30-year contracts.
- In November 2020, it was reported that COPEL plans to invest US\$370mn through 2025 to modernize its distribution grid in the state of Paraná, a rural state in the south of the country. Investments will include smart meters, sensors, and network reconfiguration devices.
- In November 2020, ANEEL reported that more than 1,000km of transmission lines were completed in October 2020. In total, more than 5,200km of transmission lines have been built between January 2020 and October 2020.
- In July 2020, Brazil's Ministry of Energy and Mines announced that it plans to hold auctions for transmission projects through 2022 – one in December 2020, two in 2021 and two in 2022. The continued growth and improvement in T&D infrastructure supports Fitch's robust growth outlook in the wind and solar power sectors.
- In May 2020, ANEEL decided to continue moving forward with the planning of a transmission auction for December 2020. Given the suspension of the earliest transmission auction for this year, ANEEL has released a proposal for a larger auction that would have 15 projects worth an estimated BRL10.15bn. That said, the auction could be delayed further if economic conditions have not yet improved.
- Also in May, it was reported that Engie obtained BRL2.7bn in Financing for its Campo Largo II Wind Complex and related Gralha Azul Transmission Project. The BRL1.48bn, 1,000km transmission project is expected to be completed by March 2023, but the company is aiming to complete it even earlier.
- In December 2019, ANEEL opened public consultations on the bidding for new electricity transmission projects, with the tender scheduled to take place on June 26 2020. The tender will be divided into six lots which cover new transmission lines in six states, including Amazonas, Ceará, Mato Grosso do Sul, Rio Grande do Sul, Goiás and São Paulo.
- On December 19 2019, ANEEL held the most recent transmission infrastructure auction. All 12 lots, which included 17 transmission lines and 16 substations that spanned across 12 states, were sold. The investments in the projects will total BRL4.18bn, and the construction of the transmission lines is expected to take between 36 and 60 months.
- In November 2019, Spain-based **Red Eléctrica Internacional** and **Grupo Energía Bogotá** agreed to jointly purchase Brazilian transmission company Argo Energía. Argo Energía owns three power transmission concessions, with two of the three projects currently under construction. Red Eléctrica Internacional and Grupo Energía Bogotá have both stated interests in expanding within Brazil's market.
- In May 2019, **Sterlite Power** announced the commissioning of its 139km Arcoverde Project in the Pernambuco region, with the project being delivered 28 months ahead of schedule. Earlier this year in April 2019, Sterlite Power expanded its transmission infrastructure project pipeline in Brazil with a signed concession agreement with the Brazilian regulator Agência Nacional de Energia Elétrica. The agreement is for batch 13, which includes the construction of three energy transmission lines, for a total length of 316km, two substations and 1,544MVA transformation capacity.

## Structural Trends

### Continued Growth in Power Transmission Infrastructure

Fitch believes the Brazilian government will be committed to ensuring power transmission infrastructure is available ahead of the development of new generation projects. Supporting this view, the government held a successful auction for power transmission lines in throughout 2017, 2019 and 2020. In March 2020, the government suspended all auctions, including the June and December 2020 transmission auctions. However, in August 2020, the government resumed planning future auctions and scheduled its next tender to take place in December 2020. The auction was held on December 17 and included projects worth an estimated BRL6.1bn in investments. ANEEL's next auction was held in June 2021.

ANEEL's auction that was held in December 2019 resulted in commitments for a total investment of BRL4.18bn. All 12 lots were sold, with the projects spanning across 12 states and including a total of 17 new transmission lines and 16 substations. The investments in the projects will total BRL4.18bn, and the construction of the transmission lines is expected to take between 36 and 60 months.

ANEEL's transmission auction in June 2018 reportedly resulted in commitments for a total investment of BRL6.0bn. The biggest winner in the auction was Indian company **Sterlite Power Grid Ventures Ltd**, buying six lots. All 20 transmission batches were sold in the auction, with 30-year concessions. They correspond to 2,562km of transmission lines and substations with a total capacity of 12,225MVA. The construction of the transmission lines is expected to take between 36 and 63 months.

The auction for power transmission projects in December 2017 awarded all the 11 lots on tender. The tender saw strong competition and the participation of major international players, such as Spanish group **Iberdrola** (through its subsidiary **Neoenergia**) and France's **Engie** – among others. The development of the projects included in the lots awarded is expected to result in a total investment of BRL8.7bn.

### Positive Outlook for Transmission and Smart Grid Investment

Fitch believes Brazil will be one of the Latin American outperformers in terms of business opportunities afforded to international companies that provide components, software and consulting services for the development of a smart electricity grid. The industry players poised to capitalise on Brazil's smart power push are not only providers of traditional electricity infrastructure, but also companies operating in the Information & Communication Technologies (ITC) segment.

As a case in point, in June 2018 **Enel** said it plans to invest USD900mn in **Eletropaulo** in 2019-2021, and that part of this resources will go into digitalising the network, in line with the Italian company's expertise in energy services. The deal **ABB** signed with **Furnas-Centraís Eléctricas** in November 2018 is also an example of investment in improving the Brazilian power distribution and transmission infrastructure.

### ELECTRIC POWER T&D LOSSES DATA AND FORECASTS (BRAZIL 2025-2030)

Indicator	2025f	2026f	2027f	2028f	2029f	2030f
Electric power distribution losses, TWh	111.6	113.9	116.4	119.4	121.7	124.7
Electric power distribution losses, % of output	16.1	16.1	16.0	16.0	15.9	15.9

f = Fitch Solutions forecast. Source: EIA, Fitch Solutions

### TRADE DATA AND FORECASTS (BRAZIL 2019-2024)

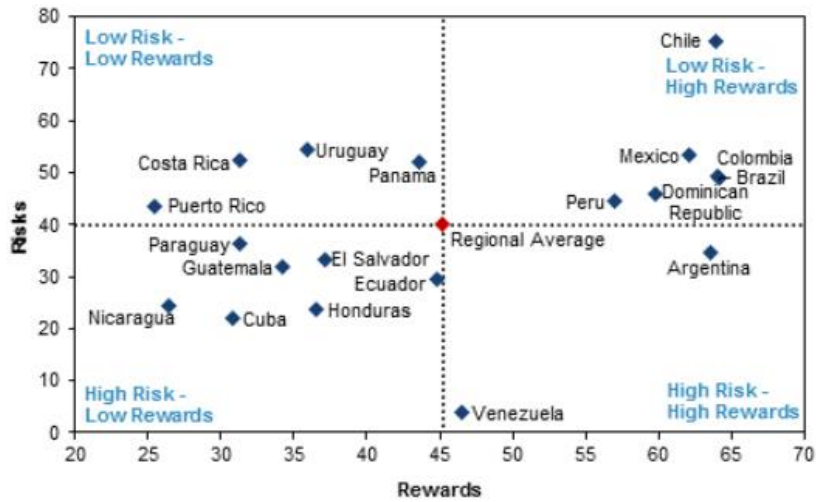
Geography	Indicator	2019e	2020e	2021f	2022f	2023f	2024f
Brazil	Total Net Imports, TWh	20.6	15.4	21.5	17.6	14.9	18.7

e/f = Fitch Solutions estimate/forecast. Source: EIA, Fitch Solutions

Geography	Indicator	2025f	2026f	2027f	2028f	2029f	2030f
Brazil	Total Net Imports, TWh	19.0	21.7	22.6	20.7	22.7	22.6

f = Fitch Solutions forecast. Source: EIA, Fitch Solutions

## Latin America – Power Risk/Reward Index



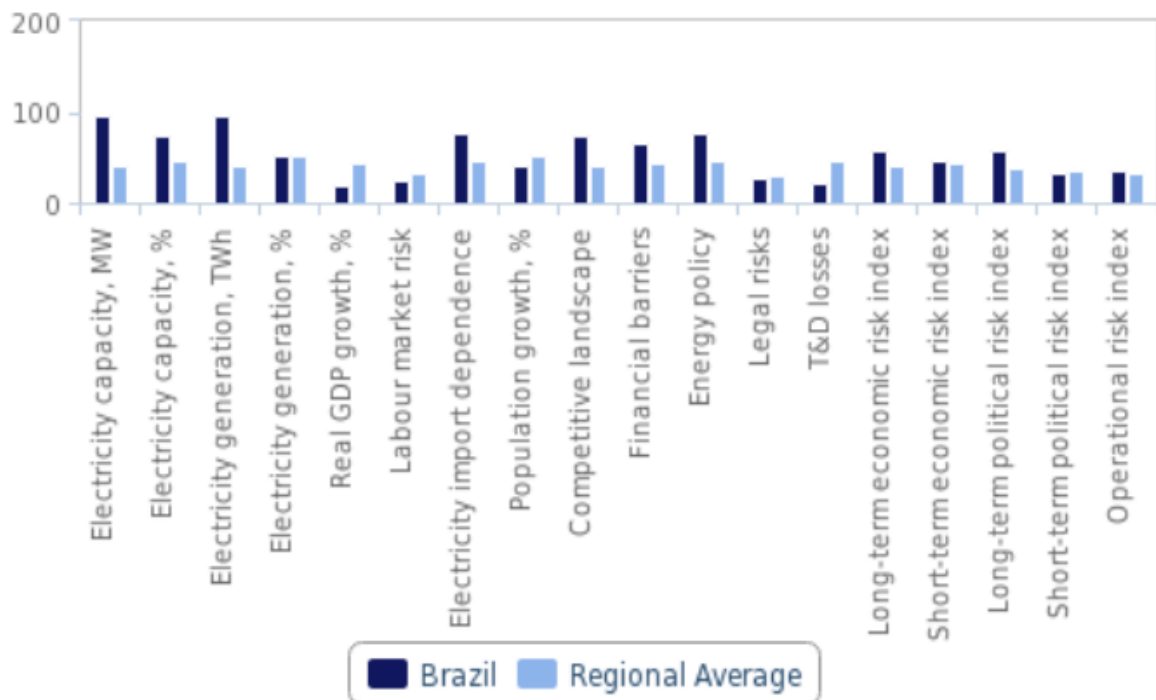
Note: Scores out of 100; higher score = more attractive market. Source: Fitch Solutions Power Risk/Reward Index

### Brazil’s RRI Score Fell Due to Weakened Macroeconomic Outlook

Brazil’s overall RRI score fell slightly this quarter, resulting in its market falling from second to fourth in the region. Brazil’s market also fell three spots globally. A weakened macroeconomic outlook has resulted in declines to the market’s Country Rewards and Country Risks scores, weighing down the overall score. In March 2021, Fitch’s Country Risk team revised its forecast for Brazil’s real GDP growth to 3.2% in 2021, down from 3.5% previously, due to weaker base effects from a shallower contraction in 2020 and a dimming near-term outlook amid a worsening Covid-19 crisis, which will slow the pace of the rebound through at least H121 and possibly further. That said, Brazil’s Industry Rewards score remains the highest in the region by a healthy margin and even saw a noticeable increase this quarter, resulting from strengthened growth outlooks in the wind and solar power sectors over the next five years. Fitch forecasts the market’s total electricity capacity to increase from 181.6GW in year-end 2020 to 215.5GW in 2025, with electricity generation set to grow from 621.7TWh in 2021 to 686.9TWh by the middle of the decade.

### RRI Matrix Breakdown

#### Brazil & Latin America Region - Power Risk/Reward Index By Component



Note: Scores out of 100; higher score = more attractive market. Source: Fitch Solutions Power Risk/Reward Index

## Key Policies and Market Structure

The government began to restructure the Brazilian power industry in the mid-1990s, with the creation of the national regulatory agency **Agência Nacional de Energia Elétrica (ANEEL)**. The government also established a national transmission grid operator, **the Operador Nacional do Sistema Elétrico (ONS)**, and a wholesale power market, the **Mercado Atacadista de Energia Elétrica**.

The constitution permits state governments to retain a monopoly over their electricity markets, though many have begun to privatise. ONS operates the national transmission grid, which consists of two large grids (one in the north, one in the south-east) and numerous smaller systems in isolated regions. ONS connected the north and south-east grids in 1999, and the combined system covers more than 90% of Brazil's electricity market.

The sector comprises both a regulated system and a liberalised scheme. In the first, consumers purchase electricity at the tariffs defined by ANEEL from their local distributor, who in turn purchases electricity through public tenders regulated by ANEEL. As part of the regulated system, it is the distributors' responsibility to estimate the amount of electricity they require to purchase under tender, but they can also buy power on the spot market at wholesale prices.

In the liberalised system, electricity is traded between generating concessionaires, independent energy suppliers, self-generators and free consumers. The potentially free consumers with a contract capacity of more than 3MW may choose to change their electricity supplier. Generating plants are subject to contracts, authorisation or registry according to the type, the capacity to be installed and the output destination (public service distribution, self-generation or independent generation).

The transmission system, carrying a load of 230kV and higher, is divided into transmission and sub-transmission networks, according to the level of desegregation of the consumer market. The primary network is responsible for transmission to the major consumer centres and for the supply of large consumers. The secondary network is basically an extension of the primary network, aimed at transmitting to smaller consumer centres and providing energy to large industrial clients.

The electricity supply agents, not owning electricity systems, are authorised to act exclusively in the electricity purchase and sale market for distribution companies, authorised agents or liberalised consumers. Prices are fixed freely.

## Competitive Landscape

Brazil's privatisation of state-owned power generating assets stalled after a partial restructuring of the power sector in the 1990s, and **Centrais Elétricas Brasileiras (Eletrobras)** is still the largest generating company in the country, controlling about one-third of total installed power capacity. Other state-owned companies control most of the remaining generating facilities. The largest private generating company is **ENGIE** (previously Tractebel Energia), followed by **China Three Gorges Corporation**.

While state-owned entities still control most power generation and transmission assets, distribution is largely in private hands. There are more than 60 electricity distribution companies in Brazil. The country's constitution gives state governments a monopoly on their electricity markets, although many have begun to privatise these markets. Following the acquisition of 73% of the shares of **Eletropaulo** in June 2018, Italian power company Enel has become Brazil's largest electricity distributor.

Under the **Temer government**, **Eletrobras remained committed to selling six of its power distribution companies**. In late May 2018, Brazil's Federal Court of Accounts authorised the sale of the six distributors, as well as of the utility Cesp. Distribution company **Cepisa**, which was sold in July. **Ceron**, **Eletroacre** and **Boa Vista Energia** were privatised in August 2018. The auction of **Amazonas Energia** took place on December 10, the privatisation of **Companhia Energética de Alagoas (Ceal)** was completed in March 2019, with the transfer of controlling interest to **Companhia Equatorial Energia**.

The Brazilian power transmission sector will also offer opportunities to foreign companies to enter the market or expand their presence in it over the coming quarters. ANEEL plans to hold regular auctions for power transmission assets over the coming years, and auctions in December 2017 and June 2018 were highly successful. A new auction is scheduled to take place in December 2019.

Privatisation efforts of Brazil's state-controlled electric utilities company Eletrobras have moved forward significantly over the past year. Fitch now expects the privatisation will occur in late 2021, at the earliest, as a result of delays from the Covid-19 pandemic. On November 5, 2019, President Jair Bolsonaro signed Bill 5.877/2019, which authorises a change of control for Eletrobras. The bill had been sent to Brazil's National Congress and awaits approval in order for the privatisation process to move further. Congress approved the bill in June 2021. Under the previous administration of the Temer government, Brazil tried to sell shares of Eletrobras in 2018, but the process was delayed in Congress amid popular opposition to the process.

### *Eletrobras*

Eletrobras holds stakes in a number of Brazilian electric companies and is responsible for 51.1GW, or 30.5%, of the installed capacity of electric power generation in Brazil (as of end-2019), by means of 48 hydroelectric plants, 106 thermoelectric plants,

two nuclear power plants and 70 wind farms and one solar plant. Eletrobras is also responsible for around 71,1540km of transmission lines, accounting for approximately 50% of the country's total (as of end-2019).

The Brazilian federal government owns 54% of the stock of Eletrobras, which is traded on the Bovespa Stock Exchange. Eletrobras is organised as a holding company and operates through regional subsidiaries:

- **Furnas** in the south-east and mid-west
- **Chesf** in the north-east
- **Eletronorte** in the north and mid-west
- **Eletrobras CGTEE**
- **Eletrosul** in the south and mid-west (only transmission)

Eletrobras is organised as a holding company and controls a large share of the power generation and transmission system in Brazil through its subsidiaries. Eletrobras has a 99.5% interest in **Eletronuclear**, a company responsible for developing nuclear projects. Moreover, it controls the Electric Power Research Center (Eletrobras Cepel).

## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations" beginning on pages 36 and 406, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 included herein is derived from the Restated Consolidated Summary Statements, included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Summary Statements" beginning on page 295.*

*Our Company's Fiscal Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Indian Power and Transmission Sector" (the "**CRISIL Report**") prepared and released by CRISIL Research, a division of CRISIL Limited, and commissioned by our Company in connection with the Issue and from the report titled "Brazil Power Report" (the "**Fitch Report**") prepared and released by Fitch Solutions. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

### Overview

We are a leading private sector power transmission infrastructure developer and solutions provider, operating in India and Brazil. According to CRISIL Research, we are the largest private player in terms of project portfolio under the inter-state TBCB route, with a market share of 26% of transmission projects awarded through the TBCB route. Further, according to data from the Brazilian Electricity Regulatory Authority ("**ANEEL**"), we have a 13% market share of the transmission projects auctioned by ANEEL in the period January 2017-June 2021.

We commenced operations in 2006 as the transmission grid business division of Sterlite Technologies Limited. The business division was demerged and transferred to our Company in 2016. We expanded internationally by commencing operations in Brazil in 2017.

We develop integrated power transmission infrastructure and provide solution services through two business units: Global Infrastructure and Solutions. Our Global Infrastructure business unit has a global focus, with operations currently in India and Brazil. Our Solutions business unit consists of the products sub-unit, which manufactures and supplies a wide range of products including high performance power conductors, optical ground wire ("**OPGW**") and extra-high voltage ("**EHV**") cables; and the Master System Integration ("**MSI**") sub-unit, which provides bespoke solutions for the upgrade, uprate and fiberization of existing transmission infrastructure projects. In addition, we also operate the Convergence business unit, which leverages existing power utility infrastructure for telecommunications purposes by building optical fibre infrastructure on top of existing utilities networks. While the contribution of the Convergence business unit to our overall business is currently minor, we believe it provides us an opportunity for future growth.

Our Global Infrastructure business unit bids for, designs, constructs, owns and operates power transmission assets. As part of our business model, we have monetised a number of operational/partially operational projects in the past, which has provided us a means of capital rotation. Our ability to monetise our operational projects allows us to generate growth capital and helps in our endeavour to keep our balance sheet asset-light. As of the date of this Draft Red Herring Prospectus, we have completed 10 power transmission projects in India and one in Brazil, which we have sold. We have also sold three projects in Brazil that were in various stages of development. Further, we currently have 11 projects in various stages of construction and development (five in India and six in Brazil). As of March 31, 2021, our current and sold projects comprised 25 projects, covering approximately 13,700 circuit km ("**ckm**") of transmission lines. Our 10 completed projects and five ongoing projects in India span 9,246 ckm with a total capital expenditure of Rs 244,860 million (US\$3.34 billion). Further, our four sold projects and six ongoing projects in Brazil span 4,416 ckm with a total capital expenditure of Rs 100,388.06 million (US\$ 1.37 billion).

As of the date of this Draft Red Herring Prospectus, one of our ongoing projects in Brazil (Vineyards) and one of our ongoing projects in India (KTL) are partially operational. In India, operational or partially operational projects primarily earn availability based revenue pursuant to long-term (35 year) transmission services agreements ("**TSAs**") and tariff orders passed by Central Electricity Regulatory Commission ("**CERC**") in accordance with the Electricity Act, 2003. Further, in Brazil, operational projects primarily earn availability revenue pursuant to 30 year concessions awarded by ANEEL.

For the projects that we sell, we recognize the net gain on the sale as part of our other income. As of March 31, 2021, we have sold ten completed projects in India to IndiGrid (which is India's first listed power sector infrastructure investment trust and is sponsored by us) for a total value of Rs 145,056 million and four projects in various stages of development in Brazil to marquee



developers and investors for a total value of US\$127 million. In FY2019, FY2020 and FY2021, the net gain on sale of power transmission assets amounted to 0.44%, 39.81% and 40.34% of our total income. In FY2021, we also received an additional consideration of Rs 1,047.29 million from India Grid Trust on sale of certain power transmission assets. The additional consideration pertains to earn-outs on account of CERC claims for increase in tariffs due to change in law, income tax refunds and VAT refunds. Going forward, we expect to continue to implement our strategy of monetizing our projects on an opportunistic basis.

As part of our Solutions business unit, our products sub-unit manufactures and supplies a portfolio of overhead and underground products, including high power conductors, extra-high voltage ("EHV") cables and optical ground wire ("OPGW"). We export our products internationally. According to CRISIL Research, we had the second largest market share (approximately 21%) for power conductors in Fiscal Year 2020. Further, our MSI sub-unit is a provider of specialty contracting services, delivering bespoke solutions for the upgrade and uprate of brownfield transmission infrastructure projects. We also offer EHV turnkey services including cable laying and substation development.

As part of our approach to business operations, we seek to lead the way in the adoption of best practices in the power transmission industry. We also endeavour to seamlessly integrate technology and innovation across the lifecycle of our projects, which provides a significant competitive advantage and allows us to complete complicated and time-critical projects. In the pre-construction phase of our transmission projects, we leverage satellite technologies such as light detection and radiation ("LIDAR"), and our in-house developed gas insulated substation ("GIS") based technology called Trans-Analyst (currently in pilot mode) for extensive route mapping and survey, which allows to take data based decisions and reduce the overall timelines of our project execution. During the construction phase, we regularly use aerial technologies such as heli-cranes, helicopters, drones and robotic interventions, which allow us to limit the damage to the environment while maintaining workforce safety. Further, we have also invested in a global start-up (Sharper Shape) which leverages image/data analytics for the inspection and preventive maintenance of transmission assets. Through these innovations and technology interventions, we are focused on solving the complex energy delivery challenges at the intersection of time, space and capital. For further details on our technology initiatives, please see " – Technology Initiatives" below.

We have received a number of global and national accolades, including:

- Gold Winner at the IPMA Project Excellence Awards for two years in a row (2019 and 2020);
- ‘Utility Deal of the Year’ and ‘Utility M&A Deal of the Year’ at the Asset Triple A Asia Infrastructure Awards 2020;
- the ‘Process Innovation of the Year’ at The Economic Times Innovation Awards 2020;
- The Year in Infrastructure Award (2020) in the utilities and communications category by Bentley Systems Inc.; and
- Golden Peacock Award for Occupational Health & Safety Award (2020)

For further details, please see "History and Certain Corporate Matters - Major events and milestones in the history of our Company - Awards and accreditations or recognitions" on page 228.

The table below sets forth our KPIs for the periods indicated:

#### Consolidated KPIs

KPI	As of/for the year ended March 31,		
	2019	2020	2021
	(₹ in millions, except percentages)		
Total Income	35,714.60	51,583.16	38,169.59
Revenue from operations	35,550.06	30,043.19	20,923.91
Total Borrowings	62,920.74	69,781.09	27,814.90
ROCE <sup>(1)</sup>	1.97%	40.22%	36.68%

Notes:

- (1) ROCE, or returns on capital employed, is the ratio of our consolidated EBIT (which we calculate by adding back income tax expense and finance costs to our restated profit/(loss) for the year) to our average capital employed, for the periods indicated. We calculate capital employed as our total assets less our current liabilities. Average capital employed for a fiscal year is the simple average of the capital employed as of the last day of the prior fiscal year and the last day of the current fiscal year.

#### Financial Performance of Business Units

The table below presents the key metrics which reflect the financial performance of our business units for the periods indicated:

Financial Performance of Business Units (₹ in millions, except percentages)								
Particulars	Solutions (Products and MSI)	Global Infrastructure re-India - Operating Revenue <sup>(1)</sup>	Global Infrastructure re-India - EPC Revenue <sup>(2)</sup>	Global Infrastructure re- Brazil <sup>(3)</sup>	Profit on sale of power transmission assets	Others <sup>(4)</sup>	Eliminations/ Regroupings <sup>(5)</sup>	Total
<b>Fiscal 2021</b>								
Revenue from operations (A)	17,076.86	2,368.05	12,771.36	1,831.64	-	19.45	(13,143.44)	20,923.91
Cost of Goods Sold (B) <sup>(6)</sup>	14,452.62	266.75	8,689.83	1,466.69		-	(8,851.64)	16,024.25
Gross Profit (C=A-B)	2,624.23	2,101.30	4,081.53	364.95	-	19.45	(4,291.80)	4,899.67
<b>Gross Margin % (C/A)</b>	<b>15.37%</b>	<b>88.74%</b>	<b>31.96%</b>	<b>19.92%</b>		<b>100.00%</b>	<b>32.65%</b>	<b>23.42%</b>
Employee benefits expense and other expenses (excluding cost of goods sold) (D)	2,565.34	5.59	2,271.19	579.99	-	42.51	(966.69)	4,497.92
Impairment / (reversal) of Impairment of investment & assets and Provision / (reversal) for onerous contracts (E)			(954.98)	670.24			-	(284.74)
Loss/(Profit) on sale of asset					(16,444.56)			(16,444.56)
Other income (F)	(26.77)	(233.51)	(2,776.95)	-		(20.07)	2,256.18	(801.12)
Adjusted EBIDTA (G= C-D+E+F)	85.66	2,329.22	5,542.27	(885.27)	16,444.56	(2.99)	(5,581.29)	17,932.15
<b>Adjusted EBIDTA Margin % (G/A%)</b>	<b>0.50%</b>	<b>98.36%</b>	<b>43.40%</b>	<b>-48.33%</b>		<b>-15.35%</b>	<b>42.46%</b>	<b>85.70%</b>
<b>Fiscal 2020</b>								
Revenue from operations (A)	20,360.36	3,393.39	7,748.02	7,793.36	-	82.62	(9,334.57)	30,043.19
Cost of Goods Sold (B) <sup>(6)</sup>	17,306.48	166.92	6,187.04	5,342.55		40.64	(7,195.85)	21,847.79
Gross Profit (C=A-B)	3,053.88	3,226.47	1,560.98	2,450.81	-	41.98	(2,138.72)	8,195.40
<b>Gross Margin % (C/A)</b>	<b>15.00%</b>	<b>95.08%</b>	<b>20.15%</b>	<b>31.45%</b>		<b>50.81%</b>	<b>22.91%</b>	<b>27.28%</b>
Employee benefits expense and other expenses (excluding cost of goods sold) (D)	2,625.70	202.00	2,149.79	1,126.58	-	38.12	(869.74)	5,272.45
Impairment / (reversal) of Impairment of investment & assets and Provision / (reversal) for onerous contracts (E)		674.37		(267.72)				406.65
Loss/(Profit) on sale of asset					(20,535.16)			(20,535.16)
Other income (F)	(5.69)	(84.86)	(1,428.42)	-		(8.86)	523.03	(1,004.80)
Adjusted EBIDTA (G= C-D+E+F)	433.88	2,434.96	839.61	1,591.96	20,535.16	12.75	(1,792.01)	24,056.28
<b>Adjusted EBIDTA Margin % (G/A%)</b>	<b>2.13%</b>	<b>71.76%</b>	<b>10.84%</b>	<b>20.43%</b>		<b>15.44%</b>	<b>19.20%</b>	<b>80.07%</b>
<b>Fiscal 2019</b>								
Revenue from operations (A)	24,469.57	6,056.04	23,136.74	7,223.18		183.16	(25,518.62)	35,550.07

Financial Performance of Business Units (₹ in millions, except percentages)								
Particulars	Solutions (Products and MSI)	Global Infrastructure re-India - Operating Revenue <sup>(1)</sup>	Global Infrastructure re-India - EPC Revenue <sup>(2)</sup>	Global Infrastructure re- Brazil <sup>(3)</sup>	Profit on sale of power transmission assets	Others <sup>(4)</sup>	Eliminations/ Regroupings <sup>(5)</sup>	Total
<b>Fiscal 2021</b>								
Cost of Goods Sold (B) <sup>(6)</sup>	20,909.71	1,469.23	18,523.08	5,907.26		72.15	(20,669.60)	26,211.82
Gross Profit (C=A-B)	3,559.87	4,586.81	4,613.66	1,315.92	-	111.01	(4,849.02)	9,338.25
<b>Gross Margin % (C/A)</b>	<b>14.55%</b>	<b>75.74%</b>	<b>19.94%</b>	<b>18.22%</b>		<b>60.61%</b>	<b>19.00%</b>	<b>26.27%</b>
Employee benefits expense and other expenses (excluding cost of goods sold) (D)	2,281.36	939.18	3,150.54	561.41	-	110.52	(3,039.60)	4,003.40
Impairment / (reversal) of Impairment of investment & assets and Provision / (reversal) for onerous contracts (E)			624.27	278.83				903.10
Loss/(Profit) on sale of asset					(156.72)			(156.72)
Other income (F)	(4.40)	(1,003.75)	(2,271.64)				<b>3,271.97</b>	(7.82)
Adjusted EBIDTA (G= C-D+E+F)	1,282.91	4,651.38	3,110.49	475.68	156.72	0.49	(5,081.39)	4,596.29
<b>Adjusted EBIDTA Margin (G/A%)</b>	<b>5.24%</b>	<b>76.81%</b>	<b>13.44%</b>	<b>6.59%</b>		<b>0.27%</b>	<b>19.91%</b>	<b>12.93%</b>

Notes:

- (1) Operating revenue refers to revenues from power transmission services in India. We earn this revenue from operating power transmission lines in India, for the period an asset is held after construction till the date of sale
- (2) EPC revenue refers to the standalone EPC revenue that our Company earns from our subsidiaries and associate companies. Our Company earns this revenue during the period of construction of the assets. EPC revenue from our subsidiaries is eliminated at the consolidated level, and profit from such EPC revenue is recorded together with profit on the sale of assets. Pursuant to a framework agreement we entered into with AMP Capital Infrastructure Investment No.2 S.A R.L. ("AMP Capital") on December 28, 2020 and share purchase and shareholders' agreements, each dated December 28, 2020 entered into among us, AMP Capital, Sterlite Grid 13 Limited ("SGL13") and Vapi II - North Lakhimpur Transmission Limited, AMP Capital acquired 50% of the paid up equity share capital of SGL13 on March 31, 2021 and acquired from us 50% of the NCDs issued by SGL13 to us (collectively, the "SGL13 Transaction"). Prior to the SGL13 Transaction, SGL13 was our wholly owned subsidiary and the holding company of Vapi II - North Lakhimpur Transmission Limited, which is the project SPV developing the transmission project in the states of North east, Maharashtra and Gujrat. With effect from March 31, 2021 EPC revenues from SGL13 will be recognised under our revenue from contracts with customers (instead of being eliminated at the consolidated level).
- (3) Comprises revenue from construction of concession assets, which relate to the construction of service concession assets, pursuant to which we construct power transmission lines in Brazil on behalf of third-party customers.
- (4) Others primarily includes revenue from our convergence business unit.
- (5) Eliminations/re-groupings majorly comprises the standalone EPC revenue, which are netted off upon consolidation.
- (6) Cost of goods sold includes the relevant expense heads from other expenses

## Competitive Strengths

**Leadership position in the Indian power transmission sector, achieved through established processes and technology to identify and execute high margin projects**

According to CRISIL Research, we are the largest private player in terms of project portfolio under the inter-state TBCB route, with a market share of 26% of transmission projects awarded through the TBCB route, which is second only to Power Grid Corporation of India Limited ("PGCIL"), the Indian state-owned electric utility company.

The power transmissions industry in India has high growth potential. The demand for electricity in densely-populated Indian cities is expected to continue to rise as a result of end-use electrification. End-use electrification refers to the shift towards using electricity instead of gas or other fuels for end-use applications such as heating, cooking and transportation (electric vehicles). Our vast experience and market leadership position will allow us to capitalize on industry trends and fundamental growth drivers in the Indian power transmission sector. CRISIL Research notes that the pace of award of projects under the TBCB route has increased over the past few years, and that, between fiscals 2017 and 2020, projects worth ₹ 312 billion were awarded

by central bid process coordinators in India. Further, different state transmission agencies (such as Uttar Pradesh, Maharashtra, Jharkhand and Madhya Pradesh) have initiated bid processes through the competitive route. Further, the electricity regulatory commissions of Bihar, Punjab and Rajasthan have notified threshold limits above which intra-state transmission projects will be taken up under the TBCB route.

Furthermore, CRISIL Research expects an addition of approximately 15-17 GW in wind capacity in India, entailing an investment of approximately ₹ 1 trillion over Fiscals 2021 to 2025. Further, in the solar segment, CRISIL Research expects the capacity addition to be much higher, at approximately 55-57 GW over Fiscals 2021 to 2025. India has also committed to increase the share of renewable energy to its total energy generation to 40% by Fiscal 2030, as part of the Paris climate deal. The country also has a target of setting up 450 GW of renewable energy by 2030.

We are well-positioned to benefit from this increased deployment of renewable energy going forward. As India shifts to cleaner sources of energy, there will be an increased need for a robust transmission grid to connect the centres of renewable energy generation, which are mainly concentrated in the West and South, to demand centres in the North. According to CRISIL Research, to service a large generation installed base, the estimated investment in the transmission sector is expected to be ₹ 3.5-4.0 trillion over the next five years. Investments in the sector will be driven by the need for a robust and reliable transmission system to support continued generation additions and the strong push to the renewable energy sector as well as rural electrification. CRISIL Research also notes rising private sector participation with favourable risk-return profile of transmission project will also support the growth in investments. Further, while transmission investments are estimated to have slowed down in Fiscal 2021 due to the COVID-19 outbreak, they are expected to rebound strongly in the subsequent years (*Source: CRISIL Research*).

In recent years, we have been awarded projects which will connect the national power grid to sources of clean and green energy. For example, LVTPL will be used to evacuate power from renewable sources and supply it to the national grid, thereby contributing towards achieving India's renewable energy goals. The VNLTTL Projects aim at strengthening the transmission system in western and north-eastern regions of India. The projects will cover the Vapi area in Gujarat and Navi Mumbai in Maharashtra in the West, while in the North East, these intend to supply power from the Pare Hydro Electric Plant to areas of Arunachal Pradesh. Further, once completed, the VNLTTL project will help improve renewable power availability across western and north eastern India by connecting to solar, hydro and nuclear energy sources. The project will also help serve the growing power needs of Navi-Mumbai region. The recently commissioned NER transmission project is also a carrier of clean energy as it connects various hydro and gas-based sources of power to the national grid. With gas acting as a natural balancer for renewables, the evacuation of gas power through the substation at Tripura and its associated interconnections will play a vital role in reducing the intermittency of renewables.

Further, in relation to Brazil, for projects auctioned by ANEEL between January 2017 and June 2021, according to data from ANEEL, we have a market share of 13%. Fitch Solutions expects that Brazil's power sector is set to see robust growth over the coming decade, in which they forecast total electricity capacity to increase from 181.6 GW as of the end of 2020 to 238.5 GW in 2030. We are well placed to benefit from this expected increase in capacity, based on our track record of executing strategic projects in Brazil.

We believe that our presence in both India and Brazil allows us to hedge against any cyclicalities in the release of new tenders in these countries.

### ***Track record of executing complex projects successfully, with the use of technology and innovative solutions***

We have a leading reputation in the market and a track record of executing complex projects successfully. We have completed the construction and development of 10 transmission projects in India and one transmission project in Brazil. Our on-time and cost-efficient execution of projects provides us with a competitive advantage, particularly in view of the large size of these projects and the diverse geographies in which they are located. We have delivered projects that are located in areas that are challenging due to the difficult terrain or limited corridors.

We have a strong track record of completing projects on time. For example, we commissioned our first project in Brazil 28 months ahead of schedule. We believe that our (i) access to financing, (ii) industry expertise in identifying and valuing new projects and assessing risks and (iii) experience in implementing large projects, allow us to build and operate transmission and distribution systems efficiently. We have experience in managing the entire life cycle of transmission systems, from conceptualization to commissioning to operation.

We have in-house capabilities to undertake end-to-end project design. Coupled with the use of key technologies such as robotics and aerial technology, we are able to execute our projects and deliver solutions in a timely manner, with high quality and safety standards. We use helicopters and drones extensively across our projects to maximise productivity and operate under high safety standards. For further details of our technology and innovation related measures, please refer to "*Technology Initiatives*" below.

We pride ourselves in undertaking challenging projects and executing them within the stipulated timelines, through technology led innovations. Set forth below are examples of some of our technology led innovative measures that we have used/are currently using:

- we executed the Northern Region Strengthening Scheme 29 ("NRSS-29") project in Jammu & Kashmir in 2018 with the innovative use of technology such as helicranes and drones. We deployed helicranes for tower erection in inaccessible, mountainous areas and for logistics support for foundation and stringing material for heavy load in challenging terrain and extreme weather conditions. The use of such innovations facilitated in overcoming logistical challenges and to deliver in a timely manner. We also used drones for stringing conductors to reduce execution timeframe and reducing damage to the environment. Apart from this, we also used drones in pre and post bid surveys, construction monitoring, asset surveillance and to assist powerline crossing work.
- we have invented a robotic solution called "SKYROB 15" to address safety and productivity parameters. This solution is currently used as a device for installation / de-installation of cable between power transmission towers. We have applied for a patent for this solution.
- we built a 400/220 kV vertical GIS substation in Gurgaon. While a conventional GIS substation of similar capacity generally requires 12 acres of land, this innovative solution was built on only 3.8 acres resulting in 75% reduction in land size.
- we use satellite imagery and machine learning driven software to optimise transmission line routes (see " – *Technology Initiatives*" below for further details).
- we used drones for cable pulling (including crossings) for Arcoverde projects.
- our transmission line uprate and upgrade projects are aimed at helping the state governments to transform traditional energy delivery networks with the use of technologies such as MCMV towers, use of micropiles for tower foundations, monopoles instead of lattice and the usage of drones for conductor stringing. The transmission capacity in the existing corridors has been increased multiple times in compressed timelines, within the same right of way.
- we accomplished 'live line' reconductoring in India with the first pilot at Bangalore – wherein the transmission capacity on a 66 KV transmission line connecting to Electronic City was doubled by replacing the existing conductor with a high performance conductor ("HPC"), without requiring any shutdown. The entire work was carried out on energised lines with specialised techniques.
- We also implemented an HPC across a river crossing of 1.1km for the Purnia-Bihar Shariff (as part of the ENICL project) 400kV double circuit transmission line. We developed a specialised ultra-low sag composite core conductor for this project.

***An integrated player offering solutions across the entire transmission infrastructure value chain, with high growth potential for our Solutions and Convergence business units***

Through our Global Infrastructure and Solutions business units, we offer integrated solutions to complex problems in the power transmissions industry. We provide services across the value chain, including manufacturing of conductors, cables and OPGWs used in transmission systems, development and construction of greenfield transmission infrastructure, consulting and bespoke contracting services and brownfield projects involving upgrade and uprate of existing transmission lines. This integrated model provides us with a strategic advantage in delivering complex projects that differentiate ourselves from our competitors, strengthen our brand identity and diversify our revenue base.

While as part of our Global Infrastructure business unit, we have a track record of executing projects successfully, as part of our Solutions (products) business unit, we manufacture and sell a diversified portfolio of products, covering conductors, OPGW and power cables, to international customers, including central and state electricity transmission companies, transmission developers and transmission engineering, procurement and construction ("EPC") contractors. Further, our MSI sub-unit is a provider of specialty contracting services, delivering bespoke solutions for the upgrade and uprate of brownfield transmission infrastructure projects. We also offer EHV turnkey services including cable laying and substation development. Further, our emerging Convergence unit leverages existing power utility infrastructure (such as OPGW, transmission towers, distribution towers and substations) for telecommunications purposes by building optical fibre infrastructure on top of existing utilities networks.

***High ROCE and an efficient capital structure with access to multiple funding sources***

Our ROCE was 1.97%, 40.22% and 36.68% for FY2019, FY2020 and FY2021, which we believe reflects the profitability and capital efficiency of our business. We seek to maintain an efficient capital structure by raising long-term project financing and having access to multiple sources of funding including financial institutions, public and private sector banks and non-bank financial companies ("NBFCs") and the capital markets. Our borrowings include non-convertible debentures, long-term loans, short-term loans, cash credit from banks and working capital demand loans.

We have also received investments from global investment managers including Standard Chartered Private Equity and AMP Capital on behalf of its Global Infrastructure Fund II. In 2021, we entered into a framework agreement with AMP Capital for

the development of four of our Ongoing Projects in India, pursuant to which both us and AMP Capital have invested 50% equity in these projects. Such investments provide us with increased capital to bid for newer and larger transmissions projects.

We also regularly sell our stake in our projects, at various stages of the project life cycle. In 2016, we sponsored IndiGrid, India's first power sector infrastructure investment trust to acquire operating power transmission assets. We granted IndiGrid the right to acquire fully operational assets from us pursuant to the Framework Agreement (for details, please see the section entitled "*History and Other Corporate Matters*"). During FY2019, FY2020 and FY2021, we sold our stake in a total of 14 projects in various stages of development, either to IndiGrid (in India) or to marquee third parties (in Brazil). We recognize the net gain on the sale of such power transmission assets as part of our other income. This asset-monetization approach frees up capital for us to invest in other assets, enabling us to achieve a higher ROCE and ROE. During Fiscal 2021, we achieved a return on equity (which we calculate as the ratio of our restated profit for the year to average net worth (calculated as the simple average of the net worth as of the end of preceding fiscal year and the net worth as of the end of the current fiscal year) of 103.99%.

We believe our assets are attractive to buyers for the following key reasons:

- revenues from our operational assets are derived out of contracted tariffs under long-term contracts (35 years in India and 30 years in Brazil);
- inter-state power transmission (“ISTS”) projects receive tariffs on the basis of availability, irrespective of the actual quantum of power transmitted through the line ensuring no offtake risk for our assets. Similarly, transmission projects in Brazil earn availability based revenue determined by ANEEL;
- ISTS assets have the central transmission utility (“CTU”) as the counterparty, which is a sovereign entity managing billing and receivables for the projects through the POC mechanism reducing receivables risk of our assets;
- given the pan-India aggregation of revenue among ISTS beneficiaries (TSPs) and not asset specific billing, the counterparty risk is diversified; and
- the TSAs include arrangements for payment security (in terms of a revolving letter of credit provided by us to the long-term transmission customers that can be utilized to meet revenue requirements in case of any shortfall).

#### ***Highly experienced Board, management and technical team***

Our senior management team has experience in the fields of construction and commissioning, transmission line and substation operation and maintenance and formulation of growth, operation and maintenance strategies and the execution thereof, which provides us with a significant competitive advantage. Many of our senior management team members have been employed by us for significant periods of time, and we believe that their expertise has played a key role in the growth of our business and in the development of consistent procedures and internal controls, which are critical for our business. We also benefit from having an engineering team with diverse capabilities in design, construction, project management, procurement and quality assurance. Our engineering team ensures that our projects are successfully executed and that ongoing operations maintain high levels of availability. The skills and diversity of our senior management team, engineers and other members of our workforce also give us the flexibility to respond efficiently and effectively to changes in the business environment.

Our personnel policies are designed to, *inter alia*, reward the employees for their performance and to motivate them to contribute to our growth and profitability, encourage a better work life balance, gaining long term commitment towards value creation in the Company. We have established processes and trusted sources to acquire talent from the industry. We also have a robust and continuous talent review process focusing on identifying and grooming people for future. We continuously monitor the development actions identified during the talent review process to ensure that we are prepared for the future leadership needs of the organisation. This is achieved through rigorous focus on behavioural and functional programmes specific to different strategic business units. Moreover, we invest resources in employee training and development. We undertake training sessions for our employees on a regular basis to enhance their performance and improve their competencies, particularly with respect to their functional skills. Accordingly, we believe that the skills, competence and motivation of our employees afford us a key advantage over our competitors.

#### ***Purpose driven organization, with a strong focus on ESG***

We believe that access to electricity transforms society and acts as a platform for prosperity. Hence, we believe our business is purpose driven and has an immense social impact, which acts as a driving force for our employees and stakeholders. Further, our core purpose resonates even more strongly with our stakeholders in the "post-pandemic" era, as electricity has become critical for society and economy. For instance, virtual working, remote learning and uninterrupted access to healthcare all require access to reliable power. We take pride in playing a part in enabling this by creating reliable power transmission networks. Further, we are also proud of our focus on integrating renewable energy sources to transmission grids.

Since our inception, we have endeavoured to adopt a sustainable approach to developing power infrastructure. We have integrated ESG best practices to many of our business processes. Our ESG focus is demonstrated through sustainable practices adopted throughout our project life cycle, such as optimizing transmission routes to minimize the impact on environment and bio-diversity, innovations such as tree translocation and drone-stringing and adopting a "safety-first" culture.

Set forth below are some examples of the key ESG initiatives that we have initiated:

#### *Biodiversity*

- During the construction of the NRSS-29 project, we undertook a biodiversity impact assessment through an external agency, pursuant to which we re-aligned our transmission line route away from the movement route of the endangered Markhor (a mountain goat).
- As part of the NER project (covering Assam, Tripura and Arunachal Pradesh), we took steps to preserve the wildlife heritage of the region. We took steps to avoid the Borail Wildlife Sanctuary, map active elephant corridors and ensure that transmission lines co-exist with wildlife by implementing measures such as increasing the height of towers in elephant movement areas and installing bird deflectors.
- The route of the LVTPL line was re-aligned to avoid the Nal-Sarovar bird sanctuary.
- Installation of bird diverter/colored/contrast marker devices on earth wire to prevent accidental collision of birds with the conductor and the provision of bird guards on towers to prevent birds from sitting in the insulator strings.

#### *Community focused initiatives*

- As a part of our NER project, we trained local communities around livelihood skills in partnership with local authorities.
- In Gujarat, India, we are working for water conservation and water treatment.
- Through Sterlite EdIndia Foundation, we aim to bring about a meaningful impact in education through tech-enabled solutions and digital resources.

Further, our governance structure, including our commitment to environment and sustainability, aim to reflect our corporate governance standards and practices. We have a three-tiered governance structure comprising our Board, Board Committees and Executive Management. Our Board Committees also play a vital role in ensuring sound corporate governance practices. See "*Our Management – Corporate Governance*" for further details on our Board and Board Committees.

In addition, we are committed to adhering a high standard of safety and quality. We operate our business with the aim of preventing incidents that may harm our employees, contractors or communities, or cause damage to our assets or adversely impact the environment. We conduct comprehensive mandatory workshops and training to impart safety training to make plants, work sites and our offices safe. Our Quality, Health, Safety and Environment ("**QHSE**") systems are validated by external independent agencies and have received certifications including ISO 45001 (Occupational Health & Safety Management System), ISO 14001 (Environment Management System) and ISO 9001 (Quality Management System). See "*Health, Safety & Environment*" for further details.

#### **Our Strategies**

##### ***Maximise our ROCE by continuing to bid for and execute high IRR projects in India and Brazil***

We have the ability to acquire and execute complex projects successfully, with the use of technology and innovative solutions resulting in high IRR. We intend to focus on our power transmission business in India and Brazil, which we expect, will contribute to the growth of our business and profitability in the medium term. We intend to continue to increase our capacity and strengthen our position in the power transmission sector, primarily via organic growth and improved efficiencies. As of the date of this Draft Red Herring Prospectus, we are developing 10 ongoing projects.

Furthermore, we intend to strengthen our existing market share by pursuing new growth opportunities in a disciplined manner, focusing on returns. We intend to continue to evaluate opportunities to bid for upcoming ISTS projects via the TBCB process. We also intend to continue to evaluate opportunities to bid for InSTS projects via the TBCB process. In Brazil, we will continue to bid for concessions awarded by ANEEL.

##### ***Continue to invest in technology differentiation***

We intend to continue to leverage our technology differentiation and strive towards delivering innovative solutions to problems faced in project development, so as to deliver quality projects in a timely and cost-effective manner. We are actively pursuing innovation opportunities with educational institutes, start-ups and other organisations. For example, we have invested in

SharperShape, a technology start-up which provides an intelligence solution to improve the operation, reliability, and safety of critical infrastructure projects. We were also one of the sponsors for MIT EnergyHack 2020, a virtual hackathon aimed at developing rapid, innovative solutions to energy problems.

We intend to modernize our infrastructure and services by focusing on the strong market practices in the power transmission industry. As we grow our power transmission business, our engineering department continuously strives to adopt new and improved transmission tower designs with a focus on cost reduction through reducing our consumption of materials such as steel, aluminium and insulators. In-house designs also provide us the flexibility, not offered by standard designs, to customize environmental and technical parameters.

We are developing TransAnalyst in-house as a gas insulated substation ("GIS") based planning and analytics tool which is expected to aid us in the planning of power transmission lines. The platform suggests the least cost/optimum route by considering all geological and regulatory constraints. This is of great importance to the project management team to avoid frequent manual interventions and corresponding delays. TransAnalyst provides benefits of reducing time, accuracy of digital data, iterative capability, minimising manual intervention and data driven decision making.

Further, one of our key ongoing innovation focused approach relates to sub-surface terrain mapping ("STeM"), which provides an indirect approach in measuring soil properties below the ground level and thus can act as an alternative to traditional soil testing. This is achieved by consolidating soil penetrations reports (SPTs) into a GIS Database and using an advanced algorithm for prediction of soil properties at a new location. Further, it saves time during project estimation by reducing dependencies on physical soil test.

### ***Pursue inorganic growth on an opportunistic basis***

While our focus remains to grow our business through organic growth initiatives, we also endeavour to opportunistically pursue acquisition opportunities focused on high returns. We will consider opportunities for the acquisition of transmission projects under various stages of development or technology companies that would provide us a strategic advantage in our operations.

### ***Grow our MSI and Convergence business units***

We believe that our MSI and Convergence business units have high growth potential. As part of our MSI sub-unit, we provide bespoke, technology led solutions to brownfield transmission infrastructure projects. We intend to capitalise on our reputation as an integrated player in the transmissions industry and our track record of executing complex projects in a timely manner to further expand our operations in the MSI business. Our order book for our MSI business (which represents our contracted revenues to be received upon completion of our MSI projects) has grown from ₹ 5,511.8 million for FY2019 to ₹ 8,341.9 million for FY2021. Our fiberization (i.e., the replacement of ground wire with OPGW) solution is currently used for stringing OPGW under live line conditions on transmission lines. We have applied for a patent for this solution.

In addition, we believe that our Convergence business unit will benefit from the increasing demand for reliable digital connectivity in India. In 2018, the Government of India released a National Digital Communication Policy which outlines a vision to bring fibre access to homes, enterprises and key development institutions. Our Convergence services, which include leasing neutral dark fibre, co-location facilities and towers to telecommunications companies and other communication service providers, are aligned with such demand. We also support cities with smart city fibre solutions. In 2019, our Subsidiary, SCL, entered into our first public-private partnership ("PPP") to build an intra city fibre network for Gurugram Smart City (in consortium with Advance Telecom and Power Network Limited). Since then, we have expanded our market presence and acquired new customer segments.

## **Our Business Operations**

### ***Global Infrastructure***

Our Global Infrastructure business unit develops power transmission infrastructure projects in India and Brazil. We are one of the leading developers of power transmission infrastructure in India, where we bid for, design, construct, own and operate power transmission assets. In India, we typically outsource the construction of our projects to external contractors. In Brazil, we partner with external construction companies to develop projects on a BOOT basis. Our EPC order book for our Global Infrastructure business unit (which represents the contracted EPC revenues of our Company (at a standalone level) to be received upon the completion of ongoing projects in India) amounted to approximately ₹ 24,070 million, ₹ 32,100 million and ₹ 46,580 million for Fiscals 2019, 2020 and 2021, respectively.

The following maps shows the locations and breakdown of our current and sold Projects in India and Brazil:



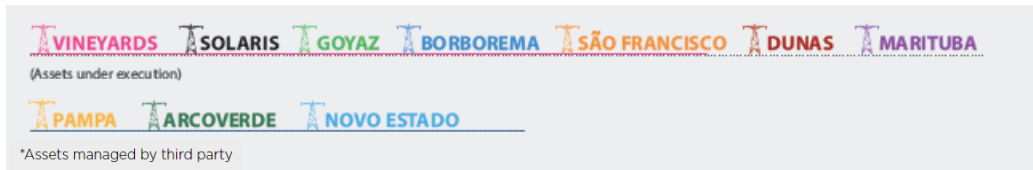


 JTCL
  BDTCL
  RTCL
  MTL
  PKTCL
  NRSS
  ENICL
  GPTL
  OGPTL
  NER-II

(Assets Sold)

 KTL
  GTPL
  UKTL
  LVTPL
  VNLTL

(Assets under execution)



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 believe this makes their existence critical and their high replacement cost makes the transmission assets indispensable.

The following sets forth a summary description of our ongoing projects:

**Ongoing Projects in India**

S. No.	Project Name	Transmission Line /Substation	Configuration	Route Length (ckm)	Actual /Scheduled Commission Date	Total transformation capacity (in MVA)	Expiry of TSA	Capital Expenditure, as determined by CEA (₹ millions)	Levellized Tariff (₹ millions)
1	Khargone Transmission Limited	LILO of one ckt of Khandwa – Rajgarh line at Khargone TPP	400 kV D/C line	14	February 2018	-	November 2056	21,360	1,591.13
		Khargone TPP Switchyard – Khandwa Pool	400 kV D/C line	50	March 2020	-			
		Khandwa Pool - Indore	765 kV D/C line	180	March 2020	-			
		Khandwa Pool - Dhule	765 kV D/C line	383	July 2019*	-			
		Khandwa pooling station	765/400kV	-	March 2020	3,000 MVA			
		2 Nos. of 765 kV line bays and 7x80 MVAR Switchable line reactors (1 Unit as spare) along with 800 Ω NGR and its auxiliaries for Khandwa Pool – Dhule 765 kV D/C at Dhule 765/400 kV substation	765 kv line bays	-	July 2019*	-			
2	Lakadia Vadodara Transmission Project Limited	Lakadia-Vadodara Line	765kV D/C line	658	December 2020	-	December 2055	21,000	1,788.66
		Lakadia Bay along with switchable line reactors	765kV, 2X330 MVA	-	December 2020	-			
		Vadodara Bay along with switchable line reactors	765kV, 2X330 MVA	-	December 2020	-			
3	Udupi Kasargode Transmission Limited	Udupi-Kasargode Line	400kV D/C line	231	November 2022	-	November 2057	7,550	847.44
		Kasargode Sub-station	400/220kV	-	November 2022	2X500 MVA			
		Udupi Bay	2x400kv line bays and bus bar extention	-	November 2022	-			
4	Vapi II- North Lakhimpur Transmission Limited	Part-A: LILO at Banaskantha	400kV D/C line	35	October 2022	-	December 2058	20,000	2,565.92
		Part-B: Vapi-2 Sub-Station	400/220kV	-	April 2023	2X500 MVA			
		Part-B: LILO at Vapi-2	400kV D/C line	12	April 2023	-			
		Part-B: 125MVAR Bus Reactor		-	April 2023	-			
		Part-B: Vapi-2 to Sayali line	220kV D/C line	44	April 2023	-			
		Part-C: Padghe to Kharghar line	400kV D/C line	140	December 2023	-			
		Part-C: LILO of Padghe Ghatkopar at Navi Mumbai	400kV S/C line	19	December 2023	-			
		Part-C: LILO of Apta to Taloja/Kalwa at Navi Mumbai	220kV D/C line	6	December 2022	-			

S. No.	Project Name	Transmission Line /Substation	Configuration	Route Length (ckm)	Actual /Scheduled Commission Date	Total transformation capacity (in MVA)	Expiry of TSA	Capital Expenditure, as determined by CEA (₹ millions)	Levelling Tariff (₹ millions)
		Part-D: Pare HEP to North Lakhimpur line	132kV D/C line	59	June 2023	-			
		Part-D: 2nos. 132kV line bays at North Lakhimpur end.	132kV	-	June 2023	-			
		Part-D: LILO of Pare HEP to North Lakhimpur Line at Nirjuli	132kV D/C line	31	June 2023	-			
5	Goa-Tanmar Transmission Project Limited	Dharamjaigarh - Tamnar line	765kV D/C line	137	July 2021	-	November 2056	15,310	1,647.75
		Xeldem- Narendra line	400kV D/C line	187	November 2021	-			
		Xeldem - Mapusa line	400kV D/C line	110	May 2021	-			
		Xeldem - Xeldem line	220kV D/C line	41	May 2021	-			
		Xeldem Substation	400/220kV	-	May 2021	2X500 MVA			
		<b>Total</b>							<b>8,440.90</b>

\*Due to a delay in the completion of the Khandwa Pool – Dhule line, the anticipated COD of the transmission line/substation is November 2021. For additional details, please see the section entitled "Risk Factors – Our under-construction projects may be subject to cost overruns or delays" on page 37.

The table below sets forth the total equity investment estimated for our ongoing projects in India:

Ongoing projects	Equity Investment (₹ millions)
GTTPL	3,000
NER	7,850
LVTPL	6,070
UKTL	1,930
KTL	4,410
<b>Total</b>	<b>23,270<sup>(1)</sup> <sup>(2)</sup></b>

(1) Out of this total investment, AMP Capital's investment amounts to ₹ 9,500 million.

(2) VNLTL, UKTL, LVTPL and GTTPL have entered into EPC contracts with the Company on a lumpsum turnkey basis for supply and services of the associate companies. As per the AMP Framework Agreement, the profit on such contracts are earned entirely by our Company and the profit on sale of SGL13, SGL14, SGL18 and SGL29 will be shared between AMP and our Company.

## Ongoing Projects in Brazil

S. No.	Project Name	Transmission Line /Substation	Configuration	Route Length (km)	ANEEL COD	Total transformation capacity (in MVA)	TSA expiry	ANEEL Budgeted Capital Expenditure (BRL in millions)	Levellized RAP (BRL in millions)	ANEEL Budgeted Capital Expenditure (₹ millions)*	Levellized RAP (₹ millions)*
1	Borborema Transmissao De Energia S.A	LT 500 kV Campina Grande III - João Pessoa II, com 123 km; SE 500/230/69 kV João Pessoa II - 500/230 kV Secc LT 230 kV Goianinha - Mussuré II na SE João Pessoa II - 2 x 0,5 km. Secc LT 230 kV Goianinha - Santa Rita II na SE João Pessoa II - 2 x 0,5 km. Secc LT 230 kV Santa Rita II - Mussuré II na SE João Pessoa II - 2x 0,5 km. SE João Pessoa II (setores 230/69kV)	1 x 500kV Transmission lines (127 km)	126	March 2023	750	30 Years from the date of signing of agreement, i.e. September 4, 2018	366.85	25.70	4,747.04	332.56
2	Sao Francisco Transmissao De Energia S.A	LT 500 kV Porto de Sergipe - Olindina C1, com 180 km; LT 500 kV Olindina - Sapeaçu C1, com 207 km; LT 230 kV Morro do Chapéu II - Irecê C2 e C3 - CD, com 65 km.	: 2 x 500kV Transmission line (387km)	454	September 2023	-	30 Years from the date of signing of agreement, i.e. September 4, 2018	773.00	52.51	10,002.62	679.48
3	Goyaz Transmissao De Energia S.A	LT 230 kV Edeia - Cachoeira Dourada - C1, com 150 km; SE Barro Alto 230 kV - Compensador	1 x 230kV Transmission lines (150km)	150	September 2022	600	30 Years from the date of signing of agreement, i.e.	322.00	25.32	4,166.68	327.64

S. No.	Project Name	Transmission Line /Substation	Configuration	Route Length (km)	ANEEL COD	Total transformation capacity (in MVA)	TSA expiry	ANEEL Budgeted Capital Expenditure (BRL in millions)	Levellized RAP (BRL in millions)	ANEEL Budgeted Capital Expenditure (₹ millions)*	Levellized RAP (₹ millions)*
		Estático 230 kV - 1 x (-75/+150) Mvar; SE 345/230 kV Pirineus - (novo pátio) em 345 kV - (6+1 res.) x 100 MVA; Secc da LT 345 kV Samambaia - Bandeirantes - C2 na SE Pirineus, com 2 x 1 km.			March 2023		september 4, 2018				
4	Marituba Transmissao De Energia S.A	LT 500 kV Tucuruí II - Marituba C1, com 373 km.	1 x 500kV Transmission line(374km)	373	March 2023	-	30 Years from the date of signing of agreement, i.e. September 4, 2018	560.00	61.63	7,246.40	797.49
5	Solaris Transmissao De Energia S.A	LT 230 kV Janaúba 3 - Jaíba - CD - C1 e C2 - 93 km; SE 230/138 kV Jaíba - 230/138kV (6+1R) x 33,3 MVA; LT 345 kV Pirapora 2 - Três Marias - C1 - 108 km; SE 500/230/138 kV Janaúba 3 - 500/230 kV (6+1R) x 100 MVA.	1 x 345kV (112km) + 1 x 230kV Transmission Lines (93km)	205.2	September 2022  January 2024  September 2022	800	30 Years from the date of signing of agreement, i.e. September 4, 2018	403.00	31.43	5,214.82	406.70
6	SE Vineyards Transmissao De Energia S.A <sup>(1)</sup>	SE Lajeado, LT 230kV Lajeado 2 - Lajeado 3, LT 23kV Lajeado – Garibaldi SE Vinhedos (Seccionamento da TL 230kV Monte Claro - Garibaldi CD	3 x 230kV Transmission Line (115km)	112.4	August 2022	496	30 Years from the date of signing of agreement, i.e. August 11, 2017	395.00	34.53	5,111.30	446.82

S. No.	Project Name	Transmission Line /Substation	Configuration	Route Length (km)	ANEEL COD	Total transformation capacity (in MVA)	TSA expiry	ANEEL Budgeted Capital Expenditure (BRL in millions)	Levellized RAP (BRL in millions)	ANEEL Budgeted Capital Expenditure (₹ millions)*	Levellized RAP (₹ millions)*
		LT 230kV Candiota 2 - Bage 2									
		<b>Total</b>						<b>2,819.85</b>	<b>231.12</b>	<b>36,599.12</b>	<b>2,999.73</b>

\*Converted from BRL to ₹ using the conversion rate as of March 31, 2021 of 1 BRL= INR 12.94

(1) We have entered into a sale agreement with Vinci Energieia Fundo De Investimento EM Participacoes Infraestrutura and Cymi Construcoes Participacoes S.A. to sell our stake in Vineyards with a long stop date of March 2022.

As of April 1, 2021, the total unexecuted project cost of all our ongoing projects in Brazil is ₹ 29,855 million.

The following sets forth a summary description of the assets we have sold under our asset-monetization strategy since April 1, 2018:

#### **Sold Projects in India**

S.N	Project	Configuration	Route Length (ckm)	Transformation Capacity (MVA)	Expiry of TSA	Year of sale	% share sold	EPC Profit (A) (₹ millions)	Profit on sale (B) (₹ millions)	Gain on sale (A+B) (₹ millions)	Counter Party Sold to
1	BDTCL	4 x 765 kV S/C lines 2 x 400 kV D/C lines 2 x 765/400 kV substation	945	6000	March 2049	FY 2018	100%	-	4,250.60	4,250.60	Indigrid
2	JTCL	1 x 765 kV D/C lines 1 x 765 kV S/C lines	994	-	March 2049		100%				
3	MTL	2 x 400 kV D/C lines along with 2 Bay extensions	472	-	December 2053		100%				
4	RAPP	1 x 400 kV D/C line	402	-	February 2051		100%				
5	PKTCL	2 x 400 kV D/C lines	545	-	April 2051		100%				
6	OGPTL	1 x 765 kV D/C line 1 x 400 kV D/C line	710	-	April 2054	FY 2020	100%	5,189.29	11,260.57	16,449.86	Indigrid
7	NRSS	3 x 400 kV D/C lines 1 x 400/220 kV GIS	900	630	September 2053		100%				
8	ENICL	2 x 400 kV D/C lines	904	-	October 2035		100%				
9	GPTL <sup>(1)</sup>	5 x 400 kV D/C lines 3 x 400/220 kV substation 400 kV bay extension at Dhanonda	271	3000	September 2054 April 2055	FY 2021	100%	4,611.84	10,712.07	15,323.91	Indigrid
10	NER <sup>(2)</sup>	2 x 400 kV D/C lines 3 x 132 kV D/C lines	832	1260	November 2055		74%				Indigrid

S.N	Project	Configuration	Route Length (ckm)	Transformation Capacity (MVA)	Expiry of TSA	Year of sale	% share sold	EPC Profit (A) (₹ millions)	Profit on sale (B) (₹ millions)	Gain on sale (A+B) (₹ millions)	Counter Party Sold to
		2 x 400/132 kV substation 3 nos of 132kV bay extensions and 1 no of 400kV Bay extension									
		<b>Total</b>						<b>9,801.13</b>	<b>26,223.24</b>	<b>36,024.37</b>	

- (1) We have entered into a share purchase agreement with IndiGrid in August 2020, whereby we have transferred 49% of our equity stake in GPTL to IndiGrid and for the remaining 51%, we have received consideration in advance which is non-refundable.
- (2) We have entered into a share purchase agreement with IndiGrid in March 2021, whereby we have transferred 74% of our equity stake in NER to IndiGrid and the sale of the remaining 26% was completed in June 2021.

### **Sold Projects in Brazil**

S.N	Project	Configuration	Route Length (km)	Transformation Capacity (MVA)	Expiry of TSA	Year of sale	% share sold	EPC Profit (A) (₹ millions)	Profit on sale (B) (₹ millions)	Gain on sale (₹ millions)	Counter Party Sold to	Budgeted Capital Expenditure Amount (BRL in million)	Budgeted Capital Expenditure Amount (₹ millions)*
1	Pampa Transmissao De Energia S.A	2 x 525 kV transmission line  1 x 525/230 kV substation	326	1544	30 years from the date of signing of agreement, i.e. March 22, 2019	FY 2020	100%	-	4,085.30	4,085.30	Brsasil Energia Fundo de Investimento Em Participacoes Mutiestrategia & CYMI Construcoes Participacoes SA	776.82	10,052.05
2	Arcoverde Transmissao De Energia S.A	2 x 230 kV transmission line 1 x 230/69 kV substation	139	400	30 years from the date of signing of agreement, i.e. August, 2017		100%				V2i Transmissao De Energia SA	163.87	2,120.52
3	Sterlite Nova Estado Energia S.A	3 x 500 kV transmission line	1831	-	30 years from the date of signing of agreement, i.e. March 8, 2018		100%				ENGIE Transmissao de Energia Participacoes SA	2,780.30	35,977.03



S.N	Project	Configuration	Route Length (km)	Transformation Capacity (MVA)	Expiry of TSA	Year of sale	% share sold	EPC Profit (A) (₹ millions)	Profit on sale (B) (₹ millions)	Gain on sale (₹ millions)	Counter Party Sold to	Budgeted Capital Expenditure Amount (BRL in million)	Budgeted Capital Expenditure Amount (₹ millions)*
4	Dunas Transmissao De Energia S.A	2 x 500kV Transmission line (1 LILO)	420.65	3300	30 years from the date of signing of agreement, i.e. September 4, 2018	FY 22	100%	-	(211.00)	(211.00)	CYMI Construcoes Participacoes SA	1,217.13	15,749.61
	3 x 230kV Transmission Line												
	2 x 500/239 kV substation												
	2 x 230/69 kV substation												
		<b>Total</b>										4,938.11	64,092.29

\*Converted from BRL to ₹ using the conversion rate as of March 31, 2021 of 1 BRL= INR 12.94

## A summary of our Global Infrastructure operational model is set out below:

- *Planning and Conceptualization:* We undertake project implementation through a plan that is prepared after identifying the potential major constraints that may impact the cost and schedule of the project. Accordingly, we endeavour to front-end critical activities along with identifying areas where technology interventions may enhance productivity. Further, the timely receipt of regulatory approvals is critical for us to meet the timelines of our projects. Accordingly, we identify areas where government support and intervention is required at the planning and conceptualization stage.
- *Capital Expenditure and Investment Approvals:* During the bid stage itself, our projects team prepares a detailed cost estimate for each bid based on the scope and technical requirements of the project. We also take inputs from our design and engineering and supply chain management teams for the preparation of the cost estimate. Our investment committee approves the cost estimate prior to the submission of the bid. Subsequently, after winning the bid, the investment committee prepares and approves a bid budget, based on the cost estimate, before we commence the execution of the project.
- *Design and Engineering:* We prepare optimised designs in compliance with the CEA regulations. Design optimisations for the transmission line are done using power line systems – computer aided design and draft and for substation layout optimization, 3D building information systems are used. In addition, we have a large library of tower, foundation and substation designs which are available for use in future projects. See also " – *Technology Initiatives*" below for our key technology related initiatives.
- *Procurement process and award of contracts:* We have developed healthy and reliable partnerships with reputed EPC suppliers/partners and substation OEMs in the transmission industry. These strong partnerships have played a major role in executing challenging projects and delivering them within the stipulated timeframe. We follow a transparent and competitive process of selecting the EPC and OEM suppliers for each project.
- *Detailed engineering:* We refine and further optimise the designs considered during the bid for cost estimates so as to arrive at the perfect blend of cost and strength. The refinement and optimisations during detailed engineering are done based on the inputs received from the detailed survey.
- *Quality assurance and inspection:* Our QHSE policy is aimed at covering the expectations of stakeholders/interested parties, continual improvements of industrial practices and the creation of good quality assets. We endeavour to optimise tower and substation foundation design to consume minimum land and natural resources. We also carry out field quality checks. We also carry out workshops with our EPC partners, civil partners, design engineering, quality, safety and project teams in relation to quality assurance.
- *Project monitoring:* To monitor and analyse the performance of our projects, we utilize project management processes such as weekly/fortnightly/monthly meetings at different levels within the organisation. These processes help us in avoiding construction errors during execution of work at site. We also have a central project management office which prepares project plans and tracks progress regularly (i.e. monthly, quarterly, semi-annually and annually). This team maintains close co-ordination with all the stakeholders responsible for project execution such as project director, quality and safety team, regulatory team and costing team and offers any catch up/ corrective measures to address any shortcomings.

## Key Contractual Arrangements

### *TSA*s and *RSAs*

Our Subsidiary KTL and the Investee SPVs have entered into TSAs and revenue sharing agreements ("**RSAs**"), as required, the key terms of which are provided below.

### *TSA*

In India, power transmissions projects are awarded to us under the TBCB mechanism on a BOOM basis. These projects earn revenue pursuant to TSAs and tariff orders passed by CERC in accordance with the Electricity Act, 2003.

We have entered into TSAs with long-term transmission customers to set up projects on a BOOM basis and to provide transmission services to such customers. The term of each TSA is 35 years from the scheduled commercial operation date of the respective project, unless terminated earlier in accordance with the terms of the TSA. The TSAs provide for, among other things, details and procedures for project execution, development and construction, operation and maintenance.

The inter-state transmission service customers and inter-state transmission service licensees are required to abide by the detailed billing, collection and disbursement procedure of the central transmission utility ("**CTU**") and with the terms of the TSA. The CTU raises bills and also collects and disburses in accordance with the detailed billing, collection and disbursement procedures

of the CTU, as approved by CERC. The accounting and collection mechanism for the inter-state transmission charges and losses is governed through a TSA executed between the CTU and inter-state transmission service licensee and the disbursement mechanism is governed through a RSA between the CTU and inter-state transmission service licensee. Under the terms of the TSA, each inter-state transmission service customer has agreed to allow the CTU to enforce recovery of payment through a letter of credit on behalf of all the inter-state transmission service licensees in the event of default of payment. If payment by an inter-state transmission service customer against any invoice raised under the billing, collection and disbursement procedure, is outstanding beyond 30 days after the due date or in case the required letter of credit or any other agreed payment security mechanism is not maintained by the inter-state transmission service customer, the CTU is empowered to undertake regulation of power supply on behalf of all the inter-state transmission service licensees so as to recover charges under the provisions of the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 (the “**Power Supply Regulations**”). In addition, the Sharing Regulations 2010 have been amended and replaced by the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, which have come into effect from November 1, 2020.

The TSA also provides for force majeure relief to the inter-state transmission service licensees and inter-state transmission service customers (the “**Affected Parties**”) affected by the occurrence of a force majeure event. The TSA defines a force majeure event as an event or circumstance, or a combination thereof, that wholly or partly prevents or unavoidably delays the Affected Party in the performance of its obligations under such TSAs, but only if and to the extent that such event or circumstance is not within the reasonable control, directly or indirectly of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care, and includes, among others, an act of God, act of war, radioactive contamination, industry-wide strikes and labour disturbances having a nationwide impact in India. To the extent not prevented by a force majeure event, the Affected Party must continue to perform its obligations under the TSA and must use its efforts to mitigate the effect of such event, as soon as practicable. Neither the inter-state transmission service customer or inter-state transmission service licensee will be in breach of its obligations under the TSA, except to the extent that the performance of its obligations was prevented, hindered or delayed due to a force majeure event. Each inter-state transmission service customer or inter-state transmission service licensee is entitled to claim relief for a force majeure event affecting its performance in relation to its obligations under the TSA. Computation of availability under outage due to a force majeure event must be in accordance to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 as amended from time to time and any subsequent enactment thereof.

The TSA also defines change in law as being, among other events, (i) the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any law, including rules and regulations framed pursuant to such law, (ii) change in the interpretation or application of any law by the GoI having the legal power to interpret or apply such law, or any competent court of law, (iii) the imposition of a requirement for obtaining any consents, clearances and permits which were not required earlier or a change in the terms and conditions prescribed for obtaining such consents, clearances and permits;(iv) any change in tax or the introduction of any tax made applicable for transmission service by the inter-state transmission service licensees, as per the terms of the TSA; (v) any change in the licensing regulations of the CERC under which the transmission license for the respective project was granted. During the construction phase of a project, the impact of increase/decrease in the cost of the project in the Transmission Charges is to be governed by the formula set out in the TSA. During the operation period, any adjustment in the monthly transmission charges due to a change in law is to be determined and effective from such date, as decided by the CERC, subject to rights of appeal provided under applicable law. Further, in case of ISTS awarded through the competitive bidding process under Section 63 of the Electricity Act, the reference date for determining the implications of change in law is seven days prior to the relevant bid due date for submission of a tariff bid.

In addition, the TSAs also identify events of default attributable to the inter-state transmission service licensee which inter alia, includes failure of commissioning of any element of the relevant Project within six months from the scheduled commercial operation date. On the occurrence of such events of default, the TSAs may be terminated in accordance with the procedure set out in the TSAs.

The TSAs also provides for dispute resolution by way of amicable settlement between the parties and where such dispute cannot be resolved amicably, recourse to the CERC is also available, which has the right to adjudicate disputes arising out of the TSAs.

#### **RSA**

Pursuant to the Sharing Regulations 2010, the transmission charges billed in accordance with the billing, collection and disbursement procedures set out in the TSAs are disbursed to the inter-state transmission system licensees by the CTU, pursuant to and in accordance with the RSAs entered into by certain of our project companies. The Point of Connection (“**PoC**”) charges for use of inter-state transmission services by the inter-state transmission services customers and are billed and collected by the CTU on behalf of all inter-state transmission services licensees. The CTU must disburse the collected transmission charges to the respective inter-state transmission services licensees and owners of deemed inter-state transmission services whose transmission charges have been considered for the purpose of calculation of the PoC charges in accordance with the billing, collection and disbursement procedure set out in the TSAs with the CTU. Delayed payment or partial payment by any inter-state transmission services customers results in a pro-rata reduction in the payouts to all the inter-state transmission services licensees and owners of deemed inter-state transmission services whose transmission charges have been considered for the

purpose of calculation of PoC charges. The revenue sharing statements to be submitted to the CTU and the modality of disbursements by the CTU must be in accordance with the billing, collection and disbursement procedure. The inter-state transmission services licensee also has a right to dispute the contents revenue sharing statements before the CERC. Each inter-state transmission licensee, under the applicable RSA, empowers the CTU to enforce recovery of payment from the inter-state transmission service customers through payment security mechanisms in the event of default or partial payment by the inter-state transmission service customer, in accordance with the billing, collection and disbursement procedure. Each inter-state transmission licensee has further agreed and empowered the CTU to invoke the provisions of the Power Supply Regulations in accordance with the detailed billing, collection and disbursement procedure for any default by the inter-state transmission services customers.

### ***Service Concession Agreements (Brazil)***

In relation to our projects in Brazil, our subsidiaries enter into service concession agreements with ANEEL, which regulate the construction, operation and maintenance of transmission facilities. The term of the concession is 30 years. The agreements provide that upon the entry into operation of the transmission project, the project company will be entitled to annual permitted revenue ("**RAP**"), as set out in the agreement. Pursuant to the agreement, ANEEL periodically review the RAP every five years. In accordance with the service concession agreement, we are liable to pay penalty for unavailability of transmission facilities to ANEEL. Further, we are also eligible for additional RAP as an incentive for improving the availability of transmission facilities.

The forfeiture of the concession may be declared, in case of (i) interruption of the public transmission service due to unavailability of the transmission function, for a period exceeding 30 consecutive days; (ii) unjustified delay in the execution of authorized works in a period exceeding 180 days. The concession will be considered terminated when: (i) the contractual term ends; (ii) expropriation of the service; (iii) forfeiture; (iv) termination; (v) annulment resulting from defect or irregularity found in the procedure or in the act of granting it; or (vi) bankruptcy or extinction of the transmission company.

### **Operations and Maintenance of our Transmission Networks**

The operation of our partially operational transmission systems is primarily our responsibility.

We are subject to the oversight of the Power System Operation Corporation Limited and CERC, which are responsible for system operation and control, including inter-state and intra-state power management, inter-state and inter-regional transfer of power, covering contingency analysis and operational planning on a real-time basis as well as the operation of regional and state-level unscheduled interchange pool accounts and regional and state-level reactive energy accounts.

Consequently, our operations and maintenance strategy focuses on deploying prudent grid management practices to achieve the following objectives:

- to achieve the targeted system availability specified in the TSAs;
- to optimize the life cycle cost of transmission lines by preventive actions;
- to maximize excellence in quality, health, safety, security and environment; and
- to optimize operation and maintenance costs.

We deploy skilled employees and engage third party operation and maintenance agencies to operate and maintain our partially operational assets. We select outsourcing partners, implement sound technical solutions, develop activity charts and conduct scheduled maintenance. We also outsource specific maintenance, repair, supervision and security tasks by choosing capable vendors as well as finalizing optimum work orders.

### **Solutions**

Our Solutions business unit specialises in upgrading, uprating and strengthening existing power delivery networks and consists of Solutions (Products) and Solutions (MSI). Solutions (Products) manufactures and supplies a portfolio of overhead and underground products, including power conductors, EHV cables and OPGW. Solutions (MSI) is a full-service operation which provides bespoke solutions for the upgrade and uprate of existing transmission infrastructure projects. We also offer EHV turnkey services including cable laying and substation development.

#### ***Solutions (Products)***

##### *Our products*

We manufacture and sell a diversified portfolio of products, covering conductors, OPGW and power cables, to international customers (primarily in Europe and South America), including central and state electricity transmission companies, transmission developers and transmission engineering, procurement and construction ("**EPC**") contractors.

Our order book for our Solutions (Products) business unit (which represents our contracted revenues to be received upon completion of our MSI projects) amounted to ₹ 22,940.68 million, ₹ 21,927.21 million and ₹ 19,801.64 million for Fiscals 2019, 2020 and 2021, respectively.

*Conductors.* We manufacture a range of power conductors ranging from aluminium conductor steel reinforced ("**ACSR**") conductors to High Performance Conductors ("**HPC**"), such as composite core, INVAR, aluminium conductor steel supported ("**ACSS**") and GAP-type conductors. Going forward, we intend to focus further on HPC, as these are premium products and provide better margins. We operate three NABL-accredited manufacturing facilities located in Rakholi, Piparia (Dadra and Nagar Haveli) and Jharsuguda (Odisha). In addition, our conductor manufacturing facilities in Rakholi and Piparia scored 94% and 97% respectively, in the Workplace Conditions Assessment audit conducted by Intertek in November 2018.

*OPGW and OPGW Accessories.* We are a fully integrated manufacturer and solutions provider of OPGW. We have the planning, application, design engineering and execution capabilities to manufacture OPGW for communication, protection and commercial purposes to the standards required by our power systems and utilities customers. We operate an NABL-accredited manufacturing facility in Silvaasa (Dadra and Nagar Haveli). As of March 31, 2021, we supplied over 32,000 km of OPGW cable and hardware globally for up to 765kv lines. In addition, we manufacture OPGW accessories (hardware support products) including tension assemblies, suspension assemblies, vibration dampers, down lead clamps and splice enclosures.

*Power cables.* Power cables are electrical cables consisting of one or more electrical conductors, held together with an overall sheath. Power cables are mainly used for power transmission and distribution. We manufacture a wide range of power cables ranging from 6.6 kV to 400 kV. As of March 31, 2021, we have over 110 innovative cable designs in our portfolio, including EHV cables, 3-core cables, fibre-integrated power cables, high-ampacity low-loss cables and cables in co-extruded ducts. We manufacture our cables at a NABL-accredited manufacturing facility in Haridwar. Going forward, we intend to focus further on HPC, as these are premium products and provide better margins. Our power cables are fully type tested per applicable BIS and International Electrotechnical Commission standards.

#### *Our manufacturing facilities*

The table below sets forth certain details in relation to our manufacturing facilities:

City	State/Union Territory	Leased/Owned	Annual Installed Capacity as of March 31, 2021	Volume Produced for the year ended March 31, 2021	Volume Produced for the year ended March 31, 2020
Silvassa (Rakholi)	Dadra and Nagar Haveli	Owned	25,000 MT per annum with Conventional & HPC product Mix	15,074 MT	17,254 MT
Silvassa (Piparia)	Dadra and Nagar Haveli	Owned	40,000 MT per annum with Conventional & HPC product Mix	14,799 MT	13,027 MT
Jharsuguda	Odisha	87 year lease	40,000 MT per annum with Conventional conductor	22,106 MT	31,005 MT
Silvassa (Piparia)	Dadra and Nagar Haveli	Owned	14,400 km per annum for OPGW	10,645 km	9,801 km
Haridwar	Uttarakhand	Owned	2,400 km per annum	557 km	2,399 km

#### *Key raw materials*

In our products business, the primary raw materials and components we use are aluminium for our conductors and copper and PVC Compounds for cables. The prices of copper and aluminium are linked to the prices on the London Metal Exchange, and the price of PVC Compounds depends largely on the price of crude oil, each of which is generally quoted in US Dollars. Accordingly, the prices we pay for these raw materials can fluctuate due to volatility in the commodity markets or in foreign currency exchange rates.

#### *Customer Contracts*

In our products business, the vast majority of our customer contracts are fixed-price contracts, with back-to-back arrangements relating to the price of materials and components. For variable price orders, those are generally amendable for fluctuations in the price of materials and components. We also purchase forward-contracts to hedge our exposure to changes in materials and components. As a result, we believe that our Solutions business is generally hedged against fluctuations in materials and components, and our margins are generally not affected by changes in the prices of materials and components.

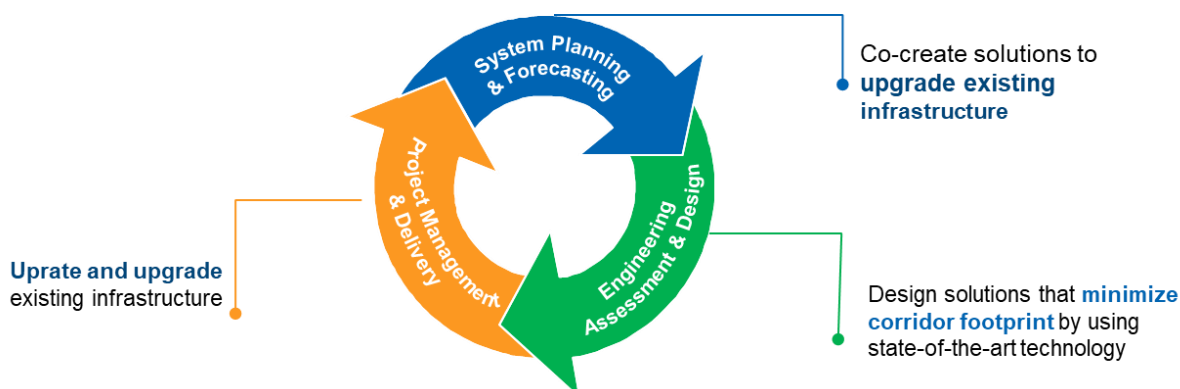
## Solutions (MSI)

Our Solutions (MSI) business unit provides bespoke solutions for the upgrade and uprate of existing transmission infrastructure projects. We provide our customers, which include cities, power utilities, central and state electricity transmission companies and transmission developers, with custom-built solutions to their energy challenges.

Our Solutions (MSI) projects include upgrading existing infrastructure, increasing throughput, increasing uprate of overhead conductors, implementing OPGW-based reliable communication systems, connecting new HPC lines and installing EVH underground networks. For example, we transformed the Kerala Interstate Corridor through a massive uprate and upgrade exercise which increased throughput in the inter-state transmission network by 15-24 times. In addition, we developed a customised solution to restore a disrupted 400kV transmission line across 1.1km of the Ganga river (as a part of the ENICL project). The transmission line had been disrupted for almost two years and restoration efforts were challenged by site conditions of the Ganga River, including the lack of support structures in the middle of the river. To address this unique challenge, we worked on floating platforms and developed a unique carbon composite core ultra-low sag conductor as a long-span transmission solution.

Our order book for our Solutions (MSI) business unit (which represents our contracted revenues to be received upon completion of our MSI projects) amounted to ₹ 5,511.8 million, ₹ 9,091.2 million and ₹ 8,341.9 million for Fiscals 2019, 2020 and 2021, respectively.

The following diagram broadly illustrates the business model of Solutions (MSI):



*System planning and forecasting.* We leverage our in-house expertise on power systems to support our customers in their system planning, optimisation and forecasting needs. We help our customers specify their needs and co-create solutions that help them upgrade existing infrastructure in preparation for the future.

*Engineering assessment and design.* Our design and engineering assessment teams conduct surveys and feasibility studies and develop detailed engineering solutions that optimize our customers' space and time constraints. By using technologies such as monopoles and compact power designs, micro piling and GIS substations, we are able to design solutions that aim to minimise corridor footprint.

*Uprate and upgrade existing infrastructure.* We leverage our technological and project management strengths to help our customers uprate, upgrade and strengthen their existing infrastructure with the aim of minimal outage and disruptions. We also employ various aerial technologies (such as drones) and robotics technologies (such as our Skyrob™ semi-autonomous robot) to string OPGW wires and power conductors safely and efficiently.

## Convergence

Our Convergence business unit leverages existing power utility infrastructure (such as OPGW, transmission towers, distribution towers and substations) for telecommunications purposes by building optical fibre infrastructure on top of existing utilities networks. Our Convergence services include conducting EPC work in fibre roll outs and leasing neutral dark fibre, co-location facilities and towers to our customers, who include internet service providers, telecommunications companies, multiple system operators, global wholesale carriers and other communication service providers, allowing them to deliver telecommunications, IOT and other services on the backbone of our utilities network.

We also partner with smart cities in an innovative public-private partnership ("PPP") model to design, build, finance, operate and maintain fibre infrastructure on a long-term partnership model. This PPP model addresses cities' communication infrastructure challenges and provides them with an intracity fibre network, which then acts as the digital backbone for subsequent smart infrastructure in the city. For example, through our PPP with Gurugram Metropolitan Development Authority ("GMDA"), we have built a 133 km optical fibre network in Gurugram which we will manage and maintain for 21 years.

## **Technology Initiatives**

Set forth below are some of our key technology related initiatives:

### ***TransAnalyst***

We are developing TransAnalyst in-house as a geographic information system ("GIS") based planning and analytics tool which is expected to aid us in the planning of power transmission lines. The platform suggests the least cost/optimum route by considering all geological and regulatory constraints. This is of great importance to the project management team to avoid frequent manual interventions and corresponding delays. TransAnalyst provides benefits of reducing time, accuracy of digital data, iterative capability, minimising manual intervention and data driven decision making.

### ***Building Information Modeling***

For substation designing, we utilize 3D design and 4D construction methodologies, which provides the benefits of faster, data driven decision making, avoiding project delays, better safety planning and better planning for regulatory clearances.

### ***Satellite Imagery - Digital Terrain Model***

One of challenges faced in the delivery of transmission projects is the variance in route profiles during the project construction stage due to non-availability of good resolution and accurate terrain data through conventional survey methods. Conventional survey methods typically require longer to collect terrain data for route profiling and are manual intensive processes. This may also lead to inaccurate terrain data and variance in route profile during project construction, leading to loss of time in project.

Owing to challenges faced in route profiling, we are moving towards utilizing high resolution satellite imagery for creating terrain data for route profiling. Route profiles created using high resolution satellite imagery are generally more accurate and less time consuming leading to saving of time in project.

### ***Hydrology Studies***

Transmission lines are built with the objective of ensuring reliable power delivery to the consumers over lifespan of transmission lines. Major challenges are faced to ensure reliability of transmission towers in areas of river crossings, streams and water bodies because of continuous change in direction of river flow over a time-period. In order to ensure that transmission towers remain intact with river flow, scour protections are used on tower foundations.

Conventional method of identifying towers which are close to river path and to design scour protection is to use toposheets and Google imagery. Also, slope of terrain is calculated using manual calculations and toposheet. The conventional method is a manual process and time consuming and prone to errors.

In order to eliminate challenges posed by conventional methods, we are using satellite imagery, digital elevation model and hydrology modelling tool to identify the pattern of river flow. The use of satellite imagery leads to accuracy in modelling river flow and identification of scour protection.

### ***PVT***

DG Sets is one of the primary sources to power telecom antennas, especially in areas where uninterrupted power is unavailable. We have come up with the solution of using power voltage transformers ("PVTs") to directly tap power from the extra high voltage transmission lines and power telecom antennas hosted on transmission towers. This helps in reducing carbon-footprint in the environment.

### ***Ster-Eco***

This conductor has been specially designed for addressing the losses during renewable energy transmission. Also known as 'low-loss conductor', it contributes to lowering emission of greenhouse gases, has inherent strength and high concentration of aluminum in the define diameter. It can reduce I<sup>2</sup>R losses in the transmission line by up to 30% compared to a same size conductor. This product is environment friendly and helps in reducing carbon emissions.

### ***CDC***

Containerised Data Centres (CDC) is a plug-and-play edge data-centre solution for telcos, designed to allow them to accelerate their time to market, improve response time and uplift the overall customer experience.

### ***NER – Helicrane use***

We used helicrane to transport large volume of material across various locations. This allowed us to overcome hilly terrains, inaccessible remote locations and restrictions imposed due to COVID-19 lockdown.

## **Multi-Circuit**

Implementation of multi-voltage multi-circuit towers is intended to enable us to minimize the physical footprint in the forest/wildlife area.

## **Information Technology**

Our technology systems encompass digital platforms, enterprise applications, cyber Security tools, all hosted over a hybrid infrastructure stack including a private cloud for the core ERP and public cloud for our evolving digital footprint. Digitization is one of our key pillars for IT and, with this in mind, we have invested in building multiple applications as part of an integrated ecosystem to bring about efficiency and optimization. Few examples of core processes that have undergone digital transformation include business acquisition – the bidding stage in which our transmission routes are generated through, an inhouse developed digital platform for route prediction. Further, our "CanvasR" application is used for pre bid surveys to capture and share in-field observations in real time to finalize the most efficient route.

Our "Right of Way" application aims to reduce the land acquisition turnaround time and support a documentation framework for land documents. Similarly, the Quality Audit application aims to track and monitor compliance of all CTQs during tower setup and ensure early identification and redressal of any non-compliance issues. Our core project execution is tracked on platforms to enable high performance project delivery.

Our sales processes are executed digitally on our Salesforce CRM platform, empowering the sales and commercial excellence teams to manage the sales pipeline and drive productivity with a digital channel available to them on both web and mobile app. We leverage SaaS based applications to run processes that support our core business.

## **Employees**

As of March 31, 2021, we had 715 employees in India, out of which 260 employees are in operations, 103 employees are in sales and growth functions, 61 employees are in research and development, technology and engineering functions, 58 employees are in quality, health and safety functions and the remaining are in other functions.

As of March 31, 2021, we had 68 employees in Brazil of which 20 employees are in operations, nine employees are in research and development, technology and engineering functions, eight employees are in quality, health and safety functions and the remaining employees are in other functions.

In addition to the above, as of March 31, 2021, we employed 912 temporary or contract workers.

Our operations require highly skilled and experienced management and technical personnel. We offer our employees comprehensive ongoing training in order to increase their competence and capabilities.

Our employees are not covered by any collective bargaining agreements. We have not experienced any material strikes, work stoppages, labor disputes or actions by or with our employees, and we consider our relationship with our employees to be stable.

We have multiple initiative that focus on building our employees' functional and leadership capabilities. These initiatives include:

**Talent Review:** We conduct a comprehensive assessment for all our mid- to senior-level employees. In addition to reviewing employees' performance, this process seeks to identify key actions for their professional development. Employees' progress on the identified key actions are then tracked regularly.

**Leadership Development Framework:** We identify the most crucial roles in our organization, which have the most impact on our overall organisation's vision and plan, and then mapped our talent development efforts against those critical roles. For example, we provided our entire leadership with a detailed executive assessment and individual development planning program including psychometric assessments, '360 reviews,' feedback as well as group and individual coaching opportunities.

**PM Next Program for Mid-Level Leaders:** This program was launched with the objective of creating a pipeline of future Project Managers, or individuals who will take on Project Manager responsibilities, from within the organization by training participants in the functional and leadership areas of cost, finance, contracts, supply chain management and design and engineering.

## **Insurance**

We maintain insurance policies of the types and amounts that are generally consistent with industry practice. Our insurance policies cover risks including loss or damage from fire, explosion, machinery breakdown, burglary and housebreaking and terrorism. These insurance policies are subject to exclusions for certain circumstances including, amongst others, wear and tear, larceny, acts of fraud or corrosion, rust, deterioration due to lack of use and normal atmospheric conditions.



## **Health, Safety & Environment**

We are committed to adhering the highest standard of safety and quality. QHSE-related injuries, occupational illnesses and incidents can be prevented through safe work practices and quality control processes. We operate our business with the aim of preventing incidents that may harm our employees, contractors or communities, or cause damage to our assets or adversely impact the environment.

We have developed a comprehensive framework designed to ensure the health and safety of our people, as well as the quality of our projects and products. We have also created a robust QHSE governance system with processes including: regular process audits, a QHSE Health index scorecard and a QHSE Committee review to ensure effective compliance at different levels.

Our QHSE systems are validated by external independent agencies and have received certifications including: ISO 45001 (Occupational Health & Safety Management System), ISO 14001 (Environment Management System) and ISO 9001 (Quality Management System). We have also received a number of external awards including: the Golden Peacock Award for Occupational Health Safety (2020).

## **Negotiation of Right of Way and Procurement of Land**

As part of the construction process for transmission lines, we are required to obtain right of way from landowners whose land our transmission lines will pass through. In India, this process is regulated and facilitated by the GoI or the relevant state governments. In Brazil, this process is regulated by ANEEL, which issues Statements of Public Utility ("**DUP**") in accordance with the ANEEL Normative Resolution No. 919/2021. After the DUP is issued, the concessionaire can start the process to obtain the ownership of the land necessary to build the facilities. This process is related to the negotiation of right of way and procurement of land, for example, public consultation procedures, licensing requirements, compensation paid to landowners or land acquisitions.

## **Competition**

Competition in the transmission sector depends on the geographic region, nature and size of the projects. In India, through the TBCB, competition is encouraged amongst players primarily in relation to determining transmission charges. The bidder quoting the lowest levelized tariff is awarded the project to develop on the BOOM basis.

In India, our principal competitors in the power transmission sector include PGCIL, Adani Transmission Limited, KEC International and Techno Electric. Our competitors for our Solutions (Products) business unit include Apar and KEI. In Brazil, our competitors for the power transmission sector include Companhia de Transmissão de Energia Elétrica Paulista and Taesa S.A.

## **Corporate Social Responsibility**

Our CSR initiatives are aligned with the requirements under the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. We strive to meet our commitment towards the community by committing our resources and energies to social development. We are involved in various corporate social responsibility ("**CSR**") activities and are committed to making a difference to the communities in and around our project operations and plants. Our CSR projects include relief efforts relating to the COVID-19 pandemic, supporting EdIndia's efforts to leverage technology and data analytics to improve the quality of education at scale and promoting environmental sustainability and biodiversity preservation efforts.

*COVID-19 pandemic relief.* We undertook relief efforts and provided healthcare interventions to several villages in rural India. For example, we sourced and provided protective essentials such as masks, sanitizers and handwash to NC Hills autonomous council in Assam. We also provided ration and other essential items to the 'Maar' community near our NERSS project in Assam.

*EdIndia' Project Pragyan.* We provided support to the EdIndia Foundation, an entity to support innovative solutions for improving the quality of education.

*Environmental sustainability and biodiversity.* We are committed to expanding access to reliable power in a way that is environmentally sustainable and compatible with biodiversity preservation efforts. For example, during NER, our project spanning Assam, Tripura and Arunachal Pradesh, certain steps were taken to preserve the wildlife heritage of the region. We avoided "Borail Wildlife Sanctuary", mapped active elephant-corridors, and ensured the transmission lines co-exist with wildlife by implementing initiatives such as bird deflectors and culverts.

## **Intellectual Property**

The trademarks, patents and copyrights relating to our business operations including, amongst others, the logos and our products, are registered in the name of our Company. Collectively, these licensed marks cover key areas of our business and have significant value.

As on the date of this Draft Red Herring Prospectus, we have 25 trademarks, 2 patents and 1 copyright registered in the name of our Company including trademarks, patents and copyrights relating to our business operations and our products.

### **Properties**

The premises of our Registered Office is owned by Sterlite Technologies Limited and our Corporate Office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road New Delhi 110 065, and our other operations offices are located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230, which is on leased premises. Additionally, we own parcels of land for purposes of our manufacturing facilities.

Further, pursuant to Section 164 of the Electricity Act, KTL, LVTPL and UKTL have been granted rights of way across land that our transmission lines pass through. The Investee SPVs have acquired ownership for the land on which their substations are situated.

## KEY REGULATIONS AND POLICIES IN INDIA AND BRAZIL

*Given below is an indicative summary of certain relevant laws, policies and regulations applicable to us. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.*

### KEY REGULATIONS AND POLICIES IN INDIA

#### Regulatory framework for the Power Sector

“Electricity” is an entry in the Concurrent List of the Seventh Schedule to the Constitution of India. Therefore, both Centre and State legislatures have jurisdiction to legislate in the power sector, provided that the State enactment does not conflict with any Central enactment in this sector.

#### *The Electricity Act, 2003 (“Electricity Act”)*

The Electricity Act was enacted by the GoI, repealing the Indian Electricity Act, 1910 (which governed transmission, supply and use of electricity), the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998.

The Central Electricity Authority (“CEA”) consists of chairperson and members appointed by the GoI. Among other functions, the CEA specifies technical standards for construction of electrical plants and electric lines, technical standards for connectivity to the grid, grid standards for operation and maintenance of transmission lines, safety requirements for construction, operation and maintenance of electrical plants and electric lines, measures relating to safety and electric supply, installation and operation of meters, technical standards for communication systems in power system operation etc., as well as advising the GoI on matters relating to the national electricity policy and formulation of the national electricity plan. The Electricity Act also provides for the constitution of a Central Electricity Regulatory Commission (“CERC”) and State Electricity Regulatory Commission” (“SERCs”), or a Joint Commission by agreement between two or more State governments or, in respect of one or more union territories and one or more Government of States, between the GoI and one or more State governments.

In this regard, the Electricity Act designated the central electricity regulatory commission established under the Electricity Regulatory Commissions Act, 1998 as the CERC for purposes of the Electricity Act. CERC’s responsibilities include grant of licenses to persons to function as transmission licensees and to regulate inter-State transmission of electricity, determination of tariff for generation and inter-State transmission of electricity under Section 62 of the Electricity Act and adoption of tariff discovered under competitive bidding process under Section 63 of the Electricity Act, specifying and enforcing standards with respect to quality, continuity and reliability of service by transmission licensees and specifying regulations *inter alia* for grant of open access and payment of transmission charges. The Electricity Act vests SERCs with the responsibility to facilitate and promote transmission, wheeling and inter-connection arrangements within their territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity. In addition, the Electricity Act constitutes an Appellate Tribunal for Electricity (“APTEL”) to hear appeals against orders of an adjudicating officer or the appropriate commission under the Electricity Act.

The Electricity Act requires a person undertaking transmission, distribution or trading in electricity in any area in the territory of India to obtain a prior license for such activity from the appropriate commission (the “**Appropriate Commission**”). The Electricity Act also provides that the Central Transmission Utility (“CTU”) and the State Transmission Utility (“STU”) is a deemed transmission licensee. The GoI may notify any Government company as a CTU. POWERGRID was notified as the CTU in 1998. Subsequently in 2021, Central Transmission Utility of India Limited, a public sector undertaking, was notified as the CTU. A person intending to act as a transmission licensee is required to approach Appropriate Commission through an application with a copy of the application forwarded to the CTU or STU, as the case may be, which sends its recommendations to the CERC or the relevant SERC, as the case may be. The Appropriate Commission may specify any general or specific conditions that may apply to a particular licensee or a class of licensees. A license granted under the Electricity Act continues to be in force for a period of 25 years. The Appropriate Commission may at any time, if public interest requires, alter the terms of the license or revoke the license as it thinks fit in accordance with the procedure prescribed in the Electricity Act. The Electricity Act empowers the Appropriate Commission to issue directions to licensees if necessary, and also prescribes a detailed procedure for the sale of the utilities of the licensee in the event the Appropriate Commission revokes the license. The Electricity Act prohibits a licensee from assigning its license or transferring its utility or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Appropriate Commission, or from undertaking any transaction to acquire the utility of any other licensee or merging its utility with the utility of any other licensee, without prior approval of the Appropriate Commission. The duties of the CTU include undertaking transmission of electricity through Inter State Transmission System (“ISTS”), discharging all functions of planning and coordination relating to ISTS, ensuring development of an efficient, coordinated and economical system of ISTS for smooth flow of electricity and to provide non-discriminatory open access to the ISTS on payment of transmission charges. The duties of a transmission licensee include building, maintenance and operation of an efficient inter/intra State transmission system, and providing non-discriminatory open access

to its transmission system for use by any licensee or generating company on payment of transmission charges or to any consumer who has obtained open access on payment of transmission charges and a surcharge thereon in accordance with the Electricity Act. The Electricity Act requires every transmission licensee to comply with the technical standards of operation and maintenance of transmission lines, in accordance with grid standards specified by the CEA.

The Electricity Act provides for the establishment of the National Load Despatch Centre (“**NLDC**”) and the Regional Load Despatch Centre (“**RLDC**”) by the GoI. The NLDC and RLDCs are prohibited from trading in electricity and RLDCs are also prohibited from engaging in the business of generation of electricity. Responsibilities of RLDCs include optimum scheduling and despatch of electricity within the region in accordance with the contracts entered into with licensees or generating companies operating in the region, monitoring grid operations, keeping accounts of the quantity of electricity transmitted through the regional grid, exercising supervision and control over the ISTS and carrying out real time operations for grid control and despatch of electricity within the region through secure and economic operation of the regional grid in accordance with the grid standards and grid code. The RLDC and NLDC will be operated by a Government company or any authority or corporation constituted under a Central enactment, as may be notified by the GoI. The concerned State Government is required to establish a State Load Despatch Centre (“**SLDC**”) as an apex body to ensure integrated operation of the power system in a State, through supervision and control over the intra-State transmission system. The SLDC is required to comply with the directions of the RLDCs. The CTU is prohibited from engaging in the business of generation of electricity or trading in electricity. Transmission Licensees are prohibited from entering into contracts in relation to, or otherwise engaging in the business of trading in electricity.

Section 68 of the Electricity Act permits installation of overhead lines with prior approval of the Appropriate Government. Section 164 of the Electricity Act also provides that the Appropriate Government as defined under the Electricity Act, may confer upon any public officer, a licensee or any other person, the powers of a telegraph authority, as provided under the Indian Telegraph Act, 1885, with respect to the placement of electrical lines for the proper coordination of the project. The Electricity Act provides certain principles in accordance with which the Appropriate Commission will specify terms and conditions for determination of tariff. A transmission licensee may engage in any business for optimum utilization of its assets as per CERC Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business Regulations, 2020.

### **Regulations**

#### **a. Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009**

The CERC notified the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 (“**Connectivity Regulations**”) on August 7, 2009. The Connectivity Regulations provide for the procedures and other requirements for obtaining connectivity, availing medium-term open access and long term access in respect of ISTS. Applications for the grant of connectivity or long-term access or medium-term open access shall be made to the CTU, the nodal agency. Under the Connectivity Regulations, connectivity to ISTS can be sought by any generating plant having an installed capacity of at least 250 MW and any bulk consumer having at least a load of 100 MW.

Further, medium term open access is available for any period exceeding three months but not exceeding five years and it shall be granted if the resultant power flow can be accommodated in the existing transmission system or the transmission system under execution expected to be commissioned within the next six calendar months as per the status reported to the CEA. An entity who has been granted medium term open access can exit (relinquish their right) after giving a prior notice of at least 30 days and by paying transmission charges for the period of relinquishment or a period of 30 days, whichever is lesser to the CTU.

Long term access can be availed for any period exceeding seven years. An exit option is available from the long term access without any financial liability if the access has been availed for at least 12 years and an advance notice is given at least one year before such exit. An exit option can be exercised even before the period of 12 years subject to payment of relinquishment charges provided an application to the CTU is submitted at least one year prior to such exit. If the notice in either case is less than one year period, relinquishment charges for the period falling short of the notice period of one year is also to be paid.

#### **b. Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009**

The CERC notified the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009, as amended (“**Transmission License Regulations**”) on May 26, 2009. As per these Regulations, a committee as referred to in the Bidding Guidelines (“**Empowered Committee**”) identifies projects included in the prospective plan for transmission prepared by the CEA or network plan prepared by CTU in accordance with the National Electricity Policy to be developed under the guidelines for competitive bidding in India (“**Bidding Guidelines**”). Presently, once the transmission scheme is discussed and ratified in National Committee of Transmission (NCT), Ministry of Power, GOI notifies the

implementation modalities /route (TBCB or RTM). The Transmission License Regulations provide the procedure for application for Transmission License upon selection of a project developer to develop the project as referred in the Bidding Guidelines. Under the Transmission License Regulations, licensee is required to (i) maintain insurance with regard to the transmission assets as may be necessary in terms of any agreements entered into by it, or under the laws in force in India, provided that the licensee may opt for self-insurance; (ii) build the project in a time-bound, efficient, coordinated and economical manner; (iii) establish, operate and maintain the project in accordance with the prudent utility practices and the agreements; (iv) comply with such directions of the NLDC or the RLDC under the Electricity Act; (v) provide non-discriminatory open access to its transmission system for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Central Electricity Regulatory Commission (Open Access in inter-state Transmission) Regulations, 2008, as amended from time to time; (vi) pay the license fee in accordance with the Central Electricity Regulatory Commission (Payment of Fee) Regulations, 2008 or such other regulations as may be in force from time to time; (vii) make an appropriate application before the CERC for obtaining any prior approval whenever required; and (viii) comply with all other regulations, including the regulations specified by the CERC regarding utilisation of the transmission assets for a business other than transmission of electricity. The transmission license issued, shall, unless revoked earlier, continue to be in force for a period of 25 years from the date of issue. If the useful life of a transmission asset for which transmission license has been issued extends beyond the period of 25 years, the CERC may consider granting license for another term for which the licensee may make an application in accordance with Regulation 7 of the Transmission License Regulations, two years before the expiry of the initial period of license. For projects developed through competitive bidding which have tariff upto 35<sup>th</sup> year of commercial operation the tariff for the extended period upto 35<sup>th</sup> year shall be payable on the basis of the rate quoted in the bidding and adopted by the Commission for the respective year of operation. In case the transmission licensee decides to undertake renovation & modernization of the transmission system after the initial period of licence, it shall make an application for approval of the cost of renovation and modernization along with the application for grant of fresh licence, which shall be considered by the Commission in accordance with the prevalent norms.

*c. Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019*

The CERC notified Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, as amended which came into force on April 1, 2019 and are valid for a period of five years (“**CERC Tariff Regulations**”). The CERC Tariff Regulations apply in all cases where tariff for a generating station or a unit thereof and the ISTS or an element thereof, is required to be determined by the CERC in accordance with the provisions of Section 62 read with Section 79 of the Electricity Act. However, the CERC Tariff Regulations shall not be applicable to generating stations based on renewable energy sources and to generating stations or ISTS, where tariffs have been discovered through competitive bidding or where tariff has been determined through applicable CERC Regulations.

The generating company/ inter-state transmission licensee shall make an application as prescribed in the CERC Tariff Regulations, for determination of tariff based on capital cost incurred or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred or projected to be incurred during the tariff period of the generating station or the transmission system, as the case may be, duly certified by the auditors and in case of non-availability of auditors, a management certificate duly signed by an authorised person, not below the level of director of the company.

*d. Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010*

The CERC notified the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010, as amended (“**RPS Regulations**”) on September 28, 2010. The RPS Regulations provide that generating companies and transmission licensees (“**Regulating Entities**”) can implement regulation of power supply in case of (i) non-payment of outstanding dues by the Beneficiary, or (ii) non-maintenance of letter of credit or any other agreed payment security mechanism. In the event that the outstanding dues are not paid by the Beneficiary to the Regulating Entity within 60 days from the date of service of the invoice, the Regulating Entity may serve a notice on the defaulting entity for reducing the drawl schedule in the case of the generating company or for withdrawal of open access to ISTS in the case of transmission licensee, the withdrawing utility like State Discoms. A copy of such notice is required to be forwarded to the concerned SLDC/RLDC, in whose control area the Regulating Entities are situated. Thereafter, within three days of receiving the notice, the concerned SLDC/RLDC, in whose control area the defaulting entity is situated, shall make a plan in writing for implementing the regulation of power supply. During the implementation of regulation of power supply, the defaulting entity should restrict its drawl to the revised schedule and deviations, if any, will be subjected to unscheduled inter-change charges. In the case of the defaulting entity withdrawing the transmission license, the generating company from where the power is regulated is entitled to sell the surplus power made available by the restricted drawl entitled to the defaulting entity to any person including any of the existing Beneficiaries as defined under the Power Supply Regulations during the period of regulation of power supply. The amount received from the sale of surplus power will be adjusted against the outstanding dues of the defaulting entity, after deduction of energy charges, trade margin and other incidental expenses borne by the generating company, if any. Further, the CERC vide order dated September 2, 2015 in Petition No. 142/MP/2012 also directed that the short term open access of the defaulting entity is also denied during the period of its regulation of power supply.

***e. Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020***

The CERC notified the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 (“**CERC Sharing Regulations**”) on May 4, 2020. These regulations came into force with effect from November 1, 2020, superseding the Central Electricity Regulatory Commission (Sharing of inter-state transmission charges and losses) Regulations, 2010.

These regulations provide that the yearly transmission charges (“**YTC**”) as determined or adopted by CERC for transmission elements related to ISTS shall be shared amongst the users of such transmission systems. The users, termed as DICs, include generating stations, state transmission utilities, distribution licensee including state electricity boards or their successor companies, electricity departments of States and any other entity directly connected to the ISTS and intra-State entity or a trading licensee that has obtained medium term open access or long term access to ISTS (“**DICs**”) on monthly basis such that the YTC and any adjustment thereof are fully recovered.

***f. Central Electricity Regulatory Commission (Grant of Regulatory Approval for Execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010***

The CERC notified the Central Electricity Regulatory Commission (Grant of Regulatory Approval for Execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010 on May 31, 2010. These regulations apply to any scheme proposed by a CTU for the development of ISTS in consonance with the National Electricity Plan. The CTU may file an application before the CERC for regulatory approval of identified ISTS scheme, with a project inception report. The CTU will within 7 days of making such an application, post the complete application on its website and publish a notice of the application in 2 leading national newspapers inviting objections and / or suggestions within a period of 1 month from the date of publication. The ISTS schemes will be evaluated on the basis of: (i) need for the transmission scheme, i.e., technical justification, urgency and prudence of the investment; (ii) cost assessment and possible phasing of implementation; and (iii) a cost-benefit analysis to the users of the proposed ISTS scheme. The CERC may either approve the ISTS scheme with such modifications, if required or reject the application or require the CTU to submit a fresh application with required particulars. The CTU will implement the transmission elements out of the approved ISTS scheme in accordance with the Connectivity Regulations. The tariff of the ISTS scheme will be borne by the users of the scheme and the transmission charges will be shared among the users based on the sharing methodology specified by the CERC from time to time.

***g. Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012***

The CERC notified the Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012 on September 17, 2012. These regulations provide that the transmission system availability must be calculated element-wise on a monthly basis, in the same manner as provided in the Tariff Regulations. Further, these regulations lay down the maximum restoration periods for different types of failures of transmission lines and failures of inter-connecting transformers. Any failure by the inter-state transmission licensee to maintain the standards of performance specified in the regulations will be liable to payment of compensation to an affected person.

***h. Central Electricity Regulatory Commission (Procedures for Calculating the Expected Revenue from Tariffs and Charges) Regulations, 2010***

The CERC notified the Central Electricity Regulatory Commission (Procedures for Calculating the Expected Revenue from Tariffs and Charges) Regulations, 2010 on April 12, 2010. These regulations apply in all cases where tariff other than those based on non-conventional energy sources is determined by the CERC. Every generating company or transmission licensee which has made an application for determination of tariff will submit information in the formats with respect to expected revenue from tariffs and charges determined by the CERC from time to time.

***i. CERC (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020***

The CERC notified the CERC (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 on February 17, 2020. These regulations apply in to all inter state transmission licensees whose transmission charges are determined by the CERC under Section 62 of the Electricity Act or adopted by the CERC under Section 63 of the Electricity Act and who are proposing to undertake other business. In accordance with these regulations, the transmission licensees are required to intimate the CERC as to the other business they are proposing to undertake and in the event the other business is not telecommunication business, the transmission licensees are required to seek prior approval of the CERC by filing a petition, as regards sharing of revenues derived from such other business. The CERC Sharing of Revenue Derived from Utilization of Transmission Assets for Other

Business) Regulations, 2020 also provide for, amongst other things, the manner of sharing of revenue by these transmission licensees.

### ***National Electricity Policy, 2005***

The GoI notified the National Electricity Policy (“NEP”) on February 12, 2005, under Section 3 of the Electricity Act. The key objectives of the NEP are amongst other things stipulating guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders. The NEP vests the CTU and the STUs with the responsibility for transmission system planning and development on the national and regional and the intra-State levels, respectively, and requires the CTU to coordinate with the STUs for eliminating transmission constraints in a cost-effective manner. The NEP provides that the network expansion be planned and implemented keeping in view anticipated transmission needs that would be incident on the system in the open access regime. The NEP encourages private investment in the transmission sector, and states that prior agreement with Beneficiaries would not be a pre-condition for network expansion and the CTU and STUs should undertake network expansion after identifying requirements in consultation with stakeholders and obtaining due regulatory approvals.

### ***National Electricity Plan***

India is now amongst the fastest developing countries in the world in terms of GDP as well as the electricity consumption. The challenge is to meet the energy needs of high economic growth & electricity consumption of about 1.30 billion people. The development of an efficient, coordinated, economical and robust electricity system is essential for smooth flow of electricity from generating station to load centers (as per Electricity Act, 2003) and for optimum utilization of resources in the country, in order to provide reliable, affordable, un-interruptible (24x7) and quality power for all. Transmission system establishes the link between source of generation on one side and distribution system, which is connected to load / ultimate consumer, on the other side. Transmission planning is a continuous process of identification of transmission system addition requirements, their timing and need. The transmission requirements could arise from:

- a. new generation additions in the system,
- b. increase in demand
- c. system strengthening that may become necessary to achieve reliability as per the planning criteria under change load-generation scenario.

These transmission system requirements are identified, studied and firmed through the co-ordinated planning process i.e. through Regional Power Committees on Transmission Planning (erstwhile Standing Committee(s) on Power System Planning for the Region) and operational feedback from POSOCO and other stakeholders. Development of adequate intra state transmission system is equally important in order to ensure delivery of power to the load centres and effective utilization of ISTS. The progress of ISTS as well as intra-State transmission systems is regularly monitored by CEA. ISTS transmission schemes after approval by the GoI, are being implemented either through the Tariff based Competitive Bidding (TBCB) process or under cost-plus mechanism with Regulated Tariff Mechanism (RTM). As per Section 3 of the Electricity Act 2003, CEA has been entrusted with the responsibility of preparing the National Electricity Plan in accordance with the NEP and to notify such plan once in five years. The National Electricity Plan (Volume I) on Generation Planning was notified vide Extra Ordinary Gazette No. 1871, Sl. No. 121, under part-III, Section IV dated March 28, 2018. National Electricity Plan (Volume II) on Transmission planning was prepared after the finalization of the Generation Plan. In the NEP Volume II (Transmission) i.e. NEP-Trans, the review of development of transmission system during 12th Plan Period and Planning for the ongoing plan period 2017-22 and Perspective plan for 2022-27 have been discussed, keeping in view various factors, such as inter-regional transmission links, reactive compensation, cross border exchange of power etc. For the preparation of the National Electricity Plan for the next five years (2022-2027), a Committee has been constituted by the CEA.

### ***The Tariff Policy 2016 (“Tariff Policy, 2016”)***

In 2006, the GoI, under the Electricity Act, notified the tariff policy which was revised in 2016. The Tariff Policy, 2016 came in effect on January 28, 2016. The goals of the Tariff Policy, 2016 are to ensure availability of electricity to consumers at reasonable and competitive rates, ensure the financial viability of the power sector, attract investment to the power sector, promote transparency, consistency and predictability in regulatory approaches across jurisdictions, minimise perceptions of regulatory risks, promote competition, ensure operational efficiency, improve the quality of the power supply, promote generation of electricity from renewable sources, promote hydroelectric power generation including pumped storage projects to provide adequate peaking reserves, reliable grid operation and integration of variable renewable energy sources, evolve a dynamic and robust electricity infrastructure for better consumer services, facilitate supply of adequate and uninterrupted power to all categories of consumers and ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance, for reliability of supply of electricity to consumers.

In so far as transmission is concerned, the Tariff Policy, 2016 seeks to achieve the objectives of ensuring optimal development of the transmission network ahead of generation with adequate margin for reliability and to promote efficient utilization of generation and transmission assets in the country and attracting the required investments in the transmission sector and providing adequate returns. The Tariff Policy, 2016 stipulates that all future inter-state transmission projects are ordinarily

required to be developed through a competitive bidding process. However, the GoI may exempt, from competitive bidding, specific category of projects of strategic importance, technical upgradation etc. or works required to be done in response to an urgent situation, on a case-by-case basis. Intra-state transmission projects shall also be required to be developed through competitive bidding process for projects costing above a threshold limit decided by the relevant SERC.

The Tariff Policy requires CERC to determine the rate of return on equity keeping in view the overall risk and prevalent cost of capital, and to establish norms for capital and operating costs, operating standards and performance indicators for transmission lines at different voltage levels. The Tariff Policy provides that transmission charges under the national tariff framework be determined on MW per circuit kilometre basis, zonal postage stamp basis, or some other pragmatic variant, such that transmission system users share the total transmission cost in proportion to their respective utilization of the transmission system, and that transactions be charged on the basis of average transmission losses arrived at after appropriately considering distance and directional sensitivity, as applicable to relevant voltage levels.

### **Recent Guidelines and Notifications from the Ministry of Power**

The (i) Guidelines for Encouraging Competition in Development of Transmission Projects; and (ii) Tariff based Competitive-bidding Guidelines for Transmission Service (collectively, the “**MoP Guidelines**”) were notified by the Ministry of Power on August 10, 2021. These guidelines seek to, amongst other things, (i) promote competitive procurement of transmission services; (ii) encourage private investment in transmission system; (iii) facilitate transparency and fairness in procurement processes; (iv) facilitate reduction of information asymmetries for various bidders; and (v) enhance standardization and reduce ambiguity.

The Ministry of Power also revised the Standard Bid Documents (“**SBDs**”) for transmission services in India, comprising of the request for proposal (“**RFP**”) and the transmission service agreement (“**TSA**”), by way of a notification dated August 6, 2021. The salient provisions of the revised SBDs include, amongst other things, (a) the TSA with the selected bidder will be signed by CTU or the nodal agency, instead of the long term transmission customers; (b) the entire bidding process shall be completed online through the electronic bidding platform; (c) bidders having adequate experience of developing and construction of infrastructure projects subject to certain eligibility requirements; and (e) the mode of execution of ISTS project has been changed from the ‘Build-Own-Operate-Maintain (BOOM)’ model to the ‘Build-Own-Operate-Transfer (BOOT)’ model; and (f) bidders will now be required to quote one transmission tariff, which will remain fixed for a period of 35 years commencing from the scheduled COD of the project.

### **The Jawaharlal Nehru National Solar Mission**

The National Solar Mission (the “**NSM**”) was approved by the Government of India on November 19, 2009 and launched on January 11, 2010. The immediate aim of the NSM was to focus on setting up an enabling environment for solar technology penetration in the country both at a centralized and decentralized level. The NSM has set a target of 100 GW of solar power in India by 2022 and seeks to implement and achieve the target in three phases (Phase I from 2012 to 2013, Phase II from 2013 to 2017 and Phase III from 2017 to 2022). The target will principally comprise 40 GW rooftop solar power projects and 60 GW large and medium scale grid connected solar power projects. In addition, the Government of India on March 22, 2017 sanctioned the implementation of a scheme to enhance the capacity of solar parks from 20,000 MW to 40,000 MW for setting up at least 50 solar parks each with a capacity of 500 MW and above by 2019 or 2020.

### **Integrated Energy Policy 2006**

The Integrated Energy Policy, 2006, (the “**Policy**”) is a report of an expert committee constituted by the Government of India, to explore alternative technologies and possible synergies that would increase energy system efficiency and meet the requirement for energy services. The aims and objectives of this Policy include, amongst others, providing appropriate fiscal policies to take care of externalities, tax measures, transparent and targeted subsidies, promoting energy efficiency, providing incentive for renewable energy production by linking the incentive to not just the outlay but also the output. The Policy also provides for the respective power regulators to mandate feed-in-laws for renewable energy, as may be appropriate and as provided under the Electricity Act. With respect to wind power, the Policy provides that where cultivations are not affected, a wind turbine installation should be permitted on an agricultural land without requiring its conversion into non-agricultural land.

### **The Ministry of New and Renewable Energy (“MNRE”)**

The MNRE is the nodal ministry of the Government of India at the national level for all matters relating to non-conventional sources of energy and renewable energy. The mandate of MNRE includes research, development, commercialisation and deployment of renewable energy systems or devices for various applications in rural, urban, industrial and commercial sector.

### **Net Metering Regulations**

These regulations have been formulated by various states to promote the generation of electricity from renewable energy sources in respect of the grid connected solar rooftop photovoltaic systems. These regulations regulate the supply of excess electricity from an eligible consumer allowing the consumer to export the excess quantum of electricity produced from his premises to the



distribution licensee. Under these regulations, the eligible consumer can avail the benefit of the excess quantum supplied to be carried forward to the next billing cycle as credited units of electricity.

### **Guidelines for Tariff Based Competitive Bidding Process for Procurement of Wind and Solar Power and Wind-Solar Hybrid Projects**

The Ministry of Power (the “**MoP**”) has issued guidelines on August 3, 2017 and December 8, 2017 for procurement of solar and wind power, respectively, through tariff based competitive bidding process (the “**Competitive Bidding Guidelines**”). The Competitive Bidding Guidelines as amended from time to time, provide a framework for procurement of solar power through a transparent process of bidding, including standardisation of the process and defining responsibilities of the stakeholders. The guidelines are applicable for long term procurement of electricity through competitive bidding process by the procurer(s) from grid connected solar power projects having size of 5 MW and above. For procurement of electricity, the procurer may opt for either the ‘tariff as a bidding parameter’ option or the ‘viability gap funding as a bidding parameter’ option. e. Further, the Competitive Bidding Guidelines aim to enable the distribution licensees to procure wind power at competitive rates in a cost-effective manner. The Competitive Bidding Guidelines were further amended by the MoP on July 16, 2019 to include, certain changes pertaining to the wind power projects and The Ministry of New and Renewable Energy (the “**MNRE**”) further amended the Competitive Bidding Guidelines on September 25, 2020 to include certain changes pertaining to the solar power projects.

Additionally, the MNRE on October 14, 2020, issued guidelines for tariff based competitive bidding process for procurement of power from grid connected wind solar hybrid projects pursuant to the Wind-Solar Hybrid Policy 2018. These guidelines were issued, amongst other things, (i) to promote competitive procurement of electricity from grid connected wind solar hybrid projects by distribution licensees to promote consumer interests; (ii) to facilitate transparency and fairness in the procurement process; and (iii) to provide for a framework for an intermediary procurer as an aggregator or trader for the inter-state sale purchase of long term power and to provide a risk-sharing framework between various stakeholders, involved in the wind solar hybrid power procurement, thereby encouraging investments, enhanced bankability of the projects and profitability for the investors.

### **Regulatory Framework for the OPGW business**

#### ***Registration as Infrastructure Provider Category – I***

Telecommunications infrastructure service providers are required to be registered with the DoT as an Infrastructure Provider Category I (the “**IP – I Provider**”) and obtain a certificate in this regard from the DoT (the “**IP – I Registration Certificate**”). An IP – I Provider can provide infrastructure such as dark fibres, right of way, duct space and towers on lease, rent out or sale basis to the licensees of telecommunication services on mutually agreed terms, but in accordance with the terms and conditions set out in IP – I Registration Certificate and the Revised Guidelines for Registration of Infrastructure Providers Category – I dated July 4, 2017 by the DoT (“**IP-Guidelines**”).

On March 9, 2009, the DoT issued an order regarding scope of IP – I Providers. Under this order, DoT clarified that the scope of IP – I Providers has been enhanced to cover the active infrastructure, if such infrastructure is provided on behalf of the licensees, i.e. they can create active infrastructure limited to antenna, feeder cable, Node B, Radio Access Network and transmission system only for and / or on behalf of unified access service licensees and / or cellular mobile service providers licensees.

On November 28, 2016, the DoT clarified, in reference to above order, that the IP – I Providers are not permitted to own and share active infrastructure. An IP- I Provider can only install the active elements (limited to antenna feeder cable, Node B, Radio Access Network and transmission system only) on behalf of Telecom Licensees, that is these elements should be owned by the companies who have been issued a license under Section 4 of Telegraph Act, 1885.

On August 16, 2019, the TRAI released a consultation paper on ‘Review of Scope of Infrastructure Providers Category – I (IP – I) Registration’ where by the TRAI, among other things, sought comments from the relevant stakeholders on whether the scope of IP – I registration should be enhanced to include provisioning of common sharable active infrastructure.

Subsequently, the TRAI, after receiving comments from the relevant stakeholders on the Consultation Paper, issued recommendations on “Enhancement of Scope of Infrastructure Providers Category - I (IP - I) Registration” dated March 13, 2020, wherein the TRAI recommended, among other things, that (i) the scope of IP – I Provider registration should be expanded to satisfy the present need for telegraph in India; (ii) the expanded scope of IP – I registration should include to own, establish, maintain and work all such infrastructure items, equipment and systems which are required for establishing wireless access network, radio access network and transmission links. The scope should also include, but not be limited to, right of way, duct space, optical fibre, tower, feeder cable, antenna, base station, in – building solution, distributed antenna system etc. within any part of India. However, it shall not include certain core network elements, as specified in such recommendation; (iii) any service provider who has a valid authorization from the GoI to establish, maintain, and work a telegraph to deliver telecommunication services, within any part of India, shall only be eligible to obtain such a telegraph infrastructure on lease, rent, or purchase basis from IP-I registration holders; and (iv) the IP – I registration holder should be eligible to apply for and issue of license under the Indian Wireless Telegraphy Act, 1933 to possess such wireless telegraphy apparatus that is permitted under the scope of

IP-I registration. However, the IP-I registration holder shall not be eligible to apply for and assignment of any kind of licensed spectrum.

### ***Infrastructure Sharing Guidelines***

The DoT issued Guidelines for Infrastructure Sharing on April 1, 2008 (the “**Infrastructure Sharing Guidelines**”) applicable to service providers and infrastructure providers. Under the Infrastructure Sharing Guidelines, IP – I Providers are permitted to seek sitting clearance from SACFA for erecting towers irrespective of whether the IP – I Providers have entered into agreements with licensees service providers. For setting up any wireless installations in India, clearance from the SACFA is required in respect of a fixed station and its antenna mast (cell sites).

### ***Right of Way Rules***

On November 15, 2016, Ministry of Communications, DoT issued the Indian Telegraph Right of Way Rules, 2016 (the “**Telegraph Rules**”) to regulate underground infrastructure (optical fibre) and overground infrastructure (mobile towers). Rule 5 of the Telegraph Rules specifies the application by the licensee for establishment of telegraph infrastructure under immovable property under the control of appropriate authority, the authority may or may not grant the permission under Rule 6 of the Telegraph Rules. Similarly, Rule 9 of the Telegraph Rules specifies the procedure for application for establishing overground telegraph infrastructure upon immovable property.

### ***Recommendations by TRAI***

On October 23, 2017, TRAI released its recommendations on Approach towards Sustainable Telecommunications (“**Sustainable Telecommunications Recommendations**”). The Sustainable Telecommunications Recommendations provide that the Telecom Service Providers (“**TSP**”) should voluntarily adopt the Renewable Energy Technologies (“**RET**”) solutions, energy efficient equipments and high capacity fast charging storage solutions etc. to meet the target for reduction of Carbon Footprint. The electricity generated by the RET solution funded/ maintained by the TSP should be subtracted from overall carbon emission of the TSP irrespective of its use. Telecom Engineering Centre should set up the model lab facility for certification of telecom products, equipments and service on the basis of Energy Consumption Rating. Government should make necessary provisions mandating that all telecom products, equipments and services in the telecom network should be Energy and performance assessed and certified “Green Passport” utilising the Energy Consumption Rating and the Energy Passport determined.

### ***National Digital Communications Policy, 2018***

The policy aims to ensure digital sovereignty and the objectives are to be achieved by 2022. Under the new telecom policy, the government aims to provide universal broadband connectivity at 50 Mbps to every citizen. It has kept a target of providing 1 Gbps connectivity to all Gram Panchayats by 2020 and 10 Gbps by 2022. The policy seeks to unlock the transformative power of digital communications networks - to achieve the goal of digital empowerment and improved well-being of the people of India; and towards this end, attempts to outline a set of goals, initiatives, strategies and intended policy outcomes. The policy seeks to accomplish three missions by year 2022 including ‘Connect India’ by creating a robust digital communication infrastructure, ‘Propel India’ by enabling next generation technologies and services through investments, innovation, indigenous manufacturing and IPR generation and ‘Secure India’ by ensuring digital sovereignty, safety and security of digital communications.

### ***Permission from Municipal Authorities/Zila Parishad/Gram Panchayat/ any other local authority***

The local laws of many states in India require that in order to set up infrastructure, ‘no objection certificates’, change of user of land from local authority as applicable, such as, municipal authorities, zila parishad or gram panchayat in whose jurisdiction such infrastructure is being constructed are to be obtained. For instance, in the State of Maharashtra, Section 44 of the Maharashtra Regional and Town Planning Act, 1966 specifies that any person intending to carry on any development on any land has to obtain permission from the planning authority by making an application in writing. On receipt of such application, the planning authority by under Section 45 of the aforesaid legislation, grant such permission unconditionally, or subject to such conditions as may be imposed with the prior consent of the State Government. Such permission would be granted in form of a commencement certificate. Similar restrictions upon the development of land are laid down under Section 12 and 13 of the Delhi Development Act, 1957, as amended.

### ***Foreign Investment Regulations***

In terms of the Consolidated FDI Policy, 2020, issued by the Department for Promotion of Industry and Internal Trade (formerly, Department of Industrial Policy and Promotion), 100% foreign investment in a company registered as an IP – I Provider is permitted. Of the aforesaid limit, up to 49% foreign investment is permitted under the automatic route and beyond that, under the approval route.

## **Environmental Laws**

The Ministry of Environment, Forests and Climate Change (“**MoEFCC**”) of the GoI is the nodal agency for Planning, promotion, coordination and overseeing and implementation of India’s environmental and forest policies and programmes. The Environment (Protection) Act, 1986 (“**EPA**”) provides GoI with the power to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution. MoEFCC has notified Environment Impact Assessment (“**EIA**”) notifications under the EPA in 1994 and 2006 (as amended) (collectively, the “**EIA Notifications**”), prescribing the procedure with respect to environmental impact assessment for the commencement, expansion or modernization of industrial or mining operations. However, provisions of both EIA Notifications are not applicable to transmission projects barring certain notified areas of Aravali Range falling in the districts of Alwar in Rajasthan and Gurgaon and Nuh (Mewat) in Haryana. In accordance with MoEFCC notification dated May 7, 1992 prior environment clearance is required under EPA even for electrification and laying of new transmission lines without detailed EIA if it is passing through such notified areas of given districts. The MoEF has issued a draft of the Environment Impact Assessment Notification, 2020, which is yet to come into effect.

Further, provisions of certain rules like Batteries (Management and Handling) Rules, 2001, Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 etc. notified under EPA does apply to transmission projects. Other environment regulation applicable to the project assets of the Company, is the Forest (Conservation) Act, 1980 (“**FCA**”) if the line route passes through a notified forest area. Similarly, permission of National Board for Wildlife is a statutory requirement under Wildlife (Protection) Act, 1972 for all non-forest activities in protected areas (such as national parks and wildlife sanctuaries).

MoEFCC notification dated February 5, 2013, under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, exempts transmission system developers from obtaining a resolution from Gram Sabhas and only require certificate from DC for using the forest land for non-forest purposes provided that recognized rights of primitive tribal groups and pre-agricultural communities are not affected. MoEFCC vide gazette notification dated March 6, 2017 further extended the timeline for obtaining FRA certificate from DC till Stage-I approval.

Penalties for non-compliance under the EPA, FCA & WPA range from closure or prohibition of operations as well as monetary penalties on and imprisonment of the persons in charge of the conduct of the business of the defaulting company.

## **Laws relating to Taxation**

Tax related laws that are pertinent, include the Income Tax Act 1961, Income Tax Rules, 1962, Customs Tariff Act, 1975 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations and the Integrated Goods and Services Tax Act, 2017 and various rules and notifications thereunder and as issued by taxation authorities.

## **Laws relating to Employment**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to us due to the nature of our business activities:

- (i) Contract Labour (Regulation and Abolition) Act, 1970.
- (ii) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
- (iii) Employees’ State Insurance Act, 1948.
- (iv) Minimum Wages Act, 1948.
- (v) Payment of Bonus Act, 1965.
- (vi) Payment of Gratuity Act, 1972.
- (vii) Payment of Wages Act, 1936.
- (viii) Maternity Benefit Act, 1961.
- (ix) Industrial Disputes Act, 1947.
- (x) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (xi) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- (xii) The Industries (Development and Regulation) Act, 1951.

- (xiii) Employees' Compensation Act, 1923.
- (xiv) The Industrial Employment Standing Orders Act, 1946.
- (xv) The Child Labour (Prohibition and Regulation) Act, 1986.
- (xvi) The Equal Remuneration Act, 1976.
- (xvii) The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001.
- (xviii) Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.
- (xix) The Code on Wages, 2019\*.
- (xx) The Occupational Safety, Health and Working Conditions Code, 2020\*\*.
- (xxi) The Industrial Relations Code, 2020\*\*\*.
- (xxii) The Code on Social Security, 2020\*\*\*\*.

\* The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. The provisions of this code are proposed to be brought into force by the Central Government on a date to be notified by the Central Government. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

\*\* The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

\*\*\* The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.

\*\*\*\* The Government of India enacted 'The Code on Social Security, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.

## Other Applicable Laws

In addition to the above, our Company is required to comply with the provisions of the Indian Contract Act, 1872, Companies Act, Transfer of Property Act, 1882, Foreign Exchange Management Act, 1999, the Copyright Act, 1957, the Trade Marks Act, 1999, Prevention of Corruption Act, 1988, SEBI Listing Regulations, RBI guidelines, IBC, Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, Central Electricity Authority (Grid Standards) Regulations, 2010 and other applicable laws and regulations imposed by the central and state governments and other authorities for its day-to-day operations.

## KEY REGULATIONS AND POLICIES IN BRAZIL

### The Brazilian Energy Industry

#### General

In the Brazilian energy sector, generation, transmission and distribution activities were traditionally conducted by a small number of companies that had always been owned by either the Federal Government or the governments of individual states. Since the 1990s, several state-controlled companies were privatized, in an effort to increase efficiency and competition. The Fernando Henrique Cardoso administration (1995 – 2002) aimed to privatize the state-controlled part of the energy sector, but the Luis Inácio Lula da Silva administration (2003 – 2010) ended this process and implemented a 'New Industry Model' for the Brazilian energy sector, expressed in Law No. 10,848, enacted on March 15, 2004, referred to as the 'New Industry Model Law'.

Significant changes were implemented during Dilma Rousseff's administration (2011 – 2016), by means of Provisional Act No. 579/12, converted into Law No. 12,783/13, establishing new rules for renewal of concessions, including rebidding for hydroelectric power generation concessions.

Subsequently, under the administration of Michel Temer (2016–2018), other changes were introduced in the sector by Provisional Act 735/16, enacted as Law No. 13,360/16, including a change of the bidding rules for energy generation, transmission and distribution concessions as well as addressing the renegotiation of hydrological risk. In addition, in 2017, a series of public consultations, which discussed proposals for modernization, and expansion of the Free Market in electric power supply with the industry (Public Consultation No. 33) began.

During the first year under Jair Bolsonaro (2019 – present), the government proceeded with the studies proposed by public consultation n. 33, holding several workshops and meetings with agents to study the following topics: separation of energy contracts into capacity and energy contracts, pricing, definition of price limits and reduction of the spot price time base.

## **Main Regulatory Authorities**

### ***National Energy Policy Council (“CNPE”)***

In August 1997, the CNPE was created to advise the Brazilian president regarding the development and creation of the national energy policy. CNPE is presided over by the MME, and the majority of its members are officials of the Federal Government. CNPE was created to optimize the use of Brazil’s energy resources and to assure the supply of energy to the country.

### ***Ministry of Mines and Energy (“MME”)***

The MME is the Brazilian Federal Government’s primary regulator of the power industry. Following the adoption of the New Industry Model Law, the Brazilian Federal Government, acting primarily through the MME, undertook certain duties that were previously under the responsibility of ANEEL, including the drafting of guidelines governing the granting of concessions and the issuance of directives governing the bidding process for concessions related to public services and public assets.

### ***National Electric Energy Agency (“ANEEL”)***

The Brazilian power industry is regulated by ANEEL, an independent federal regulatory agency. After enactment of the New Industry Model Law, ANEEL’s primary responsibility is to regulate and supervise the power industry in line with the policy issued by MME and to respond to matters which are delegated to it by the Brazilian Federal Government.

### ***National System Operator (“ONS”)***

The ONS was created in 1998 as a non-profit private entity comprising free customers, energy utilities engaged in the generation, transmission and distribution of energy, and other private participants such as importers and exporters. The New Industry Model Law granted the Brazilian Federal Government the power to appoint three directors of the ONS, including the Director-general. The primary role of the ONS is to coordinate and control the generation and transmission operations in the interconnected power system, subject to ANEEL’s regulation and supervision.

### ***Brazilian Electric Power Trading Chamber (“CCEE”)***

One of the main roles of the CCEE is to run public auctions in the regulated market, including the auction of existing energy and new energy. Additionally, the CCEE is responsible, among other things, for: (1) registering all the power purchase agreements within the Regulated Market (CCEARs), and the agreements within the Free Market, and (2) accounting for and settling short-term transactions.

Under the New Industry Model Law, the price of energy in the spot market, known as the Differences Settlement Price (Preço de Liquidação de Diferenças, or ‘PLD’), takes into account factors similar to the ones used to determine the Wholesale Energy Market spot prices prior to the New Industry Model Law. Among these factors, the variation of the PLD will mainly vary according to the balance between the market supply and demand for energy, as well as the impact that any variation on this balance may have on the optimal use of the energy generation resources by the ONS.

The members of the CCEE are generators, distributors, trading agents and free customers, and its board of directors comprises four members appointed by these agents and one appointed by the MME, who is the chairperson of the board of directors.

### ***Energy Research Company (“EPE”)***

The Brazilian Federal Government created EPE by a decree enacted on August 16, 2004. It is a state-owned company, responsible for carrying out strategic research on the energy industry – including energy, oil, gas, coal and renewable energy sources. EPE is responsible for: (i) studying projections for the Brazilian energy matrix; (ii) preparing and publishing the national energy balance; (iii) identifying and quantifying energy resources; and (iv) obtaining the required environmental licenses for new generation concessionaires. EPE’s research supports the MME in its policymaking role in the domestic energy industry. EPE is also responsible for approving the technical qualification of new energy projects to be included in the related auctions.

### ***Energy Sector Monitoring Committee (“CMSE”)***

Decree No. 5,175 enacted on August 9, 2004, established the Energy Sector Monitoring Committee, or CMSE, which acts under the direction of the MME. The CMSE is responsible for monitoring and permanently evaluating the continuity and security of energy supply conditions and for indicating necessary steps to correct identified problems.

### ***Permanent Commission for Analysis of Methodologies and Computation Programs of the Electric Sector (“CPAMP”)***

Ordinance No. 47, enacted on February 19, 2008, created the Permanent Committee for Analysis of Methodologies and Computation Programs of the Electric Sector (‘CPAMP’), with the purpose of guaranteeing coherence and integration of the methodologies and computational programs used by MME, EPE, ONS and CCEE.

### **Electric Power Transmission in Brazil**

Transportation of large volumes of electricity over long distances is made by way of a grid of transmission lines and substations with high voltages (from 230 kV to 765 kV), known as the Basic Network. Any electric power market agent that produces or consumes power is entitled to use the Basic Network.

Transmission lines in Brazil are usually very long, since most hydroelectric plants are usually located away from the large centers of power consumption. The country’s system is almost entirely interconnected. Only the state of Roraima and parts of the states of Pará, Amazonas, Amapá and Rondônia are still not connected to the Interconnected Power System. In these states, energy is produced at small thermal plants or hydroelectric plants located close to their respective capital cities.

The Interconnected Power System provides for the exchange of power among the different regions when a region faces problems generating hydroelectric power due to a drop in their reservoir levels. As the rainy seasons are different in the south, southeast, north and northeast of Brazil, the higher voltage transmission lines (500 kV or 765 kV) make it possible for locations with insufficient power output to be supplied by generating centers that are in a more favorable location.

The operation and management of the Main Grid is the responsibility of ONS, which is also responsible for managing power dispatching from plants on optimized conditions, including use of the Interconnected Power System hydroelectric reservoirs and fuel thermal plants.

### **Tariffs for the Use of the Distribution and Transmission Systems**

ANEEL oversees tariff regulations that govern access to the distribution and transmission systems and establish tariffs for the use of and access to said systems. The tariffs are: (i) network usage charges, which are charges for the use of the proprietary local grid of distribution companies; and (ii) the TUST. Additionally, distribution companies in the southern/southeastern Interconnected Power System pay specific charges for the transmission of electricity generated at Itaipu and for access to the transmission system.

#### ***TUSD***

The TUSD is paid by generators, free consumers and special consumers for the use of the distribution system of the distribution company to which the relevant generator or free consumer is connected and are revised annually according to an inflation index. The amount to be paid is based on a formula set forth by ANEEL via Tariff Regulation Procedure (“PRORET”) and may vary pursuant to a number of different factors, including, for instance, costs of the network, operating costs and energy losses, among others.

#### ***TUST***

The TUST is paid by distribution companies and users, including generators, free consumers and special consumers, for the use of the Basic Network. The amount to be paid is based on a formula set by ANEEL Resolution No. 67/04, as amended by ANEEL Resolution No. 442/11, and it may vary pursuant to a number of different factors. According to criteria established by ANEEL, owners of the different parts of the transmission grid have transferred the coordination of their facilities to the ONS in return for receiving regulated payments from users of the transmission system. Network users, including generation companies, distribution companies and free consumers, have signed contracts with the ONS entitling them to use the transmission grid in return for the payment of published tariffs. Other parts of the grid that are owned by transmission companies but which are not considered part of the transmission grid are made available directly to the interested users who pay a specified fee to the relevant transmission company.

### ***Contract for Access to the Intermediary Connection System — Access Charge***

Some distribution companies, especially in the state of São Paulo, access the Basic Network through an intermediary connection system located between their respective distribution lines and the Basic Network. This connection is formalized by means of a contract for the access to the intermediary connection system entered into with transmission concessionaires that own such facilities. Compensation for the transmission companies is regulated by ANEEL and is defined in accordance with the cost of the assets used, whether they are their exclusive property or shared among the electricity industry agents. The correspondent compensation incidental to the use of the intermediary connection system is revised annually by ANEEL according to an inflation index and to the costs relating to the assets.

## Concessions

The companies or consortia that wish to build or operate facilities for generation, transmission or distribution of electricity in Brazil must participate in a competitive bidding process or must apply to the MME or to ANEEL for a concession, permission or authorization, as the case may be. Concessions grant rights to generate, transmit or distribute electricity in a specific concession area for a specified period. This period is 35 years for generation concessions granted after 2003, and 30 years for new transmission or distribution concessions. In accordance with the 2013 Concession Renewal Law, generation and distribution concessionaires may renew their concession contracts that were in effect as of 1995 and transmission concessionaires may renew their concession contracts that were in effect prior to and as of 1995 for an additional period of 30 years, provided that the concessionaires agree to amend the concession contracts to reflect certain new terms and conditions established by the law. The 2013 Concession Renewal Law does not impact generation concessions granted after 2003, as they are non-renewable.

The Concessions Law establishes, among others, the conditions that the concessionaire must comply with when providing electricity services, customers' rights and the respective rights and obligations of the concessionaire and the granting authority. In addition to the Concessions Law, the concessionaire must also comply with the general regulations governing the electricity sector. The main provisions of the Concessions Law and related ANEEL regulations are summarized as follows:

*Adequate service:* The concessionaire must render adequate service to all customers in its concession and must maintain certain standards with respect to regularity, continuity, efficiency, safety and accessibility.

*Use of land:* The concessionaire may use public land or request that the granting authority expropriate necessary private land for the benefit of the concessionaire. In the latter case, the concessionaire must compensate the affected private landowners.

*Strict liability:* The concessionaire is strictly liable for all damages arising from the provision of its services.

*Changes in controlling interest:* The granting authority must approve any direct or indirect change in the concessionaire's controlling interest.

*Intervention by the granting authority:* The granting authority may intervene in the concession, through ANEEL, to ensure the adequate performance of services, as well as the full compliance with applicable contractual and regulatory provisions. Once ANEEL determines the intervention, limited to one year, but extendable for additional two years, it must designate a third party to manage the concession. Within 30 days of the determination of the intervention, the granting authority's representative must commence an administrative proceeding in which the concessionaire is entitled to contest the intervention. The administrative proceeding must be completed within 1 year. The shareholders of the concessionaire under intervention must submit to ANEEL, within 60 days of the determination of the intervention, a recovery and correction plan. If ANEEL approves such plan, the intervention is terminated. In the event ANEEL does not approve the plan, the granting authority may: (i) declare forfeiture of the concession; (ii) determine the spin-off, incorporation, merger or transformation of the concessionaire, incorporation of a subsidiary or assignment of quotas/shares to a third party; (iii) determine the change of control of the concessionaire; (iv) determine a capital increase of the concessionaire; or (v) determine the incorporation of a special purpose company.

*Termination of the concession:* The termination of the concession agreement may occur by means of expropriation and/or forfeiture. Expropriation is the early termination of a concession for reasons related to the public interest. An expropriation must be specifically approved by law or decree. Forfeiture must be declared by the granting authority after ANEEL or the MME has made a final administrative ruling that the concessionaire, among other things, (i) has failed to render adequate service or comply with an applicable law or regulation, (ii) no longer has the technical, financial or economic capacity to provide adequate service, or (iii) has not complied with penalties assessed by the granting authority. The concessionaire may contest any expropriation or forfeiture in the courts.

A concession agreement may also be terminated (i) through the mutual agreement of the parties, (ii) upon the bankruptcy or dissolution of the concessionaire, or (iii) following a final, non-appealable judicial decision rendered in a proceeding filed by the concessionaire.

When a concession agreement is terminated, all assets, rights and privileges that are materially related to the rendering of electricity services revert to the Brazilian government. Following termination, the concessionaire is entitled to indemnification for its investments in assets that have not been fully amortized or depreciated, after deduction of any amounts due by the concessionaire related to fines and damages.

*Expiration:* When the concession expires, all assets, rights and privileges that are materially related to the rendering of the electricity services revert to the Brazilian government. Following the expiration, the concessionaire is entitled to indemnification for its investments in assets that have not been fully amortized or depreciated as of the expiration.

*Penalties:* ANEEL regulations govern the imposition of sanctions against electricity sector participants and determine the appropriate penalties based on the nature and importance of the breach (including warnings, fines, temporary suspension from the right to participate in bidding procedures for new concessions, licenses or authorizations and forfeiture). For each infraction, the fines can be up to 2% of the revenue (net of value-added tax and services tax) of the concessionaire in the 12-month period preceding any penalty notice. Some infractions that may result in fines relate to the failure to request ANEEL's approval to, among other things: (i) execute certain contracts between related parties; (ii) sell or assign the assets related to services rendered as well as impose any encumbrance (including any security, bond, guaranty, pledge and mortgage) on these or any other assets related to the concession or the revenues from electricity services; (iii) effect a change in the controlling interest of the holder of the authorization or concession; and (iv) make certain changes to the bylaws. In the case of contracts executed between related parties that are submitted for ANEEL's approval, ANEEL may seek to impose restrictions on the terms and conditions of these contracts and, in extreme circumstances, require that the contract be rescinded.

### **Potential New Regulatory Framework**

The following potential changes to the Brazilian regulatory framework may have a direct impact in our operations, as our business is subject to comprehensive regulation by various Brazilian legal and regulatory bodies, especially the MME (which proposes sector policies) and ANEEL (which regulates, supervises and inspects various aspects of our business, including our tariff rates).

- (i) In February 2018, the MME published on its website a report of the public hearing, reflecting the final proposal for improvements to the energy regulatory framework, which were especially motivated by technological, social and environmental matters, as well as difficulties arising from the current business models. Among the discussed topics, the following stand out:
  - (a). Termination of the quota system applicable to hydropower plants (HPP) concessions that have been extended or granted through competitive biddings, in accordance with Federal Law No. 12,783/2013, and allocation of part of the economic benefit of grants to the CDE in order to reduce what is charged to the population;
  - (b). Lowering the minimum thresholds for accessing the Free Market;
  - (c). Approach between the short-term price formation and the operating cost of the system;
  - (d). Whether energy and ballast (currently combined for commercialization purposes) should be segregated;
  - (e). Effects of the migration of consumers to the Free Market;
  - (f). Market for environmental attributes;
  - (g). Attraction of foreign capital for investments in the Brazilian energy sector;
  - (h). More efficient tariff discounts;
  - (i). Allocation of resources from the global reversion reserve to the transmission segment;
  - (j). Guidelines for the use of research and development resources;
  - (k). Modernization of the regulated market; and
  - (l). Reduction of judicial disputes regarding the hydrological risk.
- (ii) In May 2018, most of the improvements proposed by the MME with respect to the regulatory framework applicable to the energy sector were included in Bill No. 1,917/2015 of the House of Representatives, known as the bill for the energy bill portability (Projeto de Lei da Portabilidade da Conta de Luz). This bill is still subject to analysis in the House of Representatives and, if approved, will depend on further approval by the Senate and the President of Brazil.
- (iii) Also, there are initiatives in order to promote the modernization of the energy sector. Ordinance MME No. 187/2019 established a working group in order to develop proposals for the modernization of the energy sector, which released a report in October, 2019 with measures that should be adopted or studied, including topics such as (i) opening of the consumer market; (ii) pricing mechanism for the short-market; (iii) expansion of the Free Market accommodating new technologies and new business models; (iv) Energy Reallocation Mechanism; (v) cost and risk allocation; (vi) introduction of new technologies; and (vii) sustainable distribution services. This working group has been appointed for a 2-year term, which may be extended for 1 additional year.
- (iv) In November 2019, the Brazilian government submitted to Brazilian Congress Bill No. 5,877, which, among other matters, address the privatization of Centrais Elétricas Brasileiras S.A. - Eletrobras. Such bill determines the privatization of Eletrobras pursuant to a capital increase and public offering of new common shares (that entitle their holders to voting



rights), resulting in the dilution of the stake held by the Brazilian government in Eletrobras (the “**Eletrobras Privatization**”). In February 2021, Provisional Measure No. 1,031/2021 on the Eletrobras Privatization was issued.

- (v) In November 2019, ANEEL submitted a proposed amendment to Resolution No. 482/2012 to a public hearing. This resolution refers to the distribution of micro and mini energy generation. The update of such rules was required in 2015 by Resolution 687/2015 and suggests improvements to the credit compensation system in view of changes to distributed generation in recent years.
- (vi) In December 2019, CNPE approved its Resolution No. 29, pursuant to which (i) it reviewed the general criteria adopted with respect to supply guarantee in studies on offer expansion, planning of the National-Interconnected Power System (“SIN”) operations, and calculations of energy physical guarantees and power of a generation project. However, MME shall determine the specific thresholds for such criteria, which is used in the calculation of physical guarantees and plans for expansion.
- (vii) In 2020, due to the COVID-19 pandemic, discussions beginning in 2017 between the MME and the electric sector with regards to proposals for the industry’s improvement of the legal and regulatory framework were interrupted. This meant limited progress on measures such as PL No. 1.917/2015 and PLS No. 232/2016, which address issues such as the commercial model of the electric sector, the portability of electricity bills and concessions for electric energy generation. The COVID-19 pandemic also allowed for compromise within Special Commission of the House of Representatives, established in August 2019, regarding the Brazilian Electric Energy Code, which aims to consolidate electricity legislation that is currently scattered between ordinances issued by various government agencies.

These potential changes to the regulatory framework applicable to the Brazilian Energy Sector may impact our operations in the coming years.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated May 5, 2015, issued by the Registrar of Companies, Gujarat at Ahmedabad. The registered office of our Company was shifted from Silvassa, Dadra and Nagar Haveli to Pune, Maharashtra for operational convenience and a certificate of registration of Regional Director order for change of state was issued to us by the RoC on October 3, 2015.

### Changes in the Registered Office

The following table sets forth details of the changes in the registered office of our Company since the date of its incorporation:

Date of change	Details of change in the address of the registered office	Reasons for change in the address of the registered office
September 28, 2015	The registered office of our Company was shifted from Survey Number 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Dadra and Nagar Haveli 396 230 to 4 <sup>th</sup> Floor, Godrej Millennium, 9 Koregaon Road, Pune 411 001, Maharashtra	Operational convenience

### Main objects of our Company

The main objects contained in the Memorandum of Association are as follows:

- a. *“To carry on the business of design, planning, building, development, engineering, erecting, marketing, import, export, purchase, sale, transfer, lease, assemble, install, commission, maintain, repair, operation, trading, transmission, manufacture, investment, investigation, research, contracting, sub-contracting, licensing, franchising, agency, execution, technical & education services, management, dealings related to, power transmission towers, antennae, transmitters, insulators, conductors, cables, wires and/or all kinds of equipment’s, systems, apparatus, appliances or any other articles whether electronic, electric, mechanical, digital, telephonic, satellite, wireless required in, transmission, storage of power, electricity and/or undertake turnkey contracts, projects, arrangement for erecting power distribution network, energy conversation projects and/or to carry on the business of transmission, distribution, supply, storage, trade in power and/or electricity by conventional and/or nonconventional methods and/or to carry on all kinds of infrastructure projects including active/passive telecom infrastructure, maintenance of infrastructure of dark fibre through OPGW /cabling, right of way, duct Space and towers on lease / rent out basis and to acquire space for provision of co-location facilities for such infrastructure activities and to do all such ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes and/or to acquire or invest or form joint venture in companies/entities who are carrying out any of the aforesaid activities.*
- b. *To carry on the business of design, planning, building, development, engineering, erecting, marketing, import, export, purchase, sale, transfer, lease, assemble, install, commission, maintain, repair, operation, trading, transmission, manufacture, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment required in generation, transmission and storage of power and undertake turnkey contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations.”*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried out by it.

### Amendments to the Memorandum of Association

The amendments to the Memorandum of Association, since the date of incorporation of our Company, are set out below.

Date of Shareholders’ resolution / Effective date	Details of the amendments
July 7, 2015	Amendment to Clause 5 of the Memorandum of Association to reflect the increase and reclassification of the authorised share capital from ₹ 500,000 (Rupees five hundred thousand) divided into 50,000 (Fifty thousand) equity shares of ₹ 10 each to ₹ 232,000,000 (Rupees two hundred and thirty two million) divided into 80,000,000 (Eighty million) equity shares of ₹ 2 each and 36,000,000 (Thirty six million) redeemable preference shares of ₹ 2 each.
July 30, 2015	Amendment to the Memorandum of Association to reflect change in our registered office from Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Dadra and Nagar Haveli 396 230 to 4 <sup>th</sup> Floor, Godrej Millennium, 9 Koregaon Road, Pune 411 001, Maharashtra
May 23, 2016	Amendment to Clause 5 of the Memorandum of Association to reflect increase in the authorised share capital from ₹ 232,000,000 (Rupees two hundred and thirty two million) divided into 80,000,000 (Eighty

Date of Shareholders' resolution / Effective date	Details of the amendments
	<p>million) equity shares of ₹ 2 each and 36,000,000 (Thirty six million) redeemable preference shares of ₹ 2 each to ₹ 232,800,000 (Rupees two hundred thirty two million eight hundred Thousand) divided into 80,000,000 (Eighty million) equity shares of ₹ 2 each and 36,400,000 (Thirty six million four hundred thousand) redeemable preference shares of ₹ 2 each pursuant to the scheme of arrangement between Sterlite Technologies Limited, our Company and their respective shareholders as sanctioned by the High Court of Bombay by way of its order dated April 22, 2016.</p> <p>For details in relation to the scheme of arrangement, please see the section entitled “<i>History and Other Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since the date of incorporation</i>” on page 231.</p>
October 3, 2017	<p>Clause 3 of the Memorandum of Association was amended to reflect insertion of the following clause in place of the existing Clause 3(a):</p> <p><i>“To carry on the business of design, planning, building, development, engineering, erecting, marketing, import, export, purchase, sale, transfer, lease, assemble, install, commission, maintain, repair, operation, trading, transmission, manufacture, investment, investigation, research, contracting, sub-contracting, licensing, franchising, agency, execution, technical &amp; education services, management, dealings related to, power transmission towers, antennae, transmitters, insulators, conductors, cables, wires and/or all kinds of equipment’s, systems, apparatus, appliances or any other articles whether electronic, electric, mechanical, digital, telephonic, satellite, wireless required in, transmission, storage of power, electricity and/or undertake turnkey contracts, projects, arrangement for erecting power distribution network, energy conversation projects and/or to carry on the business of transmission, distribution, supply, storage, trade in power and/or electricity by conventional and/or nonconventional methods and/or to carry on all kinds of infrastructure projects including active/passive telecom infrastructure, maintenance of infrastructure of dark fibre through OPGW /cabling, right of way, duct Space and towers on lease / rent out basis and to acquire space for provision of co-location facilities for such infrastructure activities and to do all such ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes and/or to acquire or invest or form joint venture in companies/entities who are carrying out any of the aforesaid activities.”</i></p>
November 15, 2020	<p>Clause 3 of the Memorandum of Association was amended to reflect insertion of the following clause pursuant to the scheme of amalgamation between our Company, SPGVL and their respective shareholders, as approved by the National Company Law Tribunal, Mumbai Bench by way of its order dated May 22, 2020:</p> <p><i>“To carry on the business of design, planning, building, development, engineering, erecting, marketing, import, export, purchase, sale, transfer, lease, assemble, install, commission, maintain, repair, operation, trading, transmission, manufacture, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment required in generation, transmission and storage of power and undertake turnkey contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations.”</i></p> <p>For details in relation to the scheme of amalgamation, please see the section entitled “<i>History and Other Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since the date of incorporation</i>” on page 231.</p>
November 15, 2020	<p>Amendment to Clause 5 of the Memorandum of Association to reflect increase in the authorised share capital from ₹ 232,800,000 (Rupees two hundred thirty two million eight hundred thousand) divided into 80,000,000 (Eighty million) equity shares of ₹ 2 each and 36,400,000 (Thirty six million four hundred thousand) redeemable preference shares of ₹ 2 each to ₹ 17,532,800,000 (Rupees seventeen billion five hundred and thirty two million eight hundred thousand) divided into 6,380,000,000 (six billion three hundred and eighty million) equity shares of ₹ 2 each and 470,000,000 (Four hundred and seventy million) optionally convertible redeemable preference shares of ₹ 10 each and 36,400,000 (Thirty six million four hundred thousand) redeemable preference shares of ₹ 2 each pursuant to the scheme of arrangement between SPGVL, our Company and their respective shareholders as sanctioned by the National Company Law Tribunal, Mumbai Bench by way of its order dated May 22, 2020.</p> <p>For details in relation to the scheme of amalgamation, please see the section entitled “<i>History and Other Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since the date of incorporation</i>” on page 231.</p>

### Major events and milestones in the history of our Company

The table below sets forth the key events in the history of our Company:

Calendar Years	Particulars
2015	<ul style="list-style-type: none"> <li>• Incorporation of our Company</li> </ul>
2016	<ul style="list-style-type: none"> <li>• Commissioned the RTCL Project</li> </ul>

Calendar Years	Particulars
	<ul style="list-style-type: none"> <li>Commissioned the Jalandhar-Samba line, a section of our NRSS-XXIX Project</li> <li>Invested in the Finland-based company, Sharper Shape Inc.</li> <li>Demerged from STL</li> <li>Won the bids for the Arcoverde and Vineyards projects in Brazil</li> <li>Set up an infrastructure investment trust (IndiGrid) in accordance with the SEBI (Infrastructure Investment Trust) Regulations, 2014</li> </ul>
2017	<ul style="list-style-type: none"> <li>Won the bid for the Novo Estado Project in Brazil</li> <li>Transferred two projects (held by BDTCL and JTCL) to IndiGrid</li> <li>The units of IndiGrid are listed on the Stock Exchanges.</li> </ul>
2018	<ul style="list-style-type: none"> <li>Acquired 28.41% stake in SPGVL (now merged into our Company) from, amongst others, Standard Chartered Private Equity</li> <li>Won six new transmission projects in Brazil (being, Dunas, Borborema, Sao Francisco, Goyaz, Marituba and Solaris)</li> <li>Commissioned other elements of the NRSS-XXIX Project</li> <li>Won the Pampa Project, a transmission project in Brazil; taking the project count in Brazil to 10</li> <li>Entered into a Public Private Partnership with Gurugram Smart City to build an intra city fibre network</li> </ul>
2019	<ul style="list-style-type: none"> <li>Won an order of approximately US\$ 46.7 million from for supply of ACCC (Aluminum Conductor Composite Core) Conductor</li> <li>Entered into agreements with IndiGrid for the sale of four transmission assets to IndiGrid</li> </ul>
2020	<ul style="list-style-type: none"> <li>Received accreditation for our OPGW laboratory (17025:2017) from the National Accreditation Board for Testing and Calibration Laboratories (NABL)</li> <li>Addition of three Inter-State Transmission System (ISTS) projects to our portfolio (Western Region Strengthening Scheme - XIX (WRSS-XIX), North Eastern Region Strengthening Scheme – IX (NERSS-IX) and Western Region Strengthening Scheme – XXI (WRSS-XXI))</li> <li>Commissioned the GPTL Project</li> <li>Concluded sale of three Brazilian assets: Arcoverde, Novo Estado and Pampa</li> <li>ENICL flipped to IndiGrid</li> </ul>
2021	<ul style="list-style-type: none"> <li>NER and GPTL flipped to IndiGrid</li> <li>Investment by AMP Capital in the Investee HoldCos</li> </ul>

#### Awards and accreditations or recognition

Calendar Year	Particulars
2018	<ul style="list-style-type: none"> <li>Our Company was awarded the ‘Commendation for Significant Achievement in Environment Management’ for commendable results from deployment of policies and processes (turnover of ₹ 50-499 crores) at the CII – ITC Sustainability Awards, 2018.</li> <li>Our Company was awarded the ‘Corporate BBS Award’ in the power category by the Forum of Behavioural Safety.</li> </ul>
2019	<ul style="list-style-type: none"> <li>Our Company was the Gold Winner at the IPMA Project Excellence Awards, in the mega sized category for the NRSS-XXIX Project.</li> </ul>
2020	<ul style="list-style-type: none"> <li>Our Company was awarded the ‘Project of the Year Award’ at the PMJ India Awards, 2020 in the large category for the project developed by NER (“<b>NRSS-XXIX Project</b>”) by the Project Management Institute.</li> <li>Our Company was awarded the ‘Process Innovation of the Year’ at The Economic Times Innovation Awards 2020.</li> <li>Our Company was awarded the ‘Golden Peacock Occupational Health &amp; Safety Award 2020’ by the Institute of Directors, India.</li> <li>Our Company was awarded The Year in Infrastructure 2020 Award, in the utilities and communications category by Bentley Systems, Inc.</li> <li>Our Company was awarded ‘Utility Deal of the Year’ and ‘Utility M&amp;A Deal of the Year’ at the Asset Triple A Asia Infrastructure Awards 2020.</li> <li>Our Company was the Gold Winner at the IPMA Global Project Excellence Awards, in the small/medium sized projects category for the Ganga River crossing for the 400 kV D/C quad conductor Purnia – Bihar Shariff transmission line restoration</li> <li>Our Company was the Bronze Winner at the IPMA Global Project Excellence Awards in the large sized project category for the project developed by GPTL</li> </ul>
2021	<ul style="list-style-type: none"> <li>Our Company was certified as a great workplace by the Great Place to Work Institute, India</li> </ul>

## **Corporate profile of our Company**

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, capacity build-up, location of manufacturing plants, technology, and managerial competence, as applicable to us, please see the sections entitled “*Our Business*”, “*Our Management*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Government and Other Approvals*” on pages 185, 269, 405, and 451, respectively.

### **Time or cost overrun**

Except as disclosed the section entitled “*Risk Factors*” on page 36, or condoned by way of an order passed by the CERC, there have been no time over run or cost overruns compared to lender’s estimates pertaining to setting up of projects and the business operations undertaken by our Subsidiaries and the Investee SPVs.

### **Defaults or rescheduling/restructuring of borrowings**

The facilities availed by KTL, our Subsidiary, have been classified as Restructured Standard Assets from July 1, 2021, in accordance with the relevant RBI regulations, due to a delay in achieving SCOD on account of the required rerouting of the transmission lines and the COVID-19 pandemic. Our Company proposes to utilise the Net Proceeds from the Issue towards repayment of such borrowings availed by KTL. For details, please see the section entitled “*Objects of the Issue*” on page 106.

Except as mentioned above, there have been no defaults or rescheduling/ restructuring of borrowings with financial institutions/banks in respect of our Company’s, Subsidiaries’ and the Investee SPV’s borrowings.

### **Significant financial and strategic partners**

As of the date of this Draft Red Herring Prospectus, our Company has:

- (i). a significant strategic partnership with IndiGrid. For details in relation to our strategic partnership with IndiGrid, please see the sections entitled “*History and Other Corporate Matters - Shareholders’ agreements and other agreements*” and “*Our Business*” on pages 232 and 185 respectively;
- (ii). a significant financial and strategic partnership with AMP Capital, on behalf of its Global Infrastructure Fund II, in relation to the investment by AMP Capital in the Investee HoldCos. For details in relation to our strategic partnership with AMP Capital, please see the section entitled “*History and Other Corporate Matters - Shareholders’ agreements and other agreements*” on page 232;
- (iii). significant strategic partnerships with Smart Wires Inc., Electra Power (PTY) Ltd., Taihan Cable & Solution Co., Ltd., Lamifil Nv, EB REBOSIO SRL and Mosdorfer India Private Limited in relation to our business operations. For details in relation to our strategic partnerships with such entities, please see the section entitled “*History and Other Corporate Matters - Shareholders’ agreements and other agreements*” on page 232; and
- (iv). a significant strategic partnership with Sharper Shape Group Inc. (“**Sharper Shape**”), in relation to the investment by our Company in Sharper Shape. For details in relation to our strategic partnership with Sharper Shape, please see the sections entitled “*History and Other Corporate Matters - Shareholders’ agreements and other agreements*” and “*Our Business*” on pages 232 and 185 respectively.

### **Capacity/facility creation, location of plants**

For details regarding capacity/ facility creation and location of the transmission lines and plants of our Company, our Subsidiaries and the Investee SPVs, please see the section entitled “*Our Business*” beginning on page 185.

### **Launch of key products or services, entry in new geographies or exit from existing markets**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, please see the sections entitled “*Our Business*” and “*History and Certain Corporate Matters - Major Events and Milestones of our Company*” on pages 185 and 228, respectively.

### **Total number of shareholders of our Company**

As on the Friday prior to date of this Draft Red Herring Prospectus (being, August 13, 2021), our Company had 105,722 shareholders. For details, please see the section entitled “*Capital Structure – Shareholding Pattern of our Company*” on page 92.

## **Our holding company**

Twin Star Overseas Limited is our holding company. For details, please see the section entitled “*Our Promoters and Promoter Group*” on page 284.

## **Our Subsidiaries and Joint Ventures**

As of the date of this Draft Red Herring Prospectus, our Company has 35 Subsidiaries (26 directly held Subsidiaries, 9 indirectly held Subsidiaries). For details, please see the section entitled “*Our Subsidiaries and Joint Ventures*” on page 237. Further, our Company has investments in 4 Investee HoldCos and 4 Investee SPVs. For details, please see the sections entitled “*History and Other Corporate Matters - Shareholders’ agreements and other agreements*” and “*Our Subsidiaries and Joint Ventures*” on pages 232 and 237.

## **Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., since the date of incorporation**

Except as disclosed below and in the sections entitled “*History and Other Corporate Matters - Shareholders’ agreements and other agreements*” and “*Our Business*” on pages 232 and 185 respectively, our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets, since the date of incorporation:

### ***Scheme of arrangement between Sterlite Technologies Limited, our Company and their respective shareholders as sanctioned by the High Court of Bombay by way of its order dated April 22, 2016***

Our Company entered into a scheme of arrangement with STL and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 2013 read with Sections 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013, which was sanctioned by the High Court of Bombay by way of its order dated April 22, 2016 (the “**Demerger Scheme**”). The Demerger Scheme provided for, amongst other things, the demerger and transfer of the power products and transmission grid business of STL, including amongst others, all relevant assets, liabilities, contracts, deeds, employees and legal proceedings (the “**Demerged Undertaking**”) into our Company, as a going concern. The Demerger Scheme was effective from May 23, 2016.

### ***Rationale for the Demerger Scheme***

The potential benefits of the demerger, as set out in the Demerger Scheme, included, amongst others:

- (i) allowing each business to create a strong and distinct platform which enables greater flexibility to pursue long-term objectives;
- (ii) enabling accelerated growth of the telecom business and allowing the power business to explore suitable strategies to fund its growth plans;
- (iii) offering shareholders a clear focused investment opportunity in the telecom sector and thereby unlocking value of their holdings; and
- (iv) allowing shareholders to align with their investment philosophy by continuing to participate in the long term capital intensive power sector if they choose or select available options to fairly and appropriately exit.

### ***Consideration and Operation of the Demerger Scheme***

As consideration for the transfer of the Demerged Undertaking to our Company, our Company issued and allotted securities (including Equity Shares and Preference Shares) to the eligible shareholders and global depository receipt holders of STL in proportion to their shareholding in STL and provided an option to the shareholders of STL to elect the securities being issued. Further, pursuant to the Demerger Scheme, the Company was required to list its redeemable preference shares. While our Company had made an application before SEBI for listing of the redeemable preference shares pursuant to the Demerger Scheme, our Company, for the purposes of protecting the interest of the redeemable preference shareholders, varied the terms of the redeemable preference shares for an early redemption at the redemption value set out in the Demerger Scheme. Such variation was approved by our Board of Directors by way of their resolution dated November 13, 2017 and the redeemable preference shareholders by way of a resolution dated December 21, 2017. Accordingly, our Company withdrew the application for listing of the redeemable preference shares pursuant to the Demerger Scheme and the redeemable preference shares were redeemed. For details please see the sections entitled “*Risk Factors - Our Company has, in the past, withdrawn its application for listing its redeemable preference shares*” and “*Capital Structure*” on pages 48 and 89, respectively.

The Demerger Scheme, amongst other things, prescribed that all equity shares issued by our Company to STL stood cancelled, extinguished, annulled from the effective date of the Demerger Scheme. In accordance with the Demerger Scheme, our Company also increased its authorized share capital to facilitate issue of securities under the Demerger Scheme.

***Scheme of amalgamation between Sterlite Power Grid Ventures Limited, our Company and their respective shareholders as sanctioned by the National Company Law Tribunal, Mumbai Bench by way of its order dated May 22, 2020***

Our Company entered into a scheme of amalgamation with SPGVL and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, which was sanctioned by the National Company Law Tribunal, Mumbai Bench by way of its order dated May 22, 2020 (the “**Merger Scheme**”). The Merger Scheme provided for, amongst other things, the amalgamation and vesting of the assets, liabilities and entire business of SPGVL, which was our wholly-owned subsidiary, with our Company. The Merger Scheme was effective from November 15, 2020.

***Rationale for the Merger Scheme***

The potential benefits of the amalgamation, as set out in the Merger Scheme, included, amongst others:

- (i) streamlining of the corporate structure and consolidation of investments within our Company;
- (ii) pooling of resources of SPGVL with the resources of our Company resulting in stronger balance sheet to meet future investment requirements;
- (iii) cost savings through legal entity rationalisation; and
- (iv) reduction of administrative responsibilities, multiplicity of records and legal and regulatory compliances.

***Scheme of amalgamation between Sterlite Grid 4 Limited, our Company and their respective shareholders***

Our Company and SGL4 have filed an application dated March 26, 2021 before the National Company Law Tribunal, Mumbai Bench praying for, amongst other things, the sanction of a scheme of amalgamation between our Company and SGL4 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**SGL4 Merger Scheme**”). The Board of Directors have approved the SGL4 Merger Scheme by way of their resolution dated March 22, 2021. The SGL4 Merger Scheme provides for the transfer and vesting of the assets, liabilities, and entire business of SGL4, on a going concern basis with our Company. The SGL4 Merger Scheme is not effective as on the date of this Draft Red Herring Prospectus.

***Rationale for the SGL4 Merger Scheme***

The potential benefits of the amalgamation, as set out in the SGL4 Merger Scheme, include, amongst others:

- (i) streamlining of the corporate structure and consolidation of assets and liabilities of SGL4 within our Company;
- (ii) more efficient utilization of capital for enhanced development and growth of the consolidated business in one entity;
- (iii) easier implementation of corporate actions through simplified compliance structure;
- (iv) improvement in management oversight and bring in operational efficiencies;
- (v) cost savings through legal entity rationalisation and consolidation of various functions, business processes, elimination of duplicate expenses, etc.;
- (vi) reduction of administrative responsibilities, multiplicity of records and legal and regulatory compliances;
- (vii) efficient servicing/repayment of overall external debt;
- (viii) stronger balance sheet and net worth of our Company entails scope for better facilitation terms with existing and potential lenders to meet capital needs for business purposes; and
- (ix) the increased asset base of our Company would benefit all the stakeholders including the creditors of both SGL4 and our Company, who would continue to be associated with our Company.

**Shareholders’ agreements and other agreements**

***Key terms of subsisting shareholders’ agreements***

As of the date of this Draft Red Herring Prospectus, there are no subsisting shareholders’ agreements entered into in relation to our Company.

***Agreements with Key Managerial Personnel, Directors, Promoters or any other employee***

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Promoters or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

***Key terms of agreements with strategic partners***

1. ***Business collaboration agreement dated March 22, 2021 entered into between Lamifil Nv (“**Lamifil**”) and our Company (“**Lamifil Agreement**”)***

Pursuant to the Lamifil Agreement, our Company and Lamifil have agreed to collaborate and create a standard framework for Gap type conductors, thereby mutually benefitting from the Indian market. It has been agreed that our Company will

participate in tenders issued by PGCIL for amongst others, the supply of GAP type conductors, and Lamifil will exclusively partner and collaborate with our Company in relation to the same. Pursuant to the Lamifil Agreement, our Company will be identified as the prime contractor or bidder while Lamifil may be identified as the licensor. Further, pursuant to the Lamifil Agreements, our Company has agreed to, indemnify Lamifil, its affiliates, officers, directors, representatives, employees and agents for identified losses resulting from events such as breach of representations and warranties and breach of applicable law.

2. *Memorandum of Understanding dated December 2, 2020 entered into between Taihan Cable & Solution Co., Ltd. (“**Taihan**”) and our Company (“**Taihan MoU**”)*

Pursuant to the Taihan MoU, our Company and Taihan have agreed to create a standard framework to work together on projects and tenders and also pursue a long term association for the EPC of cable system projects in a phased manner. The parties have agreed to collaborate in the following manner, amongst others: (i) both Taihan and our Company shall supply a certain quantity of cables, as may be required in accordance with the specific bid; (ii) alternatively, Taihan shall supply accessories and erection services to our Company, on a case-to-case basis; and (iii) Taihan shall provide a trained supervisor at the site of the project during the period of construction. The Taihan MoU is an exclusive agreement between the parties with respect to the services mentioned above and as set out in the Taihan MoU.

3. *Memorandum of understanding dated December 19, 2019 between Mosdorfer India Private Limited (“**Mosdorfer**”), EB REBOSIO SRL (“**Bonomi**”) and our Company (“**BE MoU**”)*

Pursuant to the BE MoU, our Company, Mosdorfer and Bonomi have agreed to evaluate potential opportunities to offer combined services and products to customers in India. Such services and products are in relation to insulated cross arms of system voltage 66 kV and in accordance to the BE MoU, our Company will, amongst others, provide site data, drawings of towers and foundation while Bonomi and Mosdorfer will, amongst other things, (i) design and provide desired insulated arms; and (ii) provide the desired hardware for fitment and conductor connectivity, respectively. Further, our Company has agreed to, indemnify Mosdorfer and Bonomi for losses resulting from events such as breach of covenants or wilful misconduct. The BE MoU is effective from December 4, 2019 and is valid up till December 4, 2022.

4. *Memorandum of understanding dated July 1, 2019, as amended on January 1, 2020 between Smart Wires Inc. (“**Smart Wires**”) and our Company (“**Smart Wires MoU**”)*

Pursuant to the Smart Wires MoU, our Company and Smart Wires have agreed to evaluate potential opportunities to offer services to customers in India. Such services are in relation to the certain products of Smart Wires and in accordance with the Smart Wires MoU, our Company will, amongst others, be responsible for marketing the products in India and securing sales of the products. Smart Wires has agreed to amongst other things, ship the products to India, and be available to our Company for limited technical sales support. The Smart Wires MoU is valid up till March 31, 2022, subject to certain conditions and the occurrence of certain conditions such as any breach of the terms of the Smart Wires MoU or force majeure events. Our Company has agreed to, indemnify Smart Wires for losses resulting from events such as breach of covenants or wilful misconduct. The Smart Wires MoU is an exclusive agreement between the parties with respect to the services mentioned above and as set out in the Smart Wires MoU.

5. *Memorandum of understanding dated December 27, 2018, as amended on January 1, 2020 and December 1, 2020, between Elektra Power (PTY) Limited (“**Elektra**”) and our Company (“**Elektra MoU**”)*

Pursuant to the Elektra MoU, our Company and Elektra have agreed to create a standard framework to use their expertise to offer combined services in relation to the business of energy transmission in infrastructure and overhead power lines, and respond to identified commercial opportunities. In accordance with the Elektra MoU, our Company and Elektra will collaborate on various aspects in relation to the overhead power lines, including amongst others, customer need identification, submission of bids and execution of the projects. The Elektra MoU is valid up till December 26, 2022. However, subject to certain conditions, our Company has the right to terminate the Elektra MoU upon a breach by Elektra of its obligations under the Elektra MoU or by providing a prior notice to Elektra. The Elektra MoU is an exclusive agreement between the parties with respect to the services mentioned above.

6. *Adherence agreement dated July 29, 2016 entered into between Sharper Shape Group Inc. and our Company (“**Adherence Agreement**”)*

Our Company and the Sharper Shape Group Inc. have entered into the Adherence Agreement whereby our Company agreed to subscribe to a new issue of 17,241 shares of preferred stock in Sharper Shape Group for the amount of 1,500,000 Euros. The investment will be used primarily for the development of the business, in accordance with the business plan including the expansion of business in India and only thereafter for distribution of profits. The adherence agreement is effective from July 29, 2016.



### **Key terms of other subsisting material agreements**

1. *Four investment agreements dated December 28, 2020, as amended on March 30, 2021, executed between (i) our Company, AMP Capital, SGL13 and VNLTL; (ii) our Company, AMP Capital, SGL14 and UKTL; (iii) our Company, AMP Capital, SGL18 and LVTPL; and (iv) our Company, AMP Capital, SGL5, SGL29 and GTTPL (collectively, the “AMP Capital Investment Agreements”) and the framework agreement dated December 28, 2020, as amended and restated on March 30, 2021, executed between our Company and AMP Capital (“AMP Capital Framework Agreement”).*

Pursuant to the AMP Capital Framework Agreement and the AMP Capital Investment Agreements, our Company and AMP Capital had agreed to invest in the Investee HoldCos, being SGL13, SGL14, SGL18 and SGL29 (which were wholly owned subsidiaries of our Company prior to the investments made in terms of the AMP Capital Investment Agreements and the AMP Capital Framework Agreement), which are engaged in the business of developing, constructing, owning, operating and maintaining power transmission systems and providing project management services in relation to power transmission systems in India, in a manner wherein our Company and AMP Capital each will own 50% of the equity capital of the Investee HoldCos. In accordance with the AMP Capital Investment Agreements, such investments in the Investee HoldCos were made (i) in respect of AMP Capital, by way of subscription to certain securities of the relevant Investee HoldCo and purchase of certain securities of the relevant Investee HoldCo from our Company for the purchase consideration as set out in the AMP Capital Investment Agreements; and (ii) in respect of our Company, by way of subscription to certain securities of the relevant Investee HoldCos.

The AMP Capital Investment Agreements set out, amongst other things, (i) the process of subscription of securities by the parties to the AMP Capital Investment Agreements in each Investee HoldCo; (ii) the process of sale of securities of each Investee HoldCo by our Company to AMP Capital; and (iii) the rights and obligation of the parties in relation to each Investee HoldCo (including the independent governance framework for each Investee HoldCo). Accordingly, in terms of the AMP Capital Investment Agreements, our Company and AMP Capital have certain rights and obligations including, among others, (i) the right to appoint nominee directors on the board of directors of the Investee HoldCos; (ii) certain reserved matter rights; (iii) rights in relation to the appointment of key managerial personnel for the Investee HoldCos; and (iv) certain transfer restrictions on any proposed transfers of shares by the parties; (v) information rights; and (vi) confidentiality obligations. Further, the AMP Capital Investment Agreements provide for certain obligations that may be imposed on our Company in the event that there is change of control of our Company, which is defined as the change pursuant to which Volcan Investments Limited no longer has the ability to ensure that the activities and business of our Company are conducted in accordance with its directions, directly or indirectly. These obligations may include, at the option of AMP Capital, the purchase of all the securities held by AMP Capital in the relevant Investee HoldCo by the Company or the sale of all the securities held by the Company in the relevant Investee HoldCo to AMP Capital. Similar obligations apply on our Company in the event Pratik Pravin Agarwal ceases to be associated with the business of our Company in any manner (except for reasons attributable to restrictions under applicable law or due to death or disability) prior to the project under the Investee HoldCos achieving COD.

Pursuant to the AMP Capital Investment Agreements, our Company has agreed to, indemnify AMP Capital, its Affiliates, officers, directors, representatives, employees and agents for identified losses resulting from events such as breach of representations and warranties and breach of covenants.

Further, in addition to the AMP Capital Investment Agreements, our Company and AMP Capital have entered into the AMP Capital Framework Agreement to set out, among others, their rights and obligations in respect of any cost overruns in the projects being carried out by GTTPL, UKTL, LVTPL and VNLTL, the overall bidding and participation procedure to be followed in case of any new projects and certain information rights of AMP Capital.

2. *Framework agreement dated April 30, 2019, as amended on August 28, 2020, executed between Axis Trustee Services Limited, our Company and IndiGrid Investment Managers Limited (“IGT Framework Agreement”)*

Pursuant to the IGT Framework Agreement, IndiGrid had agreed to acquire three projects, GPTL, KTL and NER from SPGVL, out of which 49% of GPTL (with 100% economic ownership) and 49% of NER has already been acquired from SGL4. Accordingly, IndiGrid has agreed to acquire KTL from our Company, either directly or through acquisition of the holding company of KTL, subject to a definitive share purchase agreement being entered into within the earlier of 24 months from the date of commissioning of KTL or December 31, 2022.

The consideration payable by IndiGrid for the acquisition of the issued and paid-up capital of KTL will be mutually agreed upon in the respective share purchase agreements on the basis of the enterprise value of KTL, as set out in the IGT Framework Agreement. Such enterprise value is subject to certain adjustments such as adjustments based on the findings in the due diligence of such assets, its operations conducted by IndiGrid Investment Managers Limited and/or its advisors on behalf of IndiGrid and the prevailing interest rate at the time of the share purchase agreement.

Further, the parties to the IGT Framework Agreement have agreed that from the date of the IGT Framework Agreement until the date of acquisition, our Company (including its officers, shareholders, directors, employees, or Affiliates) may

not, without the prior written consent of IndiGrid, conduct certain activities, such as: (i) purchase of the shares of KTL and/ or its holding company; (ii) sale or disposal of a substantial portion of the business and/ or assets of KTL and/ or its holding company; (iii) issuance of any securities of KTL and/ or its holding company; (iv) merger, amalgamation, consolidation or any rearrangement of KTL and/ or its holding company; and/or (v) creation of any encumbrance on the shares of the KTL and/ or its holding company.

The IGT Framework Agreement may be terminated, in certain circumstances, including (i) by mutual consent of the parties to the IGT Framework Agreement; and (ii) if KTL is not acquired within the timelines prescribed in the IGT Framework Agreement, unless it is mutually agreed to extend the timeline.

3. *Share purchase agreement dated March 5, 2021, as amended, along with the amended and restated share purchase agreement dated June 29, 2021 executed between Axis Trustee Services Limited, IndiGrid Investment Managers Limited, SGL4 and NER (“NER Share Purchase Agreement”)*

Pursuant to the NER Share Purchase Agreement, IndiGrid proposes to acquire 100% of the issued, subscribed and paid up equity share capital of NER. IndiGrid has agreed to pay a consideration amounting to the equity value of NER, as adjusted in accordance with the NER Share Purchase Agreement.

Pursuant to the NER Share Purchase Agreement, NER will stand transferred to IndiGrid subject to the satisfaction of certain conditions precedent such as: (i) each of our Company, SGL4 and NER having obtained necessary corporate approvals necessary for the Proposed Transaction; (ii) each of our Company, SGL4 and NER, as applicable, having obtained regulatory approvals and no-objection certificates that are required, if any; (iii) delivery of evidence of shareholding of the shares in NER by SGL4 to IndiGrid; (iv) procuring consents, no dues or no claim certificates, invoices, no objection certificates and approvals (including the commercial operation date related approvals) from various parties, as specified in the NER Share Purchase Agreement; and (v) each of our Company, SGL4 and NER, as applicable, having performed and complied with agreements, obligations and conditions as set out in the NER Share Purchase Agreement.

Pursuant to the NER Share Purchase Agreement, our Company and SGL4 have agreed to, jointly and severally, indemnify IndiGrid, the IndiGrid Investment Managers Limited and NER, for identified losses resulting from events such as breach of representations and warranties, breach of covenants, fraud and wilful defaults and claims in relation to certain specified items and approvals, as specifically laid out in the NER Share Purchase Agreement.

4. *Share purchase agreement dated August 28, 2020 executed between Axis Trustee Services Limited, IndiGrid Investment Managers Limited, SGL4, GPTL and our Company (“GPTL Share Purchase Agreement”)*

Pursuant to the GPTL Share Purchase Agreement, IndiGrid proposes to acquire 100% of the issued, subscribed and paid up equity share capital of GPTL from SGL4. IndiGrid has agreed to pay a consideration amounting to the equity value of GPTL calculated in the manner set out in the GPTL Share Purchase Agreement.

Pursuant to the GPTL Share Purchase Agreement, our Company and SGL4 have agreed to, jointly and severally, indemnify IndiGrid, the IndiGrid Investment Managers Limited and GPTL, for identified losses resulting from events such as breach of representations and warranties, breach of covenants, fraud and wilful defaults and claims in relation to certain specified items and approvals, as specifically laid out in the GPTL Share Purchase Agreement.

As on the date of this Draft Red Herring Prospectus and pursuant to the GPTL Share Purchase Agreement, IndiGrid holds 49% of the issued, subscribed and paid-up share capital (with 100% economic ownership) of GPTL.

5. *Shareholders agreement dated April 30, 2019 executed between Electron IM Pte. Ltd., IndiGrid Investment Managers Limited and our Company, as amended and restated on August 4, 2020 (“IM SHA”)*

Pursuant to the share subscription and purchase agreement dated April 30, 2019 entered into by our Company, IndiGrid Investment Managers Limited and Electron IM Pte. Ltd. (“IM SSPA”), Electron IM Pte. Ltd., currently owns 74% of the paid-up equity share capital of IndiGrid Investment Managers Limited.

The IM SHA provides for, amongst other things, (i) the composition of the board of directors of IndiGrid Investment Managers Limited; (ii) a lock-in of two years in relation to the transfer of equity shares of IndiGrid Investment Managers Limited held by our Company; and (iii) certain other transfer restrictions in relation to the equity shares held by our Company in IndiGrid Investment Managers Limited. The IM SHA shall be terminated (a) automatically (i) in case of termination of the IM SSPA; (ii) with respect to Electron IM Pte. Ltd. and its affiliates, upon Electron IM Pte. Ltd. ceasing to hold any securities of IndiGrid Investment Managers Limited; and (iii) with respect to our Company and our affiliates, upon our Company ceasing to hold at least 10% shares of IndiGrid Investment Managers Limited on a fully diluted basis.

6. *Inter-se sponsor agreement dated April 30, 2019, executed between our Company and Esoteric II Pte. Ltd. (“Esoteric” and such agreement, the “Inter-Se Agreement”)*

The Inter-Se Agreement records the designation of Esoteric as a “sponsor” of IndiGrid (along with our Company) and the *inter se* rights and obligations between our Company and Esoteric as sponsors of IndiGrid.

Pursuant to the Inter-Se Agreement, the Sponsor and Esoteric have agreed that, subject to the terms and conditions of the IGT Framework Agreement and the relevant share purchase agreements, if any resolution approving (i) the acquisition of KTL; or (ii) the agreement in relation to such acquisitions, is placed before a meeting of unitholders of IndiGrid in line with the IGT Framework Agreement and subject to the investment manager of IndiGrid making a favourable recommendation to the unitholders for approval of such resolution, both our Company and Esoteric shall vote in favour of such a resolution. Further, our Company has agreed that it shall not, and shall ensure that its affiliates holding units shall not vote on any resolution that involves any transaction between itself and IndiGrid. Further, the affiliates of our Company shall not, directly or indirectly, transfer any units or any legal or beneficial interest therein during the term of the Inter-se Agreement, except as permitted thereunder.

The Inter-se Sponsor Agreement may be terminated, automatically, upon the later of Esoteric and its affiliates (i) ceasing to hold any units; or (ii) not being permitted by SEBI or ceasing to be a sponsor of IndiGrid in accordance with applicable law; and (c) automatically, upon our Company ceasing to be a sponsor of IndiGrid under applicable law.

7. *Investment Agreement dated June 21, 2021 executed between Sterlite Brazil Participações S.A., (“Sterlite Brazil”), Vinci Energia Fundo de Investimento em Participações em Infraestrutura (“Vinci Energia”), V2I Energia S.A. (“V2I”) and Vineyards Participações S.A. (“Vineyards”)*

On June 21, 2021, Sterlite Brazil, Vinci Energia, V2I and Vineyards has signed an investment agreement in which Vinci Energia was granted a purchase option to the totality of the shares held by Sterlite Brazil in Vineyards. This means that Vinci Energia has the option to acquire the corporate control of Vineyards.

Other than as disclosed above, our Company has not entered into any subsisting material agreement including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

#### **Guarantees given by our Promoters**

Our Promoters have not provided any guarantees on behalf of our Company. For details, see “*Our Promoters and Promoter Group*” and “*Financial Indebtedness*” on pages 284 and 401, respectively.

## OUR SUBSIDIARIES AND JOINT VENTURES

As of the date of this Draft Red Herring Prospectus, our Company has 36 Subsidiaries (26 directly held Subsidiaries, 10 indirectly held Subsidiaries), four Investee HoldCos, four Investee SPVs.

Our Company has the following Subsidiaries:

1. Sterlite Grid 4 Limited;
2. Sterlite Grid 5 Limited;
3. Sterlite Grid 6 Limited;
4. Sterlite Grid 7 Limited;
5. Sterlite Grid 8 Limited;
6. Sterlite Grid 9 Limited;
7. Sterlite Grid 10 Limited;
8. Sterlite Grid 11 Limited;
9. Sterlite Grid 12 Limited;
10. Sterlite Grid 15 Limited;
11. Sterlite Grid 16 Limited;
12. Sterlite Grid 17 Limited;
13. Sterlite Grid 19 Limited;
14. Sterlite Grid 20 Limited;
15. Sterlite Grid 21 Limited;
16. Sterlite Grid 22 Limited;
17. Sterlite Grid 23 Limited;
18. Sterlite Grid 24 Limited;
19. Sterlite Grid 25 Limited;
20. Sterlite Grid 26 Limited;
21. Sterlite Grid 27 Limited;
22. Sterlite Grid 28 Limited;
23. Sterlite Grid 30 Limited;
24. Sterlite EdIndia Foundation;
25. Sterlite Convergence Limited;
26. Onegrid Limited;
27. Khargone Transmission Limited;
28. Sterlite Brazil Participações S.A.;
29. Vineyards Participações S.A.;
30. São Francisco Transmissão de Energia S.A.;
31. SE Vineyards Transmissão de Energia S.A.;
32. Borborema Transmissão de Energia S.A.;
33. Goyaz Transmissão de Energia S.A.;
34. Marituba Transmissão de Energia S.A.;
35. Solaris Transmissão de Energia S.A.; and
36. Borborema Participações S.A.

Our Company has investments in the following Investee HoldCos:

1. Sterlite Grid 13 Limited;
2. Sterlite Grid 14 Limited;
3. Sterlite Grid 18 Limited; and
4. Sterlite Grid 29 Limited.

Our Company has indirect investments in the following Investee SPVs:

1. Goa-Tamnar Transmission Project Limited;
2. Udupi Kasargode Transmission Limited;
3. Lakadia Vadodara Transmission Project Limited; and
4. Vapi II - North Lakhimpur Transmission Limited;

## Details of our Subsidiaries

### I. Directly held Subsidiaries

#### *Indian Subsidiaries*

1. Sterlite Grid 4 Limited (“SGL4”)

#### *Corporate information*

SGL4 was incorporated as a public limited company on June 17, 2015 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL4 is U29253PN2015PLC199555. The registered office of SGL4 was shifted from F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065 to 4<sup>th</sup> Floor, Godrej Millennium, 9 Koregaon Road, Pune 411 001 and a certificate of registration of Regional Director order for change of state was issued to us by the RoC on March 17, 2021.

#### *Nature of business*

SGL4 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

#### *Capital structure*

The capital structure of SGL4 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

#### *Shareholding pattern*

The shareholding pattern of SGL4 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Nikita Gupta (as a nominee of our Company)	1	0.002
4.	Ashok Ganesan (as a nominee of our Company)	1	0.002
5.	Saurabh Mathur (as a nominee of our Company)	1	0.002
6.	Shilpi Rungta (as a nominee of our Company)	1	0.002
7.	Amitabh Prasad (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

2. Sterlite Grid 5 Limited (“SGL5”)

#### *Corporate information*

SGL5 was incorporated as a public limited company on September 27, 2016 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL5 is U29190DL2016PLC306470 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

*Nature of business*

SGL5 is engaged in the business of amongst others, (i) manufacturing, designing, planning and building of all kinds of equipment required in generation, transmission and storage of power; (ii) undertaking turn-key contracts for erecting power distribution network and energy conversation projects; (iii) generation, transmission, distribution, supply and storage of power; and (iv) acquiring or investing in companies/entities who are carrying out any of the aforesaid activities.

*Capital structure*

The capital structure of SGL5 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
<b>Issued, subscribed and paid up</b>	
50,000 Equity shares of ₹10 each	₹500,000

*Shareholding pattern*

The shareholding pattern of SGL5 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amitabh Prasad (as a nominee of our Company)	1	0.002
3.	Vivek Goel (as a nominee of our Company)	1	0.002
4.	Ashok Ganesan (as a nominee our Company)	1	0.002
5.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
6.	Saurabh Mathur (as a nominee of our Company)	1	0.002
7.	Nikita Gupta (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

3. Sterlite Grid 6 Limited (“SGL6”)

*Corporate information*

SGL6 was incorporated as a public limited company on August 14, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL6 is U29309DL2017PLC322114 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

*Nature of business*

SGL6 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of SGL6 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
<b>Issued, subscribed and paid up</b>	
50,000 Equity shares of ₹10 each	₹500,000

### Shareholding pattern

The shareholding pattern of SGL6 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
3.	Nikita Gupta (as a nominee of our Company)	1	0.001
4.	Manish Agarwal (as a nominee of our Company)	1	0.001
5.	Ashok Ganesan (as a nominee our Company)	1	0.001
6.	Vivek Singhal (as a nominee of our Company)	1	0.001
7.	Saurabh Mathur (as a nominee of our Company)	1	0.001
<b>Total</b>		50,000	100

#### 4. Sterlite Grid 7 Limited (“SGL7”)

##### Corporate information

SGL7 was incorporated as a public limited company on September 1, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL7 is U29307DL2017PLC323080 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### Nature of business

SGL7 is engaged in the business of amongst others, (i) manufacturing, designing, planning and building of all kinds of equipment required in generation, transmission and storage of power; (ii) undertaking turn-key contracts for erecting power distribution network and energy conversation projects; (iii) generation, transmission, distribution, supply and storage of power; and (iv) acquiring or investing in companies/entities who are carrying out any of the aforesaid activities.

##### Capital structure

The capital structure of SGL7 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
<b>Issued, subscribed and paid up</b>	
50,000 Equity shares of ₹10 each	₹500,000

### Shareholding pattern

The shareholding pattern of SGL7 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.994
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.02
3.	Nikita Gupta (as a nominee of our Company)	1	0.02
4.	Manish Agarwal (as a nominee of our Company)	1	0.02
5.	Ashok Ganesan (as a nominee our Company)	1	0.02
6.	Vivek Singhal (as a nominee of our Company)	1	0.02
7.	Saurabh Mathur (as a nominee of our Company)	1	0.02
<b>Total</b>		50,000	100

#### 5. Sterlite Grid 8 Limited (“SGL8”)

##### Corporate information

SGL8 was incorporated as a public limited company on October 11, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL8 is U29309DL2017PLC324819 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

### *Nature of business*

SGL8 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment's required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

### *Capital structure*

The capital structure of SGL8 is as follows:

<b>Authorised</b>	<b>Aggregate nominal value</b>
50,000 Equity shares of ₹10 each	₹500,000
<b>Issued, subscribed and paid up</b>	
50,000 Equity shares of ₹10 each	₹500,000

### *Shareholding pattern*

The shareholding pattern of SGL8 is as follows:

<b>S. No.</b>	<b>Name of the shareholder</b>	<b>No. of equity shares of ₹ 10 each</b>	<b>Percentage of shareholding (%)</b>
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Nikita Gupta (as a nominee of our Company)	1	0.002
4.	Manish Agarwal (as a nominee of our Company)	1	0.002
5.	Ashok Ganesan (as a nominee our Company)	1	0.002
6.	Vivek Singhal (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

## 6. Sterlite Grid 9 Limited (“SGL9”)

### *Corporate information*

SGL9 was incorporated as a public limited company on October 13, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL9 is U29309DL2017PLC324932 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

### *Nature of business*

SGL9 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment's required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

### *Capital structure*

The capital structure of SGL9 is as follows:

<b>Authorised</b>	<b>Aggregate nominal value</b>
50,000 Equity shares of ₹10 each	₹500,000
<b>Issued, subscribed and paid up</b>	
50,000 Equity shares of ₹10 each	₹500,000



### Shareholding pattern

The shareholding pattern of SGL9 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Nikita Gupta (as a nominee of our Company)	1	0.002
4.	Manish Agarwal (as a nominee of our Company)	1	0.002
5.	Ashok Ganesan (as a nominee our Company)	1	0.002
6.	Vivek Singhal (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

### 7. Sterlite Grid 10 Limited (“SGL10”)

#### Corporate information

SGL10 was incorporated as a public limited company on October 13, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL10 is U29100DL2017PLC324935 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

#### Nature of business

SGL10 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

#### Capital structure

The capital structure of SGL10 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
<b>Issued, subscribed and paid up</b>	
50,000 Equity shares of ₹10 each	₹500,000

### Shareholding pattern

The shareholding pattern of SGL10 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Vivek Singhal (as a nominee of our Company)	1	0.002
4.	Manish Agrawal (as a nominee of our Company)	1	0.002
5.	Ashok Ganesan (as a nominee our Company)	1	0.002
6.	Nikita Gupta (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

### 8. Sterlite Grid 11 Limited (“SGL11”)

#### Corporate information

SGL11 was incorporated as a public limited company on October 13, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL11 is U29309DL2017PLC324944 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

*Nature of business*

SGL11 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment's required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of SGL11 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

*Shareholding pattern*

The shareholding pattern of SGL11 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Vivek Singhal (as a nominee of our Company)	1	0.002
4.	Manish Agrawal (as a nominee of our Company)	1	0.002
5.	Ashok Ganesan (as a nominee our Company)	1	0.002
6.	Nikita Gupta (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

9. Sterlite Grid 12 Limited (“SGL12”)

*Corporate information*

SGL12 was incorporated as a public limited company on October 16, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL12 is U29304DL2017PLC325034 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

*Nature of business*

SGL12 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment's required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of SGL12 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

#### Shareholding pattern

The shareholding pattern of SGL12 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Vivek Singhal (as a nominee of our Company)	1	0.002
4.	Manish Agrawal (as a nominee of our Company)	1	0.002
5.	Ashok Ganesan (as a nominee our Company)	1	0.002
6.	Nikita Gupta (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

#### 10. Sterlite Grid 15 Limited (“SGL15”)

##### Corporate information

SGL15 was incorporated as a public limited company on September 25, 2018 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SGL15 is U29309DL2018PLC339442 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### Nature of business

SGL15 is engaged in the business manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment's required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

##### Capital structure

The capital structure of SGL15 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

#### Shareholding pattern

The shareholding pattern of SGL15 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Saikrishna Bendapudi (as a nominee of our Company)	1	0.002
4.	Shilpi Rungta (as a nominee of our Company)	1	0.002
5.	Ashok Ganesan (as a nominee our Company)	1	0.002
6.	Nikita Gupta (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

11. Sterlite Grid 16 Limited (“SGL16”)

*Corporate information*

SGL16 was incorporated as a public limited company on January 30, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL16 is U29249DN2019PLC005563 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

*Nature of business*

SGL16 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of SGL16 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

*Shareholding pattern*

The shareholding pattern of SGL16 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Saikrishna Bendapudi (as a nominee of our Company)	1	0.002
4.	Shilpi Rungta (as a nominee of our Company)	1	0.002
5.	Vivek Goel (as a nominee our Company)	1	0.002
6.	Vivek Singhal (as a nominee of our Company)	1	0.002
7.	Nikita Gupta (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

12. Sterlite Grid 17 Limited (“SGL17”)

*Corporate information*

SGL17 was incorporated as a public limited company on February 4, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL17 is U29305DN2019PLC005568 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra & Nagar Haveli 396 230.

*Nature of business*

SGL17 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

### Capital structure

The capital structure of SGL17 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

### Shareholding pattern

The shareholding pattern of SGL17 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Saikrishna Bendapudi (as a nominee of our Company)	1	0.002
4.	Shilpi Rungta (as a nominee of our Company)	1	0.002
5.	Vivek Goel (as a nominee our Company)	1	0.002
6.	Vivek Singhal (as a nominee of our Company)	1	0.002
7.	Nikita Gupta (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

### 13. Sterlite Grid 19 Limited (“SGL19”)

#### Corporate information

SGL19 was incorporated as a public limited company on February 1, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL19 is U29307DN2019PLC005566 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

#### Nature of business

SGL19 is engaged in the business of amongst others, (i) manufacturing, designing, planning and building of all kinds of equipment required in generation, transmission and storage of power; (ii) undertaking turn-key contracts for erecting power distribution network and energy conversation projects; (iii) generation, transmission, distribution, supply and storage of power; and (iv) acquiring or investing in companies/entities who are carrying out any of the aforesaid activities.

#### Capital structure

The capital structure of SGL19 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

### Shareholding pattern

The shareholding pattern of SGL19 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Saikrishna Bendapudi (as a nominee of our Company)	1	0.002
4.	Shilpi Rungta (as a nominee of our Company)	1	0.002
5.	Vivek Goel (as a nominee our Company)	1	0.002
6.	Nikita Gupta (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

14. Sterlite Grid 20 Limited (“SGL20”)

*Corporate information*

SGL20 was incorporated as a public limited company on February 1, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL20 is U29309DN2019PLC005567 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

*Nature of business*

SGL20 is engaged in the business of amongst others, (i) manufacturing, designing, planning and building of all kinds of equipment required in generation, transmission and storage of power; (ii) undertaking turn-key contracts for erecting power distribution network and energy conversation projects; (iii) generation, transmission, distribution, supply and storage of power; and (iv) acquiring or investing in companies/entities who are carrying out any of the aforesaid activities.

*Capital structure*

The capital structure of SGL20 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

*Shareholding pattern*

The shareholding pattern of SGL20 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Saikrishna Bendapudi (as a nominee of our Company)	1	0.002
4.	Shilpi Rungta (as a nominee of our Company)	1	0.002
5.	Vivek Goel (as a nominee our Company)	1	0.002
6.	Nikita Gupta (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

15. Sterlite Grid 21 Limited (“SGL21”)

*Corporate information*

SGL21 was incorporated as a public limited company on February 5, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL21 is U40108DN2019PLC005569 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

*Nature of business*

SGL21 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of SGL21 is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹1,000,000
Issued, subscribed and paid up	
100,000 Equity shares of ₹10 each	₹1,000,000

#### Shareholding pattern

The shareholding pattern of SGL21 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	99,994	99.99
2.	Saurabh Mathur (as a nominee of our Company)	1	0.001
3.	Rajani Chinnari (as a nominee of our Company)	1	0.001
4.	Ashok Ganesan (as a nominee of our Company)	1	0.001
5.	Vivek Singhal (as a nominee of our Company)	1	0.001
6.	Nikita Gupta (as a nominee of our Company)	1	0.001
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
<b>Total</b>		100,000	100

#### 16. Sterlite Grid 22 Limited (“SGL22”)

##### Corporate information

SGL22 was incorporated as a public limited company on February 28, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL22 is U40100DN2019PLC005572 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

##### Nature of business

SGL22 is engaged in the business of amongst others, (i) manufacturing, designing, planning and building of all kinds of equipment required in generation, transmission and storage of power; (ii) undertaking turn-key contracts for erecting power distribution network and energy conversation projects; (iii) generation, transmission, distribution, supply and storage of power; and (iv) acquiring or investing in companies/entities who are carrying out any of the aforesaid activities.

##### Capital structure

The capital structure of SGL22 is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹1,000,000
Issued, subscribed and paid up	
100,000 Equity shares of ₹10 each	₹1,000,000

#### Shareholding pattern

The shareholding pattern of SGL22 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	99,994	99.99
2.	Saurabh Mathur (as a nominee of our Company)	1	0.001
3.	Shilpi Rungta (as a nominee of our Company)	1	0.001
4.	Ashok Ganesan (as a nominee of our Company)	1	0.001
5.	Nikita Gupta (as a nominee of our Company)	1	0.001
6.	Vivek Singhal (as a nominee of our Company)	1	0.001
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
<b>Total</b>		100,000	100

#### 17. Sterlite Grid 23 Limited (“SGL23”)

##### Corporate information

SGL23 was incorporated as a public limited company on March 13, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL23 is U40106DN2019PLC005574 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

*Nature of business*

SGL23 is engaged in the business of amongst others, (i) manufacturing, designing, planning and building of all kinds of equipment required in generation, transmission and storage of power; (ii) undertaking turn-key contracts for erecting power distribution network and energy conversation projects; (iii) generation, transmission, distribution, supply and storage of power; and (iv) acquiring or investing in companies/entities who are carrying out any of the aforesaid activities.

*Capital structure*

The capital structure of SGL23 is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹1,000,000
Issued, subscribed and paid up	
100,000 Equity shares of ₹10 each	₹1,000,000

*Shareholding pattern*

The shareholding pattern of SGL23 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	99,994	99.99
2.	Saurabh Mathur (as a nominee of our Company)	1	0.001
3.	Vivek Singhal (as a nominee of our Company)	1	0.001
4.	Ashok Ganesan (as a nominee of our Company)	1	0.001
5.	Nikita Gupta (as a nominee of our Company)	1	0.001
6.	Shilpi Rungta (as a nominee of our Company)	1	0.001
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
<b>Total</b>		100,000	100

18. Sterlite Grid 24 Limited (“SGL24”)

*Corporate information*

SGL24 was incorporated as a public limited company on March 12, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL24 is U40106DN2019PLC005573 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

*Nature of business*

SGL24 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of SGL24 is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹1,000,000
Issued, subscribed and paid up	
100,000 Equity shares of ₹10 each	₹1,000,000



### Shareholding pattern

The shareholding pattern of SGL24 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	99,994	99.99
2.	Saurabh Mathur (as a nominee of our Company)	1	0.001
3.	Vivek Singhal (as a nominee of our Company)	1	0.001
4.	Ashok Ganesan (as a nominee of our Company)	1	0.001
5.	Shilpi Rungta (as a nominee of our Company)	1	0.001
6.	Nikita Gupta (as a nominee of our Company)	1	0.001
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
<b>Total</b>		100,000	100

### 19. Sterlite Grid 25 Limited (“SGL25”)

#### Corporate information

SGL25 was incorporated as a public limited company on March 18, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL25 is U40200DN2019PLC005575 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

#### Nature of business

SGL25 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

#### Capital structure

The capital structure of SGL25 is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹1,000,000
<b>Issued, subscribed and paid up</b>	
100,000 Equity shares of ₹10 each	₹1,000,000

### Shareholding pattern

The shareholding pattern of SGL25 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	99,994	99.99
2.	Saurabh Mathur (as a nominee of our Company)	1	0.001
3.	Vivek Goel (as a nominee of our Company)	1	0.001
4.	Ashok Ganesan (as a nominee of our Company)	1	0.001
5.	Nikita Gupta (as a nominee of our Company)	1	0.001
6.	Vivek Singhal (as a nominee of our Company)	1	0.001
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
<b>Total</b>		100,000	100

### 20. Sterlite Grid 26 Limited (“SGL26”)

#### Corporate information

SGL26 was incorporated as a public limited company on March 25, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL26 is U40108DN2019PLC005577 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

#### *Nature of business*

SGL26 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment's required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

#### *Capital structure*

The capital structure of SGL26 is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹1,000,000
Issued, subscribed and paid up	
100,000 Equity shares of ₹10 each	₹1,000,000

#### *Shareholding pattern*

The shareholding pattern of SGL26 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	99,994	99.99
2.	Saurabh Mathur (as a nominee of our Company)	1	0.001
3.	Rajani Chinnari (as a nominee of our Company)	1	0.001
4.	Ashok Ganesan (as a nominee of our Company)	1	0.001
5.	Nikita Gupta (as a nominee of our Company)	1	0.001
6.	Vivek Singhal (as a nominee of our Company)	1	0.001
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
<b>Total</b>		100,000	100

#### 21. Sterlite Grid 27 Limited (“SGL27”)

##### *Corporate information*

SGL27 was incorporated as a public limited company on March 19, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL27 is U40200DN2019PLC005576 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa Dadra and Nagar Haveli 396 230.

##### *Nature of business*

SGL27 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment's required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

##### *Capital structure*

The capital structure of SGL27 is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹1,000,000
Issued, subscribed and paid up	
100,000 Equity shares of ₹10 each	₹1,000,000

#### Shareholding pattern

The shareholding pattern of SGL27 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	99,994	99.99
2.	Saurabh Mathur (as a nominee of our Company)	1	0.001
3.	Shilpi Rungta (as a nominee of our Company)	1	0.001
4.	Ashok Ganesan (as a nominee of our Company)	1	0.001
5.	Nikita Gupta (as a nominee of our Company)	1	0.001
6.	Vivek Singhal (as a nominee of our Company)	1	0.001
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
<b>Total</b>		100,000	100

#### 22. Sterlite Grid 28 Limited (“SGL28”)

##### Corporate information

SGL28 was incorporated as a public limited company on June 7, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of SGL28 is U40100DN2019PLC005582 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa, Dadra and Nagar Haveli 396 230.

##### Nature of business

SGL28 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment's required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

##### Capital structure

The capital structure of SGL28 is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹1,000,000
Issued, subscribed and paid up	
100,000 Equity shares of ₹10 each	₹1,000,000

#### Shareholding pattern

The shareholding pattern of SGL28 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	99,994	99.99
2.	Saurabh Mathur (as a nominee of our Company)	1	0.001
3.	Shilpi Rungta (as a nominee of our Company)	1	0.001
4.	Ashok Ganesan (as a nominee of our Company)	1	0.001
5.	Nikita Gupta (as a nominee of our Company)	1	0.001
6.	Vivek Singhal (as a nominee of our Company)	1	0.001
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.001
<b>Total</b>		100,000	100

23. Sterlite Grid 30 Limited (“SGL30”, erstwhile NRSS XXIX (JS) Transmission Limited)

*Corporate information*

SGL30 was originally incorporated as “NRSS XXIX (JS) Transmission Limited” a public limited company on September 7, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. Subsequently, the name of the company changed to Sterlite Grid 30 Limited and a fresh certificate of incorporation was issued on October 4, 2019 by the Registrar of Companies, Delhi. The CIN of SGL30 is U40106DL2017PLC323351 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

*Nature of business*

SGL30 is engaged in the business of amongst others, (i) planning, promoting and developing an integrated and efficient power transmission system network in all its aspects; (ii) planning, promoting, developing, erecting and maintaining, operating and otherwise dealing in telecommunication networks and services in all its aspects; and (iii) studying, investigating, and collecting information and data connected with business of the SGL30 as well as modernizing existing EHV, HV lines and sub-stations.

*Capital structure*

The capital structure of SGL30 is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

*Shareholding pattern*

The shareholding pattern of SGL30 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.002
3.	Nikita Gupta (as a nominee of our Company)	1	0.002
4.	Shilpi Rungta (as a nominee of our Company)	1	0.002
5.	Ashok Ganesan (as a nominee our Company)	1	0.002
6.	Vivek Singhal (as a nominee of our Company)	1	0.002
7.	Saurabh Mathur (as a nominee of our Company)	1	0.002
<b>Total</b>		50,000	100

24. Sterlite Convergence Limited (“SCL”)

*Corporate information*

SCL was incorporated as a public limited company on June 16, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of SCL is U64100DL2017PLC319310 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

*Nature of business*

SCL is engaged in the business of, amongst others, (i) building, owning, operating, managing, selling and leasing technology-neutral last mile access, intra-city aggregation and long distance links to offer unbundled and bundles services comprising of voice, data, broadband and other value added services under the Unified Licensing Regime and NTP-12; (ii) manufacture, design and development of electronic and electrical equipment, hardware and software used in passive and active telecom and communication infrastructure; and (iii) manufacture, design and development of telecom optical fibre networks, towers, antennae, transmitters and OPGW cables.

*Capital structure*

The capital structure of SCL is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

#### Shareholding pattern

The shareholding pattern of SCL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,994	99.98
2.	Ashok Ganesan (as a nominee our Company)	1	0.02
3.	Nikita Gupta (as a nominee of our Company)	1	
4.	Shilpi Rungta (as a nominee of our Company)	1	
5.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	
6.	Vivek Verender Goyal (as a nominee of our Company)	1	
7.	Saurabh Mathur	1	
<b>Total</b>		50,000	

#### 25. Sterlite EdIndia Foundation (“SEF”)

##### Corporate information

SEF was incorporated as a public limited company on August 7, 2019 under section 25 of the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai. The CIN of SEF is U80100MH2019NPL329019 and its registered office is located at Maker Maxity, 5 North Avenue, Level 5<sup>th</sup> Bandra Kurla Complex, Bandra East, Mumbai 400 051.

##### Nature of business

SEF is engaged in the business of, amongst others, promotion and undertaking the Corporate Social Responsibility activities of any entity including but not limited to our Company, the Subsidiaries, the Investee HoldCos and the Investee SPVs, both present and future, as required in terms of the provisions of Section 135 of the Companies Act, 2013 from time to time.

##### Capital structure

The capital structure of SEF is as follows:

Authorised	Aggregate nominal value
50,000 Equity shares of ₹10 each	₹500,000
Issued, subscribed and paid up	
50,000 Equity shares of ₹10 each	₹500,000

#### Shareholding pattern

The shareholding pattern of SEF is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	49,977	99.95
2.	Khargone Transmission Limited	1	0.002
3.	Sterlite Grid 4 Limited	1	0.002
4.	Sterlite Grid 6 Limited	1	0.002
5.	Sterlite Grid 7 Limited	1	0.002
6.	Sterlite Grid 8 Limited	1	0.002
7.	Sterlite Grid 9 Limited	1	0.002
8.	Sterlite Grid 10 Limited	1	0.002
9.	Sterlite Grid 11 Limited	1	0.002
10.	Sterlite Grid 12 Limited	1	0.002
11.	Sterlite Grid 15 Limited	1	0.002
12.	Sterlite Grid 16 Limited	1	0.002
13.	Sterlite Grid 17 Limited	1	0.002
14.	Sterlite Grid 19 Limited	1	0.002
15.	Sterlite Grid 20 Limited	1	0.002

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
16.	Sterlite Grid 21 Limited	1	0.002
17.	Sterlite Grid 22 Limited	1	0.002
18.	Sterlite Grid 23 Limited	1	0.002
19.	Sterlite Grid 24 Limited	1	0.002
20.	Sterlite Grid 25 Limited	1	0.002
21.	Sterlite Grid 26 Limited	1	0.002
22.	Sterlite Grid 27 Limited	1	0.002
23.	Sterlite Grid 28 Limited	1	0.002
24.	Sterlite Grid 30 Limited (erstwhile NRSS XXIX (JS) Transmission Limited)	1	0.002
<b>Total</b>		50,000	100

26. Onegrid Limited (“ONEGRID”)

*Corporate information*

ONEGRID was incorporated as a public limited company on September 24, 2020 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Ahmedabad. The CIN of ONEGRID is U40200DN2020PLC005624 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa, Dadra and Nagar Haveli 396 230.

*Nature of business*

ONEGRID is engaged in the business to, (i) plan, promote and develop an integrated and efficient inter-continental or otherwise, power transmission system network in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub- stations, load dispatch stations and communication facilities and appurtenant works, coordination of integrated operation of regional and national grid system, execution of turn-key jobs for other utilities/organizations and wheeling of power in accordance with the policies, guidelines and objectives laid down by the GoI from time to time, in India and overseas, (ii) study, investigate, collect information and data, review operation, plan, research, design and prepare report, diagnose operational difficulties and weaknesses and advise on the remedial measures to improve, undertake development of new and innovative product connected with business of the company as well as modernize existing EHV, HV lines and sub-stations, in India and overseas, (iii) act as consultants, technical advisors, surveyors and providers of technical and other services to public or private sector enterprises engaged in the planning, investigation, research, design and preparations of preliminary, feasibility and definite project reports, manufacture of power plant and equipment, construction, generation, operation and maintenance of power transmission system from power generating stations and projects, transmission and distribution of power, in India and overseas, (iv) plan, promote, develop, erect and maintain, operate and otherwise deal in telecommunication networks and services in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports: to purchase, sell, import, export, assemble, manufacture, install, commission, maintain, operate commercially whether on own or along with other, on lease or otherwise. These networks and for such purposes to set up and/or install all requisite communications facilities and other facilities including fibre optic links, digital microwave links, communication cables, other telecommunication means, telephone and other exchanges, co-axial stations, microwave stations, repeater stations, security system databases, billing systems, subscriber management systems and other communication systems whether consisting of sound, visual impulse, or otherwise, existing or that may be developed or invented in the future and to manufacture, purchase, sell, import, export, assemble, take or give on lease/rental/subscription basis or by similar means or otherwise deal in all components and other support and ancillary hardware and software systems, accessories, parts and equipments etc. used in or in connection with the operation of the above communication systems and networks including to deal with telecommunication operations or directly with the general public, commercial companies or otherwise, in India and overseas, and (v) undertake and carry out the activities to participate in the Government of India initiatives to achieve an economical energy transition and building a global ecosystem of interconnected renewable energy resources, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of ONEGRID is as follows:

Authorised	Aggregate nominal value
100,000 Equity shares of ₹10 each	₹100,000
Issued, subscribed and paid up	
10,000 Equity shares of ₹10 each	₹100,000

## Shareholding pattern

The shareholding pattern of ONEGRID is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	Our Company	9,994	99.94
2.	Saurabh Mathur (as a nominee of our Company)	1	0.01
3.	Shilpi Rungta (as a nominee of our Company)	1	0.01
4.	Ashok Ganesan (as a nominee of our Company)	1	0.01
5.	Nikita Gupta (as a nominee of our Company)	1	0.01
6.	Pankhuri Warange (as a nominee of our Company)	1	0.01
7.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.01
<b>Total</b>		10,000	100

## II. Indirectly held Subsidiaries

### Indian Subsidiary

#### 1. Khargone Transmission Limited (“KTL”)

##### Corporate information

KTL was incorporated as a public limited company on November 28, 2015 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, at New Delhi. The CIN of KTL is U40300DL2015GOI287933 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### Nature of business

KTL is engaged in the business to, (i) plan, promote and develop an integrated and efficient power transmission system network in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-stations, load dispatch stations and communications facilities and appurtenant works, coordination of integrated operation of regional and national grid system, execution of turn- key jobs for other utilities/organizations and wheeling of power in accordance with the policies, guidelines and objectives laid down by the GoI from time to time, (ii) study, investigate, collect information and data, review operation, plan, research, design and prepare report, diagnose operational difficulties and weaknesses and advise on the remedial measures to improve, undertake development of new and innovative product connected with business of the company as well as modernize existing EHV, HV lines and sub stations, (iii) act as consultants, technical advisors, surveyors and providers of technical and other services to public or private sector enterprises engaged in the planning, investigation, research, design, and preparations of preliminary, feasibility and definite projects reports, manufacture of power plant and equipment, construction, generation, operation and maintenance of power transmission system from power generating stations and projects, transmission and distribution of power, and (iv) plan, promote, develop, erect and maintain, operate and otherwise deal in telecommunication networks and services in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports: to purchase, sell, import, export, assemble, manufacture, install, commission, maintain, operate commercially whether on own or along with other, on lease or otherwise. These networks and for such purposes to set up and/or install all requisite communications facilities and other facilities including fibre optic links, digital microwave links, communication cables, other telecommunication means, telephone and other exchanges, co-axial stations, microwave stations, repeater stations, security system databases, billing systems, subscriber management systems and other communication systems whether consisting of sound, visual impulse, or otherwise, existing or that may be developed or invented in the future and to manufacture, purchase, sell, import, export, assemble, take or give on lease/rental/subscription basis or by similar means or otherwise deal in all components and other support and ancillary hardware and software systems, accessories, parts and equipments etc. used in or in connection with the operation of the above communication systems and networks including to deal with telecommunication operations or directly with the general public, commercial companies or otherwise.as authorized under the objects clause of its memorandum of association

KTL is currently engaged in developing the KTL Project, in accordance with the KTL TSA. For details, please see section entitled “Our Business” on page 185.

##### Capital structure

The capital structure of KTL is as follows:

Authorised	Aggregate nominal value
1,600,000 Equity shares of ₹10 each	₹16,000,000.00
Issued, subscribed and paid up	
1,560,000 Equity shares of ₹10 each	₹15,600,000.00

#### Shareholding pattern

The shareholding pattern of KTL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	SGL4	1,559,994	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of SGL4)	1	0.00
3.	Nikita Gupta (as a nominee of SGL4)	1	
4.	Shilpi Rungta (as a nominee of SGL4)	1	
5.	Ashok Ganesan (as a nominee of SGL4)	1	
6.	Vivek Verender Goyal (as a nominee of SGL4)	1	
7.	Saurabh Mathur (as a nominee of SGL4)	1	
<b>Total</b>		1,560,000	

#### Foreign Subsidiaries

1. Sterlite Brazil Participações S.A. (“**Sterlite Brazil**”)

##### Corporate information

Sterlite Brazil has been duly incorporated as a privately held company on May 26, 2017, and validly exists under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with Tax ID (“**CNPJ/ME**”) No.28.704.797/0001-27, and registered before the Board of Trade of São Paulo under No.35300536835, and its registered address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Vila Olímpia, Zip Code 04548-008, and is in good standing under the laws of Brazil

##### Nature of business

The objects of Sterlite Brazil in terms of its constitutional documents are to participate in the capital of other companies or other undertakings, as a partner, shareholder or quota holder, association in a consortium or any other type of business collaboration.

##### Capital structure

The issued, paid-up and subscribed capital of Sterlite Brazil is BRL 330,677,072 consisting of 330,677,072 equity shares of no par value.

##### Shareholding pattern

The shareholding pattern of Sterlite Brazil is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Our Company	277,897,093	84.04
2.	Sterlite Grid 5 Limited	52,779,979	15.96
<b>Total</b>		330,677,072	100%

2. SE Vineyards Power Transmission S.A. (“**Vineyards**”)

##### Corporate information

Vineyards has been duly incorporated as a privately held company on May 26, 2017, and validly exists under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with CNPJ/ME No. 28.008.733/0001-91 and registered before the Board of Trade of São Paulo under No.35300536312, and its principal address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Room 07, Vila Olímpia, Zip Code 04548-008, and is in good standing under the laws of Brazil.



### *Nature of business*

The sole object of Vineyards in terms of its constitutional documents is the implementation and exploration of the transmission power project referring to Lot 10 of ANEEL's Transmission Auction No. 05/2016, composed of energy transmission facilities located in the State of Rio Grande do Sul: (i) Lajeado 2 - Lajeado 3 Transmission, in 230 kV, single circuit, with an approximate length of 16.4 km, originating from Lajeado 2 Substation and ending at Lajeado 3 Substation; (ii) Transmission Line Lajeado 3 - Garibaldi, in 230 kV, single circuit, with an approximate length of 47 km, originating at Substation Lajeado 3 and ending at Substation Garibaldi; (iii) Transmission Line Candiota 2 - Bagé 2, simple circuit, with an approximate length of 49 km, originating at Substation Candiota 2 and ending at Substation Bagé 2, by SE Lajeado 3 230/69-13.8 kV, 2 x 83 MVA; (iv) SE Vineyards 230/69-13.8 kV, 2 x 165 MVA; and (v) Transformer Unit Connections, Line Inputs, Busbar Interconnections. These activities are regulated by ANEEL.

### *Capital structure*

The issued, paid-up and subscribed capital of Vineyards is BRL 65,010,641 consisting of 65,010,641 equity shares each of no par value.

### *Shareholding pattern*

The shareholding pattern of SE Vineyards is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Vineyards Participações S.A.	65,010,641	100%
<b>Total</b>		65,010,641	100%

### 3. Vineyards Participações S.A. (“**Vineyards Participações**”)

#### *Corporate information*

Vineyards Participações was incorporated on December 1, 2020 as a privately held company, and validly exists under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with CNPJ/ME No. 40.181.100/0001-86 and registered before the Board of Trade of São Paulo under No. 35300561961, and its principal address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Room 11, Vila Olímpia, Zip Code 04548-008, and is in good standing under the laws of Brazil.

#### *Nature of business*

Vineyards Participações is engaged in the business of (i) implementation, operation and exploitation of electricity transmission projects;(ii) participation in the capital stock of other companies operating in the energy transmission sector in the capacity of partner, shareholder or quotaholder; and (iii) form consortia or any other type of business collaboration necessary for the achievement of the objects provided for in items “i” and “ii” above.

#### *Capital Structure*

The capital structure of Vineyards Participacoes is BRL 1,100 divided into 100 ordinary shares zero paid-up capital and 44,681,000 preferred shares of no par value (no right to vote), fully subscribed and paid-up.

#### *Shareholding pattern*

The shareholding pattern of Vineyards Participacoes is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Sterlite Brazil Participações S.A.	100 ordinary shares	100%
2.	Sterlite Brazil Participações S.A.	44,681,000 preferential shares	
<b>Total</b>		44,781,000	100%

### 4. Borborema Transmissão de Energia S.A. (“**Borborema**”)

#### *Corporate information*

Borborema has been duly incorporated as a privately held company on July 24, 2018, and validly exists under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with CNPJ/ME No. 31.109.417/0001-10 and

registered before the Board of Trade of São Paulo under No.35300519451, and its principal address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Room 02, Vila Olímpia, Zip Code 04548-008.

*Nature of business*

The sole object of Borborema in terms of its constitutional documents is the implementation and exploration of the transmission power project referring to Lot 04 of ANEEL's Transmission Auction No. 02/2018, composed of energy transmission facilities located in the State of Paraíba: (i) 500kV alternating current transmission line, between the substations of Campina Grande III and João Pessoa II, in a single circuit, with an approximate length of 123 km; (ii) João Pessoa II 500/230-13.8 kV Substation - (3+1R) x 150MVA and 230/69kV - 2 x 150 MVA; (iii) Connections of transformation units, line inputs, busbar interconnections, line reactors and their respective connection, busbars, related installations, and other installations necessary for the functions of measurement, supervision, protection, command, control, telecommunication, administration, and support. These activities are regulated by ANEEL.

*Capital structure*

The authorised capital of Borborema is BRL 139,019,259 consisting of 139,019,259 00 equity shares each of no par value.

*Shareholding pattern*

The shareholding pattern of Borborema is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Sterlite Brazil Participações S.A.	139,019,259 (45,097,059 to be paid up)	100%
<b>Total</b>		139,019,259	100%

5. São Francisco Transmissão de Energia S.A. (“São Francisco”)

*Corporate information*

São Francisco has been duly incorporated as a privately held company on July 24, 2018, and validly exists under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with CNPJ/ME No. 31.095.252/0001-75 and registered before the Board of Trade of São Paulo under No.35300519426, and its principal address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Room 03, Vila Olímpia, Zip Code 04548-008.

*Nature of business*

The sole object of São Francisco in terms of its constitutional documents is the implementation and exploration of the transmission power project referring to Lot 07 of the Brazilian National Electricity Regulatory Agency (“ANEEL”) Transmission Auction No. 02/2018, composed of energy transmission facilities located in the State of Bahia and Sergipe: (i) 500kV alternating current transmission line, between the Porto Sergipe and Olindina substations, in a single circuit, with an approximate length of 180 km; (ii) 500kV alternating current transmission line, between the substations of Olindina and Sapeaçu, in a single circuit, with an approximate length of 207 km (iii) 230kV alternating current transmission line, between the Morro do Chapéu II and Irecê substations, in a double circuit, with an approximate length of 67 km; (iv) Line inputs, busbar interconnections, compensations, linked installation and other installations necessary for the functions of measurement, supervision, protection, command, control, telecommunication, administration, and support. These activities are regulated by ANEEL.

*Capital structure*

The issued, partially paid-up and subscribed capital of São Francisco is BRL 292,182,516 consisting of 292,182,516 equity shares each of no par value.

*Shareholding pattern*

The shareholding pattern of São Francisco is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Sterlite Brazil Participações S.A.	292,182,516 (262,301,516 not paid up)	100%
<b>Total</b>		292,182,516	100%

6. Goyaz Transmissão de Energia S.A. (“**Goyas**”)

*Corporate information*

Goyaz has been duly incorporated as a privately held company on July 24, 2018, and validly exists under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with CNPJ/ME No. 31.095.289/0001-01 and registered before the Board of Trade of São Paulo under No.35300519400, and its registered address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Room 04, Vila Olímpia, Zip Code 04548-008.

*Nature of business*

The sole object of Goyaz in terms of its constitutional documents is the implementation and exploration of the transmission power project referring to Lot 12 of ANEEL's Transmission Auction No. 02/2018, composed of energy transmission facilities located in the State of Goiás: (i) 230kV alternating current transmission line, between the substations of Edéia and Cachoeira Dourada, in a single circuit, with an approximate length of 150 km; (ii) New yard at 345kV at the Pirineus Substation, in the State of Goiás, to receive the converter station and its equipment and yard at 345/230-13.8 kV; (iii) Static Compensator - CE (-75/+150) Mvar in the 230 kV sector of SE Barro Alto; (iv) Connections of transformation units, line entries, interconnections of busbars, busbars, related installations, and other installations necessary for the functions of measurement, supervision, protection, command, control, telecommunication, administration and support. These activities are regulated by ANEEL.

*Capital structure*

The issued, paid-up and subscribed capital of Goyaz is BRL 44,921,000.00 consisting of 44,921,000 equity shares each of no par value.

*Shareholding pattern*

The shareholding pattern of Goyas is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Sterlite Brazil Participações S.A.	44,921,000	100%
<b>Total</b>		44,921,000	100%

7. Marituba Transmissão de Energia S.A. (“**Marituba**”)

*Corporate information*

Marituba has been duly incorporated as a privately held company on July 24, 2018, and validly exists under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with CNPJ/ME No. 31.096.307/0001-61 and registered before the Board of Trade of São Paulo under No.35300519361, and its registered address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Room 05, Vila Olímpia, Zip Code 04548-008.

*Nature of business*

The sole object of Marituba in terms of its constitutional documents is the implementation and exploration of the transmission power project referring to Lot 15 of ANEEL's Transmission Auction No. 02/2018, composed of energy transmission facilities located in the State of Pará: (i) 500kV alternating current transmission line, between the Tucuruí and Marituba substations, in a single circuit, with an approximate length of 373 km; (ii) Line inputs, busbar interconnections, line reactors and respective connection, busbars, related facilities and other facilities necessary for the functions of measurement, supervision, protection, command, control, telecommunication, administration and support. These activities are regulated by ANEEL.

### Capital structure

The issued, paid-up and subscribed capital of Marituba is BRL 32,204,500.00 consisting of 32,204,500 equity shares each of no par value.

### Shareholding pattern

The shareholding pattern of Marituba is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Sterlite Brazil Participações S.A.	32,204,500	100%
<b>Total</b>		32,204,500	100%

## 8. Solaris Transmissão de Energia S.A. (“Solaris”)

### Corporate information

Solaris has been duly incorporated as a privately held company on July 24, 2018, and validly exists under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with CNPJ/ME No. 31.095.322/0001-95 and registered before the Board of Trade of São Paulo under No.35300519388, and its principal address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Room 06, Vila Olímpia, Zip Code 04548-008.

### Nature of business

The sole object of Solaris in terms of its constitutional documents is the implementation and exploration of the transmission power project referring to Lot 20 of ANEEL's Transmission Auction No. 02/2018, composed of energy transmission facilities located in the State of Minas Gerais: (i) 230kV alternating current transmission line, between the Janaúba 3 and Jaíba substations, in a double circuit, with an approximate length of 93 km; (ii) Jaíba Substation with 230/138/13.8 kV, (6+1 Res) x 33.3 MVA yard; (iii) Janaúba 3 Substation with a 500/230-13.8 kV yard, (6+1 Res) x 100 MVA; (iv) 345kV alternating current transmission line between the Pirapora 2 and Três Marias substations, in a single circuit, with an approximate length of 112.2 km; (v) Connections of transformation units, line entries, interconnections of busbars, busbars, related installations, and other installations necessary for the functions of measurement, supervision, protection, command, control, telecommunication, administration and support. These activities are regulated by ANEEL.

### Capital structure

The issued, paid-up and subscribed capital of Solaris is BRL 50,407,000.00 consisting of 50,407,000 ordinary shares of no par value.

### Shareholding pattern

The shareholding pattern of Solaris is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Sterlite Brazil Participações S.A.	50,407,000	100%
<b>Total</b>		50,407,000	100%

## 9. Borborema Participações S.A. (“Borborema Participações”)

### Corporate information

Borborema Participações S.A. was incorporated as a privately held company on April 16, 2021, under the laws of Brazil as a corporation registered within the Brazilian Revenue Service with CNPJ/ME No. 41.774.224/0001-38 and registered before the Board of Trade of São Paulo under No. 530056770635300519361, and its registered address at the City of São Paulo, State of São Paulo, at Dr. Cardoso de Melo Avenue, No. 1308, 8<sup>th</sup> floor, Room 12, Vila Olímpia, Zip Code 04548-008.

### *Nature of business*

Borborema Participações is engaged in the business of (i) implementation, operation and exploitation of electricity transmission projects;(ii) participation in the capital stock of other companies operating in the energy transmission sector in the capacity of partner, shareholder or quotaholder; and (iii) form consortia or any other type of business collaboration necessary for the achievement of the objects provided for in items “i” and “ii” above.

### *Capital structure*

The issued, partially paid-up and subscribed capital of Borborema Participações is BRL 100 consisting of 100 equity shares of no par value.

### *Shareholding pattern*

The shareholding pattern of Borborema Participações is as follows:

S. No.	Name of the shareholder	Number of shares held	Percentage of total issued and subscribed capital (on a fully diluted basis)
1.	Sterlite Brazil Participações S.A.	100 (90 to be paid up)	100%
<b>Total</b>		100	100%

### **Details of the Investee HoldCos**

#### 1. Sterlite Grid 13 Limited (“SGL13”)

### *Corporate information*

SGL13 was incorporated as a public limited company on August 29, 2018 under the Companies Act, 2013. The CIN of SGL13 is U29309DL2018PLC337962 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065. SGL13 is an associate of the joint partners, namely, our Company and AMP Capital pursuant to the AMP Capital Investment Agreements. For details in relation to the agreements entered into by our Company with AMP Capital, please see the section entitled “*History and Certain Corporate Matters*” on page 227.

### *Nature of business*

SGL13 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

### *Capital structure*

The capital structure of SGL13 is as follows:

Authorised	Aggregate nominal value
620,000 Equity shares of ₹10 each	₹6,200,000
<b>Issued, subscribed and paid up</b>	
620,000 Equity shares of ₹10 each	₹6,200,000

### *Shareholding pattern*

The shareholding pattern of SGL13 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	AMP Capital Infrastructure Investment No. 2 S.A.R.L.	310,000	50.00
2.	Our Company	309,994	49.999
3.	Saikrishna Bendapudi (as a nominee of our Company)	1	0.0002
4.	Saurabh Mathur (as a nominee of our Company)	1	0.0002

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
5.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.0002
6.	Ashok Ganesan (as a nominee of our Company)	1	0.0002
7.	Pooja Aggarwal (as a nominee of our Company)	1	0.0002
8.	Shilpi Rungta (as a nominee of our Company)	1	0.0002
<b>Total</b>		620,000	100.00

2. Sterlite Grid 14 Limited (“SGL14”)

*Corporate information*

SGL14 was incorporated as a public limited company on September 25, 2018 under the Companies Act, 2013. The CIN of SGL14 is U29300DL2018PLC339426 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065. SGL14 is an associate of the joint partners, namely, our Company and AMP Capital pursuant to the AMP Capital Investment Agreements. For details in relation to the agreements entered into by our Company with AMP Capital, please see the section entitled “History and Certain Corporate Matters” on page 227.

*Nature of business*

SGL14 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of SGL14 is as follows:

Authorised	Aggregate nominal value
120,000 Equity shares of ₹10 each	₹1,200,000
Issued, subscribed and paid up	
120,000 Equity shares of ₹10 each	₹1,200,000

*Shareholding pattern*

The shareholding pattern of SGL14 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	AMP Capital Infrastructure Investment No. 2 S.A.R.L.	60,000	50.00
2.	Our Company	59,994	49.995
3.	Saikrishna Bendapudi (as a nominee of our Company)	1	0.0009
4.	Saurabh Mathur (as a nominee of our Company)	1	0.0008
5.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.0008
6.	Nikita Gupta (as a nominee of our Company)	1	0.0008
7.	Pooja Aggarwal (as a nominee of our Company)	1	0.0009
8.	Shilpi Rungta (as a nominee of our Company)	1	0.0008
<b>Total</b>		120,000	100.00

3. Sterlite Grid 18 Limited (“SGL18”)

*Corporate information*

SGL18 was incorporated as a public limited company on February 1, 2019 under the Companies Act, 2013. The CIN of SGL18 is U29110DN2019PLC005565 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa, Dadra & Nagar Haveli 396 230. SGL18 is an associate of the joint partners, namely, our Company and AMP Capital pursuant to the AMP Capital Investment Agreements. For details in relation to the

agreements entered into by our Company with AMP Capital, please see the section entitled “*History and Certain Corporate Matters*” on page 227.

*Nature of business*

SGL18 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

*Capital structure*

The capital structure of SGL18 is as follows:

<b>Authorised</b>	<b>Aggregate nominal value</b>
124,120,000 Equity shares of ₹10 each	₹1,241,200,000
<b>Issued, subscribed and paid up</b>	
44,540,000 Equity shares of ₹10 each	₹445,400,000

*Shareholding pattern*

The shareholding pattern of SGL18 is as follows:

<b>S. No.</b>	<b>Name of the shareholder</b>	<b>No. of equity shares of ₹ 10 each</b>	<b>Percentage of shareholding (%)</b>
1.	AMP Capital Infrastructure Investment No. 2 S.A.R.L.	22,270,000	50.00
2.	Our Company	22,269,994	49.995
3.	Saikrishna Bendapudi (as a nominee of our Company)	1	0.0009
4.	Saurabh Mathur (as a nominee of our Company)	1	0.0008
5.	Amarendranath Reddy Tatimakula (as a nominee of our Company)	1	0.0008
6.	Vivek Verender Goyal (as a nominee of our Company)	1	0.0008
7.	Pooja Aggarwal (as a nominee of our Company)	1	0.0009
8.	Shilpi Rungta (as a nominee of our Company)	1	0.0008
<b>Total</b>		44,540,000	100.00

4. Sterlite Grid 29 Limited (“**SGL29**”)

*Corporate information*

SGL29 was incorporated as a public limited company on March 26, 2019 under the Companies Act, 2013. The CIN of SGL29 is U40100DN2019PLC005578 and its registered office is located at Survey No. 99, Madhuban Dam Road, Village Rakholi, Silvassa, Dadra & Nagar Haveli 396 230. SGL29 is an associate of the joint partners, namely, our Company and AMP Capital pursuant to the AMP Capital Investment Agreements. For details in relation to the agreements entered into by our Company with AMP Capital, please see the section entitled “*History and Certain Corporate Matters*” on page 227.

*Nature of business*

SGL29 is engaged in the business of manufacturing, designing, planning, building, developing, engineering, erecting, marketing, importing and exporting, purchasing, selling, transferring, leasing, assembling, installing, commissioning, maintaining, repairing, operating, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment’s required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities, as authorized under the objects clause of its memorandum of association.

### Capital structure

The capital structure of SGL29 is as follows:

Authorised	Aggregate nominal value
81,220,000 Equity shares of ₹10 each	₹812,200,000
Issued, subscribed and paid up	
14,860,000 Equity shares of ₹10 each	₹148,600,000

### Shareholding pattern

The shareholding pattern of SGL29 is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	AMP Capital Infrastructure Investment No. 2 S.A.R.L.	7,430,000	50.00
2.	Our Company	7,429,994	49.997
3.	Amitabh Prasad (as a nominee of Our Company)	1	0.0005
4.	Saurabh Mathur (as a nominee of Our Company)	1	0.0005
5.	Amarendranath Reddy Tatimakula (as a nominee of Our Company)	1	0.0005
6.	Ashok Ganesan (as a nominee of Our Company)	1	0.0005
7.	Pooja Aggarwal (as a nominee of Our Company)	1	0.0005
8.	Nikita Gupta (as a nominee of Our Company)	1	0.0005
<b>Total</b>		<b>14,860,000</b>	<b>100.00</b>

### Details of the Investee SPVs

#### 1. Goa-Tamnar Transmission Project Limited (“GTTP”)”)

##### Corporate information

GTTP was incorporated as a public limited company on January 16, 2017 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies at New Delhi. The CIN of GTTP is U40106DL2017GOI310611 and its registered office is located at F-1, The Mira Corporate Suites, 1&2 Ishwar Nagar, Mathura Road, New Delhi- 110016.

##### Nature of business

GTTP is engaged in the business of planning, promoting and developing an integrated and efficient power transmission system network to study, investigate, collect information and data, and to act as consultants, technical advisers, surveyors and providers of technical and other services to public or private sector enterprises, as authorized under the objects clause of its memorandum of association.

GTTP is currently engaged in developing the GTTP Project, in accordance with the GTTP TSA. For details, please see section entitled “Our Business” on page 185.

##### Capital structure

The capital structure of GTTP is as follows:

Authorised	Aggregate nominal value
52,600,000 Equity shares of ₹10 each	₹526,000,000
Issued, subscribed and paid up	
555,345 Equity shares of ₹10 each	₹5,553,450

### Shareholding pattern

The shareholding pattern of GTTP is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	SGL29	5,55,339	99.988
2.	Saurabh Mathur (as a nominee of SGL29)	1	0.002
3.	Shilpi Rungta (as a nominee of SGL29)	1	0.002
4.	Saikrishna Bendapudi (as a nominee of SGL29)	1	0.002



S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
5.	Nikita Gupta (as a nominee of SGL29)	1	0.002
6.	Vivek Verender Goyal (as a nominee of SGL29)	1	0.002
7.	Amarendranath Reddy Tatimakula (as a nominee of SGL29)	1	0.002
<b>Total</b>		555,345	100

## 2. Udupi Kasargode Transmission Limited (“UKTL”)

### *Corporate information*

UKTL was incorporated as a public limited company on November 29, 2018 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of UKTL is U40100DL2018GOI342365 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

### *Nature of business*

UKTL is engaged in the business of planning, promoting, developing an integrated and efficient power system network, to study, investigate, collect information and data, to act as consultants, technical advisers, surveyors and providers of technical and other services to public or private sector enterprises and to plan, promoter, develop, erect and maintain, operate and otherwise deal in telecommunication networks and services in all its aspects, as authorized under the objects clause of its memorandum of association.

UKTL is currently engaged in developing the UKTL Project, in accordance with the UKTL TSA. For details, please see section entitled “*Our Business*” on page 185.

### *Capital structure*

The capital structure of UKTL is as follows:

Authorised	Aggregate nominal value
51,000,000 Equity shares of ₹10 each	₹510,000,000
Issued, subscribed and paid up	
17,834,706 Equity shares of ₹10 each	₹178,347,060

### *Shareholding pattern*

The shareholding pattern of UKTL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1	SGL14	17,834,700	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of SGL14)	1	0.002
3.	Ankit Poddar (as a nominee of SGL14)	1	0.002
4.	Shilpi Rungta (as a nominee of SGL14)	1	0.002
5.	Ashok Ganesan (as a nominee of SGL14)	1	0.002
6.	Vivek Verender Goyal (as a nominee of SGL14)	1	0.002
7.	Saurabh Mathur (as a nominee of SGL14)	1	0.002
<b>Total</b>		17,834,706	100

## 3. Lakadia Vadodara Transmission Project Limited (“LVTPL”)

### *Corporate information*

LVTPL was incorporated as a public limited company on March 15, 2019 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, at New Delhi. The CIN of LVTPL is U40105DL2019GOI347349 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

### *Nature of business*

LVTPL is engaged in the business of developing power system network, to study, investigate, collect information and data and to act as consultants or technical advisers of public or private sector enterprises etc., as authorized under the objects clause of its memorandum of association.

LVTPL is currently engaged in developing the LVTPL Project in accordance with the LVTPL TSA. For details, please see section entitled “Our Business” on page 185.

#### Capital structure

The capital structure of LVTPL is as follows:

Authorised	Aggregate nominal value
155,000,000 Equity shares of ₹10 each	₹1,550,000,000
Issued, subscribed and paid up	
99,995,866 Equity shares of ₹10 each	₹999,958,660

#### Shareholding pattern

The shareholding pattern of LVTPL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1	SGL18	99,995,860	99.99
2.	Amitabh Prasad (as a nominee of SGL18)	1	0.002
3.	Nikita Gupta (as a nominee of SGL18)	1	0.002
4.	Shilpi Rungta (as a nominee of SGL18)	1	0.002
5.	Ashok Ganesan (as a nominee of SGL18)	1	0.002
6.	Vivek Singhal (as a nominee of SGL18)	1	0.002
7.	Saurabh Mathur (as a nominee of SGL18)	1	0.002
<b>Total</b>		99,995,866	100

#### 4. Vapi II - North Lakhimpur Transmission Limited (“VNLTL”)

##### Corporate information

VNLTL was incorporated as a public limited company on June 25, 2018 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The CIN of VNLTL is U40100DL2018GOI335750 and its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### Nature of business

VNLTL is engaged in the business of developing power system network, and to study, investigate, collect information and data and act as consultants or technical advisers of public or private sector enterprises etc., as authorized under the objects clause of its memorandum of association.

VNLTL is currently engaged in developing the VNLTL Project, in accordance with the VNLTL TSA. For details, please see section entitled “Our Business” on page 185.

#### Capital structure

The capital structure of VNLTL is as follows:

Authorised	Aggregate nominal value
60,000,000 Equity shares of ₹10 each	₹600,000,000
Issued, subscribed and paid up	
58,062,500 Equity shares of ₹10 each	₹580,625,000

#### Shareholding pattern

The shareholding pattern of VNLTL is as follows:

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
1.	SGL13	58,061,900	99.99
2.	Amarendranath Reddy Tatimakula (as a nominee of SGL13)	100	0.002
3.	Nikita Gupta (as a nominee of SGL13)	100	0.002
4.	Shilpi Rungta (as a nominee of SGL13)	100	0.002
5.	Ashok Ganesan (as a nominee of SGL13)	100	0.002
6.	Alok Kumar Nigam (as a nominee of SGL13)	100	0.002
7.	Saurabh Mathur (as a nominee of SGL13)	100	0.002

S. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
<b>Total</b>		58,062,500	100

### Accumulated profits or losses

As on March 31, 2021, there are no accumulated profits or losses of our Subsidiaries or joint ventures that have not been accounted for or consolidated by our Company.

### Common Pursuits

Most of our Subsidiaries, joint ventures and Associates are engaged in the power transmission business and hence, are engaged in the same of business as our Company. Our Company ensures and adopts the necessary procedure and practices as permitted by laws and regulatory guidelines to address any conflict situations as and when they arise.

### Other Confirmations

Except as disclosed in the sections entitled “*Our Business*” beginning on pages 185, our Subsidiaries do not have any business interests in our Company.

As on the date of this Draft Red Herring Prospectus, and apart from the debt securities of Vineyards which have been listed on BOVESPA (the São Paulo Stock Exchange), none of the Subsidiaries are listed in India or abroad. Accordingly, the Subsidiaries have not been refused listing during the last 10 years or failed to meet listing requirements by any stock exchanges in India or abroad.

As on the date of this Draft Red Herring Prospectus, certain Subsidiaries of our Company have availed of unsecured loans that can be recalled by the lenders at any time.

As on the date of this Draft Red Herring Prospectus, there has been no default in repayment of deposits or payment of interest or rollover of liability by any of the Subsidiaries.

## OUR MANAGEMENT

In terms of the Articles of Association, the maximum number of Directors that our Company can have shall be in accordance with the provisions of the Companies Act. As on the date of this Draft Red Herring Prospectus, our Board comprises five Directors, including three Independent Directors (one of which is a woman Director), one Executive Director and, one Non-Executive Director.

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name, DIN, designation, term/period of directorship, address and occupation	Date of birth	Age (years)	Other Directorships
1.	<p><b>Pravin Agarwal</b></p> <p><b>Designation:</b> Chairman and Non-executive Director</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Director since May 5, 2015</p> <p><b>Address:</b> 117, North Main Road Lane No. 4, Koregaon Park, Pune 411001</p> <p><b>Occupation:</b> Service</p> <p><b>DIN:</b> 00022096</p>	October 16, 1954	66 years	<ul style="list-style-type: none"> <li>• Sterlite Technologies Limited</li> <li>• Twin Star Technologies Limited</li> <li>• Twin Star Display Technologies Limited</li> <li>• Sterlite Global Ventures (Mauritius) Limited</li> </ul>
2.	<p><b>Pratik Pravin Agarwal</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>Term:</b> Three years with effect from June 1, 2021</p> <p><b>Period of Directorship:</b> Director since June 1, 2016</p> <p><b>Address:</b> 403-A, 3<sup>rd</sup> Floor, Samudra Mahal, Dr. A.B. Road, Worli, Mumbai 400 018</p> <p><b>Occupation:</b> Service</p> <p><b>DIN:</b> 03040062</p>	December 2, 1982	38 years	<ul style="list-style-type: none"> <li>• IndiGrid Investment Managers Limited</li> <li>• Sharper Shape Group Inc.</li> </ul>
3.	<p><b>Alampallam Ramakrishnan Narayanaswamy</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Five years with effect from July 22, 2019</p> <p><b>Period of Directorship:</b> Director since July 22, 2019</p> <p><b>Address:</b> A-12, Archana, Juhu Versova Link Road, Near JVPD Bus Stop, Azad Nagar, Andheri (W) Mumbai 400 053</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 00818169</p>	December 22, 1951	69 years	<ul style="list-style-type: none"> <li>• Facor Power Limited</li> <li>• Sesa Resources Limited</li> <li>• Sesa Mining Corporation Limited</li> <li>• IBIS Systems and Solutions Private Limited</li> <li>• Maritime Ventures Private Limited</li> <li>• Vedanta Resources Limited UK</li> </ul>

S. No.	Name, DIN, designation, term/period of directorship, address and occupation	Date of birth	Age (years)	Other Directorships
4.	<p><b>Zhao Haixia</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Five years with effect from September 11, 2019</p> <p><b>Period of Directorship:</b> Director since September 11, 2019</p> <p><b>Address:</b> 21, St. Thomas Walk #17-23, Singapore – 238 145</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 08560321</p>	June 5, 1965	56 years	<ul style="list-style-type: none"> <li>Pavilion Energy Pte. Ltd.</li> </ul>
5.	<p><b>Anoop Seth</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Five years with effect from July 31, 2020</p> <p><b>Period of Directorship:</b> Director since July 31, 2020</p> <p><b>Address:</b> H. No. 220A, Hamilton Court, DLF Phase-4, Gurgaon-122 009</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 00239653</p>	January 7, 1961	60 years	<ul style="list-style-type: none"> <li>FA Infra Investment Management Private Limited</li> </ul>

### Brief Biographies of our Directors

**Pravin Agarwal** is the Chairman and Non-executive Director of our Company. He holds a bachelor’s degree in commerce from the Patna University. He has been associated with the Sterlite Power group since its inception and has significant experience in general management and commercial affairs. Previously, he has held directorship positions in Sterlite Technologies Limited, East-North Interconnection Company Limited and Speedon Network Limited and has an overall experience of 24 years as a director in overseeing and handling management of companies. He has been a Director on our Board since May 5, 2015.

**Pratik Pravin Agarwal** is the Managing Director of our Company. He holds a master’s degree in business administration from the London Business School, University of London and a bachelor’s of science degree in economics from the University of Pennsylvania. He has an overall experience of 10 years as a director in overseeing and handling management of companies. Previously, he has held directorship positions in Sterlite Technologies Limited, Sterlite Ports Limited, Vizag General Cargo Berth Limited, and Speedon Network Limited. In 2018, he was awarded the Economic Times 40 under 40 award. He is a member of the National Committee on Power constituted by the Confederation of Indian Industries (the “CII”) for Fiscal 2021, the co-chairman of the Infrastructure and Real Estate Committee constituted by the IMC Chamber of Commerce and Industry, and the president of Electric Power Transmission Association (EPTA) of India. He was also the chairman of the Core Group on Transmission constituted by the CII for Fiscal 2019 and a part of the Task Force on Power Transmission constituted by the Federation of Indian Chambers of Commerce and Industry (the “FICCI”) in 2013. He has been a Director on our Board since June 1, 2016.

**Alampallam Ramakrishnan Narayanaswamy** is an Independent Director of our Company. He holds a bachelor’s degree in commerce from the University of Mumbai and is also a fellow member of the Institute of Chartered Accountants of India. He has an overall experience of 26 years as a director in overseeing and handling management of companies. Previously, he has held directorship positions in Hindustan Zinc Limited, Sterlite Technologies Limited, MALCO Energy Limited and IBIS Logistics Private Limited. He has been a Director on our Board since July 22, 2019.

**Zhao Haixia** is an Independent Director of our Company. She holds bachelor’s degree in engineering from the Zhejiang University and a master’s degree in science from the University of Maryland. She has experience in global energy and infrastructure and banking sectors. Previously, she has worked with BP Singapore Pte. Ltd., Singapore, and with AES Transpower Private Limited as director business development. She has been a Director on our Board since September 11, 2019.

**Anoop Seth** is an Independent Director of our Company. He holds a master's degree in management studies from The Birla Institute of Technology and Science, Pilani. He has an overall experience of 25 years as a director in overseeing and handling management of companies. Previously, he has held directorship positions in AMP Capital Advisors India Private Limited, GATI Limited, and IL&FS Energy Development Company Limited. He has been a Director on our Board since July 31, 2020.

### **Relationship between our Directors and Key Managerial Personnel**

Pratik Pravin Agarwal, Managing Director of our Company, is the son of Pravin Agarwal, the Chairman and Non-executive Director of our Company. Apart from this, none of our Directors are related to each other or to any of the Key Managerial Personnel.

### **Confirmations**

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board.

Further, none of our Directors have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

### **Terms of Appointment of our Executive Directors**

#### **Pratik Pravin Agarwal**

Pratik Pravin Agarwal is a Director on our Board since June 1, 2016. Our Shareholders, pursuant to a special resolution passed on May 20, 2016 and the service agreement entered into between him and our Company dated June 1, 2016, appointed him as the Managing Director of our Company at a basic salary and personal allowance subject to a maximum limit of ₹ 30.00 million per annum and other perquisites, as set out in the service agreement, subject to a maximum limit of ₹ 20.00 million per annum. Pursuant to the resolution passed by the Board of Directors on November 30, 2020 and by the Shareholders on December 31, 2020, the remuneration payable to him was revised as follows:

- (a) **Salary and personal allowance:** Not exceeding ₹ 50.00 million (Rupees fifty million only) per annum.
- (b) **Perquisites and other benefits:** In addition to salary and personal allowance as above, he is entitled to perquisites including house rent allowance (or Company owned or leased accommodation in lieu thereof as per the Company's rules), medical reimbursement, bonus, credit card and annual club membership fees, medical or accident insurance, servants and other benefits as per the rules of the Company, subject to maximum limit of ₹ 30.00 million (Rupees Thirty million only) per annum.  
  
Reimbursement of expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trip(s), provision of a car for use in relation to the Company's business, telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.
- (c) **Performance based incentive:** Performance based incentive as may be approved by the Board or the Nomination and Remuneration Committee not exceeding 150% of salary and personal allowance provided above, in a financial year.
- (d) For the purposes of leave accumulation, gratuity, provident fund, superannuation and other benefits, his services will be considered as continuous and the re-appointment on account of retirement on rotation will not be considered as any break in service.
- (e) In addition to the above, he shall be entitled for pay out with respect to ESAR allocated to him as per employees stock appreciation rights scheme of the Company based on the fair market value prevailing as on the date of vesting of ESAR as may be decided by the Nomination and Remuneration Committee.

The key terms of the service agreement dated June 1, 2021, entered into between Pratik Pravin Agarwal and the Company for his appointment as the Managing Director ("MD") are as provided below:

- (a) The MD has been reappointed for a period of three years commencing from June 1, 2021.

- (b) The MD shall, subject to the superintendence, control and direction of the Board, have such powers of management of the day-to-day affairs of the Company and such other or more powers as may from time to time be delegated to him by the Board.
- (c) The MD shall discharge such duties and functions and exercise such powers and authorities as the Board of Directors shall from time to time determine including the power to appoint and dismiss employees, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of business he may consider necessary and proper or in the interests of the Company.
- (d) The MD shall in consideration of his services to the Company be entitled to receive remuneration by way of salary, allowances, incentives and perquisites as approved by the of Directors on November 30, 2020 and by the Shareholders on December 31, 2020.
- (e) In case the Company has no profits or its profits are inadequate in a Financial Year, the remuneration may be paid to the MD in excess of the limits prescribed under the Companies Act, 2013 pursuant to the approval of Shareholders accorded by way of a special resolution.
- (f) **Termination:** The Company shall be entitled to terminate the employment of the MD under the service agreement forthwith by notice in writing, in the following scenarios:
- If he becomes insolvent or makes any composition or arrangement with his creditors;
  - If he commits a material breach of any of the terms, provisions or conditions specified in the service agreement; and
  - If he becomes disqualified to act as a director for any reason, other than an inadvertent breach of Section 187 of the Companies Act, 2013.

#### Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Financial Year 2021 are set forth below.

(i) *Remuneration to our Executive Director*

Details of the remuneration paid to our Executive Director in the Financial Year 2021 are set forth below:

S. No.	Name of Whole-time Director	Remuneration (in ₹ million)^
1.	Pratik Agarwal*	49.99

\*Pratik Agarwal is also one of the Key Managerial Personnel by virtue of being the Managing Director of our Company.

^The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole.

(ii) *Remuneration to our Non-executive Directors and Independent Directors*

(a) Chairman

Our Chairman and Non-executive Director, Pravin Agarwal is not entitled to any remuneration in the Financial Year 2021.

(b) Independent Directors

Pursuant to the resolution dated July 22, 2019 passed by the Board, each Independent Director is entitled to receive ₹ 0.1 million per meeting, within the limits prescribed under the Companies Act.

The details of remuneration paid to our Independent Directors during Financial Year 2021 are as follows:

S. No.	Name of Director	Sitting Fees (in ₹ million)	Commission (in ₹ million)	Total Remuneration (in ₹ million)
1.	Alampallam Ramakrishnan Narayanaswamy	4.85	Nil	4.85
2.	Zhao Haixia	3.40	6.00	8.40
3.	Anoop Seth	1.70	0.75	2.45

There is no contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2021.

## Remuneration paid to our Directors by our Subsidiaries

As on the date of this Draft Red Herring Prospectus, none of our Directors are entitled to remuneration, including any contingent or deferred compensation accrued for Fiscal 2021, from our Subsidiaries.

## Bonus or profit-sharing Plan of the Directors

None of our Directors is a party to any bonus or profit-sharing plan of our Company.

## Shareholding of Directors in our Company

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

Name of the Director	Number of Equity Shares held
Pravin Agarwal	836,105
Pratik Pravin Agarwal	594,364

Our Articles of Association do not require our Directors to hold any qualification shares.

## Interests of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof. For further details, please see the section entitled “– Terms of Appointment of our Executive Directors”, “– Payment or benefit to Directors of our Company”, on pages 271 and 272, respectively.

Alampallam Ramakrishnan Narayanaswamy holds the position of an independent director on the board of directors of Sterlite Grid 4 Limited, one of the material Subsidiaries in accordance with Regulation 16 of the SEBI Listing Regulations.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends in respect of such Equity Shares), held by them or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue and any dividend, and other distributions payable in respect of such Equity Shares. As on date of this Draft Red Herring Prospectus, no outstanding employee stock appreciation rights are to be granted to any of our Directors.

Further, certain of our Directors are also shareholders, members, directors and trustees of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company to such Promoter Group entities and the shareholding of such Promoter Group entities, if any and dividends declared thereon. For the payments that are made by our Company to certain Promoter Group entities, please see the section entitled “Related Party Transactions” on page 400

No sum or consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

No loans have been availed by our Directors from our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company.

Except Pravin Agarwal and Pratik Pravin Agarwal, none of our Directors have any interests in the promotion or formation of our Company.

## Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below.

Name	Date of Change	Reason
Avaantika Kakkar	February 1, 2021	Cessation as Independent Director
Lalit Narayan Tandon	May 15, 2019	Cessation as Independent Director
Alampallam Ramakrishnan Narayanaswamy	July 22, 2019	Appointment as Additional Director <sup>(1)</sup>
Haixia Zhao	September 11, 2019	Appointment as Additional Director <sup>(1)</sup>
Anoop Seth	July 31, 2020	Appointment as Additional Director <sup>(2)</sup>
Arun Lalchand Todarwal	July 24, 2021	Cessation as Independent Director

(1) Regularised pursuant to the resolution of Shareholders passed at the meeting held on September 30, 2019.

(2) Regularised pursuant to the resolution of Shareholders passed at the meeting held on December 31, 2020.



## **Borrowing Powers of the Board**

Pursuant to the provisions of the Companies Act and the resolution dated December 9, 2015 passed by the Shareholders, our Board is authorised to borrow, from time to time, from banks and/or financial institutions and/or multilateral agencies and/or export-import banks and/or other creditors any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) up to an amount which shall not exceed ₹ 30,000 million.

Pursuant to the provisions of the Companies Act and the resolution dated December 31, 2020 passed by the Shareholders, our Board is authorised to mortgage and/or to create charge on all and/or any of the immovable and/or movable properties and/or investments of the Company, wherever situated, both present and/or future, or to sell, lease or otherwise dispose of whole or substantially the whole of the undertaking or undertakings of the Company in such form and in such manner as the Board may think fit, to or in favour of banks, public financial institutions, non-banking financial institutions, mutual funds, trusts, body(ies) corporate and trustees for the holders of debentures or any other party (the “**Lenders**”) to secure the financial assistance provided or to be provided by the Lenders to the Company and/or its associate or subsidiary or holding or group companies by way of loans and/or advances and/or letters of credit and/or bank guarantees together with all interests, additional interest, default interest, commitment fees, premia on prepayment, any fees, costs, charges, expenses and all other monies payable by the Company and/or its associate or subsidiary or holding or group companies to the Lenders up to an amount which shall not exceed ₹ 30,000 million.

## **Corporate Governance**

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations of SEBI, in respect of corporate governance including in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

As on the date of this Draft Red Herring Prospectus, our Board comprises five Directors, including three Independent Directors, one Executive Director and, one Non-Executive Director. One of our five Directors is a woman Director. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation. Further, in terms of Regulation 16 of the SEBI Listing Regulations, Alampallam Ramakrishnan Narayanaswamy, an independent director of our Company has been appointed as an independent director on the board of Sterlite Grid 4 Limited, one of our material Subsidiaries.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.

## **Committees of the Board**

Details of the Committees in terms of the SEBI Listing Regulations and the Companies Act, 2013 are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

### ***Audit Committee***

The members of the Audit Committee are:

1. Alampallam Ramakrishnan Narayanaswamy (*Chairperson*);
2. Pravin Agarwal (*Member*); and
3. Anoop Seth (*Member*).

The Audit Committee was constituted pursuant to resolution passed by our Board in its meeting held on July 25, 2016. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 7, 2021 are set forth below:

- Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions; and
- qualifications and modified opinion(s) in the draft audit report;
- Examination and review with the management of the quarterly financial statement and auditor's report thereon; and audit findings, including any significant suggestions for improvements provided to the management by the independent auditors before submission to the board for approval;
- Review the financial statements, in particular, the investments made by the unlisted Subsidiary;
- Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document or prospectus or notice and the report submitted by the Monitoring Agency monitoring the utilisation of issue proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor effectiveness of the audit process;
- Review and monitor the auditor's independence, performance and qualifications, including an evaluation of the lead audit partner and to assure the regular rotation of the lead audit partner and consider regular rotation of the accounting firm serving as the independent auditors;
- Review with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- Evaluate internal financial controls and risk management systems and call for comments by the auditors about internal control systems or 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;
- Review of the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon and review the findings of any investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Review material issues raised in any inquiry or investigation by governmental or professional authorities, regarding any independent audit performed by the independent auditor, during their tenure with the Company, and any steps taken to deal with any such issues;
- Review proposals for fund raising, mergers and acquisitions, making investments or sale of investment or assets;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its Shareholders;
- Review with the management, and independent auditors, any prospectus or such other document including financial statements contained therein, proposed to be issued by the Company for the purpose of raising capital;
- Monitoring of end use of funds raised through public offers and related matters;

- Monitoring and review of the utilization of loans and/ or advances from/investment in the subsidiary companies exceeding ₹ 1,000 million or 10% of the asset size of the subsidiary/associate companies, whichever is lower; including existing loans or advances or investments existing as on the date of coming into force of this provision;
- Review the reasons for substantial defaults in payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors, if any;
- Periodically review the treasury policy of the Company;
- Review the functioning of the vigil or whistle blower mechanism;
- Review of compliance with the code of business conduct & ethics, prevention of sexual harassment at workplace policy, conflict of interest policy, anti-trust policy and anti-corruption and bribery policy;
- Note report of compliance officer as per SEBI (Prohibition of Insider Trading) Regulations, 2015;
- Review of secretarial audit report, cost audit report and other audit report as required under the applicable laws; and
- Review, in conjunction with legal counsel, any legal matters that could have a significant impact on the Company's financial statements/position;
- Review the following:
  - Management discussion and analysis of financial condition and results of operation;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management, provided that only those members of the Audit Committee, who are Independent Directors, shall approve the related party transactions;
  - Management letters or letters of internal control weaknesses issued by the statutory auditors including Internal audit reports relating to internal control weaknesses;
  - Statement of deviations, if any in the use of proceeds as against the objects for which the funds were raised;
  - Review the statement of deviations:
    - (a). quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the Stock Exchange(s) in terms of the SEBI Listing Regulations; and
    - (b). annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations ;
  - Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- Approval of other non-audit services rendered by the statutory auditors including finalization of fees for such other services;
- Approval or any subsequent modification of transactions of the Company with the related parties or recommendation of the same to the Board;
- Approval of appointment of the chief financial officer and chief internal auditor after assessing the qualifications, experience and background, etc. of the candidate. The removal and terms of remuneration of the chief internal auditor shall also be subject to review by the Audit Committee;
- Formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with internal auditor;
- Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company including secretarial auditors and cost auditors;
- Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- Scrutiny of inter corporate loans and investments and periodically review its status;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Appointment of registered valuer in terms of Section 247 of the Companies Act, 2013, if required;
- Formulate the criteria for granting omnibus approval in line with the policy on related party transactions of the Company;
- Make an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions and requirements as prescribed by applicable law;
- Undertake any other activity in this regard as may be required by the Companies Act, 2013, or the SEBI Listing Regulations or other applicable law from time to time;
- To do all acts, deeds and things which may be necessary for effective implementation of the foregoing acts; and
- 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.

***Corporate Social Responsibility Committee (“CSR Committee”)***

The members of the CSR Committee are:

1. Alampallam Ramakrishnan Narayanaswamy (*Member*);
2. Haixia Zhao (*Member*);
3. Pratik Pravin Agarwal (*Member*); and
4. Pravin Agarwal (*Member*).

The CSR Committee was constituted pursuant to resolution passed by our Board in its meeting held on February 15, 2017. The scope and functions of the CSR Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 7, 2021 are set forth below:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”) and amendments therein, from time to time and amendments therein, from time to time;
- formulate and recommend to the Board, a roadmap of the CSR activities to be undertaken by the Company and annual budget to carry out the CSR activities including amendments therein, from time to time;
- Approve and recommend to the Board the expenditure to be incurred on the CSR activities, from time to time as per the annual budget / CSR programme approved by the Board of directors and in accordance with the Companies Act, 2013 and the CSR Rules;
- Review and monitor the Corporate Social Responsibility Policy and CSR activities of the Company;
- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:
  - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
  - b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the CSR Rules;
  - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - d. monitoring and reporting mechanism for the projects or programmes; and
  - e. details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the CSR Committee may alter such plan at any time during the financial year, and recommend the same to the Board, based on the reasonable justification to that effect

- establish a transparent monitoring mechanism for implementation of CSR projects and programs undertaken by the Company and submit a half-yearly report to the Board and monitor the Corporate Social Responsibility Policy of the Company from time to time;
- the CSR Committee may at the expense of the Company secure external professional advice and attendance of third parties with relevant experience and expertise, if it considers this necessary;
- the CSR Committee shall have access to any internal information necessary to fulfil its role;
- undertake any other activity in this regard or carrying out any functions as may be specified by the Board or as may be required by the Companies Act, 2013, the CSR Rules, or other applicable law each as amended or by any other regulatory authority from time to time; and
- to do all acts, deeds and things which may be necessary for effective implementation of the foregoing acts.

### ***Nomination and Remuneration Committee***

The members of the NRC Committee are:

1. Alampallam Ramakrishnan Narayanaswamy (*Chairperson*);
2. Haixia Zhao (*Member*); and
3. Anoop Seth (*Member*).

The NRC Committee was constituted pursuant to resolution passed by our Board in its meeting held on July 25, 2016. The scope and functions of the NRC Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 7, 2021 are set forth below:

- Review and recommend the structure, size and composition of the Board and its committees;
- Formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a director;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for an appointment;
- To devise a policy on diversity of board of directors;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- Review and recommend to the Board appointment of directors and senior management, including evaluation of incumbent directors for potential re-nomination. Further, to recommend to the Board their removal, as may be necessary;
- To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Review succession planning for senior management;
- Recommend to the Board a policy relating to remuneration of the Directors, Key Managerial Personnel, and Senior Management and other employees of the Company (the “**Remuneration Policy**”) and periodically review the same;
- The NRC Committee, while formulating the above policy, should ensure that:
  - a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- Determine and recommend to the Board the remuneration payable to the Directors of the Company and the senior management and key managerial personnel of the Company;
- Review the annual compensation strategy and budget covering all employees of the Company including senior management;
- Review deployment of key human resources strategies and tools specifically in the area of talent management, employee engagement & development and succession planning;
- To formulate a criteria for evaluation of performance of independent directors and the Board;
- To establish and oversee, the process of annual evaluation, including self-evaluation, of the Board, its committees and Directors;
- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC Committee or by an independent external agency and review its implementation and compliance;
- To bi-annually review the performance of the Executive Directors; and
- To annually review its own performance and present the results to the Board

### ***Risk Management Committee***

The members of the Risk Management Committee are:

1. Haixia Zhao (*Chairperson*);
2. Alampallam Ramakrishnan Narayanaswamy (*Member*); and
3. Pratik Pravin Agarwal (*Member*).

The Risk Management Committee was constituted pursuant to resolution passed by our Board in its meeting held on November 1, 2019. The scope and functions of the Risk Management Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 7, 2021 are set forth below:

- Advise the Board of Directors on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities;
- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
  - Measures for risk mitigation including systems and processes for internal control of identified risks;
  - Business continuity plan
- Oversee and advise the Board on the current risk exposures of the Company and future risk strategy and review the risk management plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- The appointment, removal and terms of remuneration of the Chief Risk Officer, if any, shall be subject to review by the Risk Management Committee;
- Review of cyber security and related risks;
- Set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance;
- Ensure that the Chief Risk Officer shall be given the right of unfettered direct access to the Chairman of the Board and/or to the Risk Management Committee;
- The Risk Management Committee may at the expense of the Company secure external legal or other professional advice and attendance of third parties with relevant experience and expertise, if it considers this necessary. The Risk Management Committee may also seek information from any employee of the Company; and
- Undertake any other activity in this regard or carrying out any functions as may be specified by the Board or as may be required by the Companies Act, 2013, the rules thereunder, or the SEBI Listing Regulations each as amended or by any other regulatory authority, from time to time.

### ***Stakeholders' Relationship Committee***

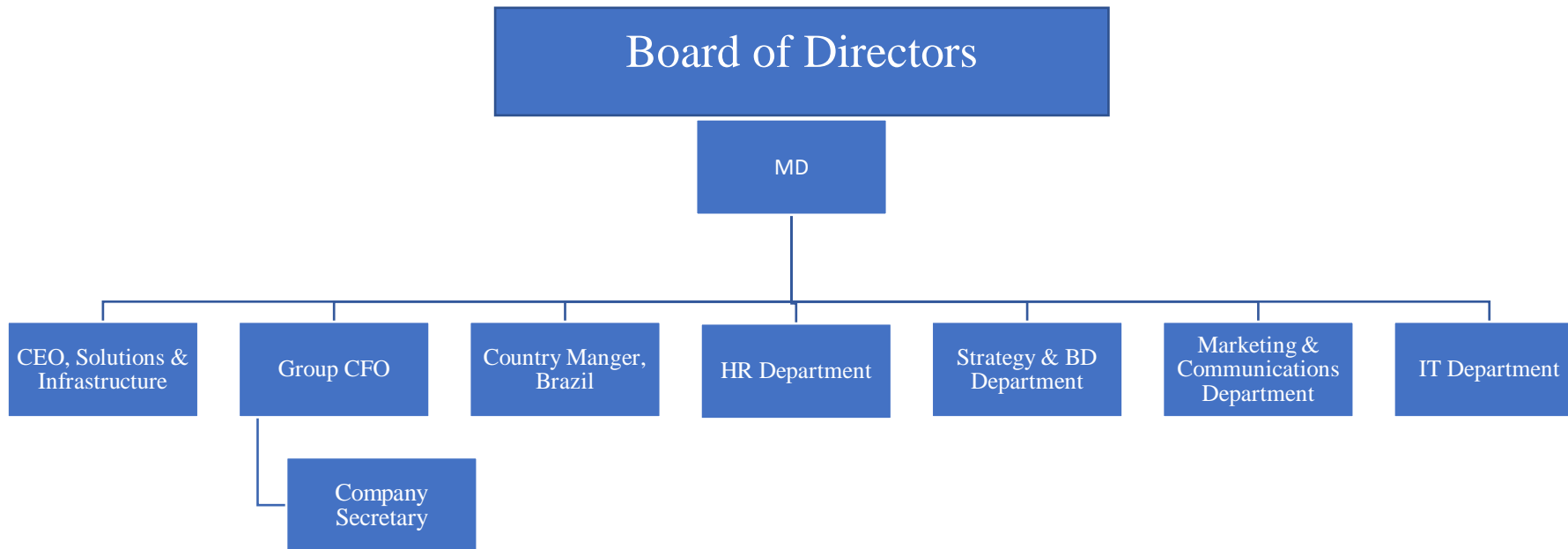
The members of the Stakeholders' Relationship Committee are:

1. Haixia Zhao (*Chairperson*);
2. Alampallam Ramakrishnan Narayanaswamy (*Member*); and
3. Pravin Agarwal (*Member*).

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by our Board in its meeting held on July 25, 2016. The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 7, 2021 are set forth below.

- To approve/refuse/reject registration of transfer/transmission of shares in a timely manner;
- To approve/revise the format of share certificates and authorize printing thereof;
- 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;
- To monitor redressal of and resolve the stakeholder's security holder's complaints/grievances including relating to non-receipt of allotment / refund, transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by the Shareholders;
- Review of adherence of the service standards adopted by the Company in respect of various services being rendered by the Registrar;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company;
- Undertake any other activity in this regard or carrying out any functions as may be specified by the Board or as may be required by the Companies Act, 2013, or the rules thereunder, or the SEBI Listing Regulations each as amended or by any other regulatory authority, from time to time; and
- To do all acts, deeds and things as may be necessary for effective implementation of the foregoing acts.

## Management Organisation Structure





## Key Managerial Personnel

The details of the Key Managerial Personnel, as of the date of this Draft Red Herring Prospectus are as follows:

**Pratik Pravin Agarwal** is the Managing Director of our Company. For details, please see the section entitled “- *Brief Biographies of our Directors*” on page 270. For details of remuneration paid to him during the Financial Year 2021, please see the section entitled “- *Payment or benefit to Directors of our Company - Remuneration to our Executive Director*” on page 272.

**Anuraag Srivastava** is the Chief Financial Officer of our Company. He has been associated with our Company since June 15, 2018. He holds a bachelor’s degree in commerce (honours) from the University of Delhi and passed the final examination held by the Institute of Chartered Accountants of India. He is responsible for strategic financial management, mergers and acquisitions and the legal and secretarial functions for our Company. His areas of responsibility include financial planning, equity and debt finance, mergers and acquisitions, investor relations, controllership, tax, audit and risk management, legal and secretarial. He has worked with Tata Teleservices Limited, Indus Towers Limited and GlaxoSmithKline Consumer Healthcare Limited. During the Financial Year 2021, he received a remuneration of ₹ 30.17 million.

**Ashok Ganesan** is the Company Secretary of our Company. He has been associated with our Company since April 10, 2017. He is a fellow of the Institute of Company Secretaries of India. He holds a bachelor’s degree in law from Lloyd’s Law College and a master’s degree in commerce from the Himachal Pradesh University. Prior to joining our Company, he was associated with Hi-Tech Gears Limited, DLF Limited, IREO Private Limited, and Hindustan Power. During the Financial Year 2021, he received a remuneration of ₹ 8.90 million.

## Senior Managerial Personnel

The details of the Senior Managerial Personnel, as of the date of this Draft Red Herring Prospectus are as follows:

**Manish Agarwal** is the Chief Executive Officer (Infrastructure & Solutions Business) of our Company. He has been associated with the Sterlite group since March 15, 1999. He holds a bachelor’s degree in computer technology engineering from the Nagpur University and a master of business degree from the Federation University, Australia. He has also completed the senior executive leadership program from Harvard Business School. He is the chairman of the Special Task Force on Transmission constituted by the Associated Chambers of Commerce and Industry of India (ASSOCHAM), a part of CIGRE (International Council on Large Electric Systems) India’s governing body and a member of the Power Committee constituted by the FICCI. He is also a part of the National Executive Council of Indian Electrical & Electronics Manufacturer’s Association for the Fiscal 2022. During the Financial Year 2021, he received a remuneration of ₹ 24.11 million.

**Amitabh Prasad** is the Country Manager of our Company in Brazil. He has been associated with our Company since November 1, 2017. He holds a bachelor of science degree in electronics and communication engineering from the Ranchi University and a master’s degree in business administration from the University of Delhi. He has over 20 years of experience in projects, operations and telecommunications. Prior to joining our Company, he was associated with Bharti Airtel International (Netherlands) B.V., Fibcom India Limited, Tata Teleservices Limited, Ericsson India Private Limited, E. I. DuPont India Private Limited, Bharti Telenet Limited and Modi Xerox Limited. During the Financial Year 2021, he received a remuneration of ₹ 19.54 million.

All our Key Managerial Personnel are permanent employees of our Company.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

## Shareholding of Key Managerial Personnel in our Company

As on the date of this Draft Red Herring Prospectus, none of our Key Managerial Personnel hold any Equity Shares, except as disclosed below:

Name of the Key Managerial Personnel	Number of Equity Shares held
Pratik Pravin Agarwal	594,364

## Relationship between our Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

## Interests of Key Managerial Personnel

None of the Key Managerial Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for Fiscal 2021 payable to the Key Managerial Personnel.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares which may be allotted to them (together with dividends in respect of such Equity Shares).

No loans have been availed by our Key Managerial Personnel from our Company.

#### **Changes in our Key Managerial Personnel in the three immediately preceding years**

Details of the changes in our Key Managerial Personnel in the three immediately preceding years are set forth below.

<b>Name</b>	<b>Date of change</b>	<b>Reason for change</b>
Harsh Dinesh Shah	August 10, 2018	Cessation as the Chief Financial Officer
Anuraag Srivastava	August 10, 2018	Appointment as the Chief Financial Officer

#### **Payment or benefit to officers of our Company**

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

#### **Bonus or profit sharing plans for our Key Managerial Personnel**

Our Key Managerial Personnel are not parties to any bonus or profit sharing plan of our Company.

#### **Employee stock option plan and employee stock purchase plan**

As on date of this Draft Red Herring Prospectus, there are no employee stock option plans or employee stock purchase plans available to our Key Managerial Personnel and other employees of the Company.

#### **Employee stock appreciation rights scheme**

For details of our employee stock appreciation rights scheme, please see the section entitled "*Capital Structure – Employee Stock Appreciation Rights Scheme of our Company*" on page 104.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

The Promoters of our Company as on the date of this Draft Red Herring Prospectus are:

1. Twin Star Overseas Limited; and
2. Anil Agarwal;

As on the date of this Draft Red Herring Prospectus, Twin Star Overseas Limited holds 43,670,398 Equity Shares, aggregating to 71.38% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company and Anil Agarwal does not hold any Equity Shares. For further details, please see the section entitled “*Capital Structure - Build-up of Promoters’ Equity Shareholding in our Company*”, on page 101.

### Details of our Promoters

#### Individual Promoter



Anil Agarwal born on September 7, 1952, aged 68 years, is a citizen of India. He resides at Flat 2, 42 Hill Street, London. He has earlier served as the chairman of Sterlite Industries Limited, and currently serves on the board of directors of companies such as Sterlite Technologies Limited, Sterlite Metal Rolling Mills Private Limited, Conclave PTC Limited, and as non-executive chairman of Vedanta Limited and executive chairman of Vedanta Resources Limited.

His PAN is AFWPA3200K and he currently does not have a driving license or an Aadhaar card.

Our Company confirms that the permanent account number, bank account numbers and passport number of the Individual Promoter, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

#### Corporate Promoter

##### Twin Star Overseas Limited (TSOL)

###### *Corporate information*

TSOL was incorporated on June 2, 2006 as a private company under the Companies Act, 2001 of Mauritius with the Registrar of Companies, Republic of Mauritius with the Global Business License Number 63181 C1/GBL and Volcan Investments Limited was its promoter at the time of incorporation.

TSOL is authorised under its constitutional documents to undertake, *inter alia*, the global business activities in accordance with the Financial Services Act, 2007. As on the date of this Draft Red Herring Prospectus, TSOL is engaged in the business of investment holding, with its main objects being (i) carrying out global business activities in accordance with the Financial Services Act, 2007 of the Republic of Mauritius and (ii) engaging in any business or businesses whatsoever which are not prohibited under the law for the time being in force in the Republic of Mauritius. There has been no change in the activities TSOL, since its incorporation.

###### *Promoters of our Corporate Promoter*

1. Volcan Investments Limited

###### *Board of directors of Volcan Investments Limited*

The board of directors of Volcan Investments Limited as on the date of this Draft Red Herring Prospectus are:

<i>S. No.</i>	<i>Name</i>	<i>Designation</i>
1.	Mr E Isaac Collie	Director
2.	Elco (Secretary) Limited	Director

### *Details of change in control*

There has been no change in the control of our Corporate Promoter in the last three years preceding the date of this Draft Red Herring Prospectus.

### *Board of directors of our Corporate Promoter*

The board of directors of our Corporate Promoter as on the date of this Draft Red Herring Prospectus are:

<i>S. No.</i>	<i>Name</i>	<i>Designation</i>
1.	Sevin Chendriah	Director
2.	Bhavana Banyamandhub	Director

### *Capital Structure of our Corporate Promoter*

The capital structure of our Corporate Promoter is as follows:

<b>Authorised</b>	<b>Aggregate nominal value</b>
NA	NA
<b>Issued, subscribed and paid up</b>	
1,000,002	USD \$ 1,000,002

### *Shareholding Pattern of our Corporate Promoter*

The shareholding pattern of our Corporate Promoter as on the date of this Draft Red Herring Prospectus is as follows:

<i>S. No.</i>	<i>Name</i>	<i>Number of equity shares</i>	<i>Percentage (%)</i>
1.	Volcan Investments Limited	1,000,002	100

Our Company confirms that the permanent account number, bank account numbers, the company registration number of our Corporate Promoter and the address of the registrar of companies where our Corporate Promoter is registered, as applicable, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

### **Change of Promoter**

Twin Star Overseas Limited and Anil Agarwal are the original promoters of the Company.

### **Interests of our Promoters**

The Promoters are interested in our Company to the extent they are promoters of our Company and to the extent of their shareholding in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them. For details of the shareholding of our Promoters in our Company, please see the section entitled “*Capital Structure – Shareholding of our Promoters, members of our Promoter Group and the directors of the Corporate Promoter*” on page 102.

The Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or any property that is proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid by the Company to the Promoters, or to the firms or companies in which the Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such promoters or by such firms or companies in connection with the promotion or formation of our Company.

None of our Promoters are engaged in business activities similar to those of our Company.

Additionally, other than as disclosed in the sections entitled “*Our Promoters and Promoter Group*” and “*Our Group Companies*” on pages 284 and 288, respectively, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when it arises.

### **Payment or benefits to our Promoters and their respective Promoter Groups**

Except as disclosed in the section entitled “*Related Party Transactions*” on page 400, no amount or benefit has been paid or given by our Company to the Promoters, or their respective Promoter Groups during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to the Promoters, or their respective Promoter Groups.

## Experience in the business of the Company

The Corporate Promoter is a holding company. The Individual Promoter, Anil Agarwal has over four decades of experience in the metals and mining industry. This is similar to the business activities of our Company.

## Material guarantees given by our Promoters to third parties with respect to Equity Shares

The Promoters have not provided any material guarantees to third parties with respect to the Equity Shares.

## Companies or firms with which our Promoters have disassociated in the last three years

None of our Promoters have disassociated themselves from any company or firm during the three years immediately preceding the date of filing this Draft Red Herring Prospectus.

## Confirmations

Except as disclosed in the section entitled “*Outstanding Litigation and Material Developments*” on page 441, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, in a consolidated manner or (iv) material civil litigation pending against our Promoters.

Our Promoters have not been declared as Fugitive Economic Offenders.

Our Promoters and members of our Promoter Group have not been declared as Wilful Defaulters.

Our Promoters and members of our Promoter Group are not prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. However as disclosed below, our Individual Promoter and Sterlite Industries Limited (now merged with Vedanta Limited, a member of our Promoter Group) have, in the past, been prohibited from accessing or operating in capital markets under direction passed by SEBI:

1. By way of a Securities and Exchange Board of India order dated April 19, 2001 (“**Order**”), Sterlite Industries Limited, through its directors (one of whom was the Individual Promoter), was prohibited from accessing the capital markets for a period of 2 years from the date of passing of the said Order. On appeal, the Securities Appellate Tribunal, by way of its order dated October 22, 2001, set aside the impugned Order in the absence of sufficient material evidence.

Our Promoters and members of the Promoter Group are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

## Promoter Group

### A. Natural Persons forming part of the Promoters Group

The natural persons forming part of our Promoter Group (other than our Individual Promoter) are as follows:

Name of Promoter	Name of relative	Relationship
Anil Agarwal	Vedwati Agarwal	Mother
	Kiran Agarwal	Spouse
	Agnivesh Agarwal	Son
	Priya Agarwal	Daughter
	Navin Agarwal	Brother
	Suman Didwania	Sister
	Pravin Agarwal	Brother
	Shiv Bhagwan Gupta	Brother-in-law
	Urmila Kanwatia	Sister-in-law
	Ashwani Gupta	Brother-in-law
	Prem Gupta	Brother-in-law
	Janak Dulari Nagori	Sister-in-law

### B. Entities forming part of the Promoter Group

The entities forming part of our Promoter Group (other than our Corporate Promoter) are as follows:

1.	Hare Krishna Packaging Private Limited	2.	Sterlite Tech Cables Solutions Limited	3.	THL Zinc Limited
4.	Sterlite Metal Rolling Mills Private Limited	5.	Impact Data Solutions Limited	6.	Western Clusters Limited

7.	WOKA Creations Private Limited	8.	Impact Data Solutions B.V.	9.	Sterlite (USA) Inc.
10.	Caitlyn Limited	11.	Vulcan Data Centre Solutions Limited	12.	Fujairah Gold FZC
13.	Volcan Investments Limited	14.	Metallurgica Bresciana S.P.A.	15.	THL Zinc Namibia Holdings (Proprietary) Limited
16.	Volcan Investments Cyprus Limited	17.	PT Sterlite Technologies Indonesia	18.	Skorpion Zinc (Proprietary) Limited
19.	Vedanta Resources Limited	20.	Sterlite Technologies DMCC	21.	Skorpion Mining Company (Proprietary) Limited
22.	Conclave (PTC) Limited	23.	Sterlite Technologies Pty. Ltd.	24.	Namzinc (Proprietary) Limited
25.	Vedanta Holdings Mauritius II Limited	26.	STL Optical Interconnect S.p.A.	27.	Amica Guesthouse (Proprietary) Limited
28.	Vedanta Resources Jersey II Limited	29.	Optotec S.p.A.	30.	Black Mountain Mining (Proprietary) Limited
31.	Vedanta Resources Jersey Limited	32.	Optotec International S.A.	33.	Vedanta Lisheen Holdings Limited
34.	Vedanta Holdings Jersey Limited (VHJL)	35.	STL Edge Networks Inc.	36.	Vedanta Lisheen Mining Limited
37.	Vedanta Resources Holdings Ltd. (VRHL)	38.	STL Networks Limited	39.	Killoran Lisheen Mining Limited
40.	Vedanta Resources Finance II Plc	41.	STL Tech Solutions Limited	42.	Killoran Lisheen Finance Limited
43.	Vedanta Resources Finance Ltd	44.	STL UK Holdco Limited	45.	Lisheen Milling Limited
46.	Vedanta Resources Cyprus Ltd	47.	Vedanta Ltd.	48.	Vedanta Exploration Ireland Limited
49.	Vedanta Holdings Mauritius Limited	50.	Bloom Fountain Limited	51.	Lisheen Mine Partnership
52.	Richter Holding Limited	53.	Sterlite (Shanghai) Trading Co. Limited	54.	Cairn India Holdings Limited
55.	Vedanta Finance UK Limited	56.	THL Zinc Ventures Limited	57.	Cairn Energy Hydrocarbons Limited
58.	Sterlite Innovative Solutions Limited	59.	Twinstar Holdings Limited	60.	Cairn Energy Gujarat Block 1 Limited
61.	Valliant Jersey Limited	62.	Bharat Aluminium Co. Ltd.	63.	CIG Mauritius Holdings Private Limited
64.	Twin Star Technologies Limited	65.	Hindustan Zinc Limited	66.	CIG Mauritius Private Limited
67.	Sterlite Iron and Steel Company Limited	68.	MALCO Energy Limited	69.	Cairn Lanka (Pvt) Ltd
70.	Volcan Holdings PLC	71.	Talwandi Sabo Power Limited	72.	Cairn South Africa Proprietary Limited
73.	Volcan Holdings II PLC	74.	Sesa Resources Limited	75.	Avanstrate Inc.
76.	Westglobe Limited	77.	Sesa Mining Corporation Limited	78.	Avanstrate (Korea) Inc.
79.	Welter Trading Limited	80.	Sterlite Ports Limited	81.	Avanstrate (Taiwan) Inc.
82.	Finsider International Company Limited	83.	Maritime Ventures Private Limited	84.	Gaurav Overseas Private Limited
85.	Sterlite Technologies Limited	86.	Goa Sea Port Private Limited	87.	Roshkor Township (Pty) Ltd
88.	Speedon Network Limited	89.	Vizag General Cargo Berth Private Limited	90.	Raykal Aluminium Company Private Limited
91.	Sterlite Telesystems Limited	92.	Paradip Multi Cargo Berth Private Limited	93.	Goa Maritime Private Limited
94.	Elitecore Technologies (Mauritius) Limited	95.	ESL Steel Limited	96.	Madanpur South Coal Company Limited
97.	Elitecore Technologies Sdn Bhd.	98.	Ferro Alloys Corporation Limited	99.	Rampia Coal Mine and Energy Private Limited
100.	Sterlite Global Ventures (Mauritius) Limited	101.	Facor Power Limited	102.	Rosh Pinah Health Care (Proprietary) Limited
103.	Maharashtra Transmission Communication Infrastructure Limited	104.	Facor Realty and Infrastructure Limited	105.	Gergarub Exploration and Mining (Pty) Limited
106.	Jiangsu Sterlite Tongguang Fiber Co. Limited	107.	Copper Mines of Tasmania Pty Limited	108.	Sterlite Power Technologies Private Limited
109.	Sterlite Technologies UK Ventures Limited	110.	Thalanga Copper Mines Pty Limited	111.	Konkola Copper Mines Plc (Zambia)
112.	Sterlite Tech Holding Inc.	113.	Monte Cello B.V.	114.	KCM SmelterCo Limited
115.	Sterlite Technologies Inc.	116.	THL Zinc Holding B.V.	117.	STL Digital Limited (Erstwhile "Sterlite Tech Connectivity Solutions Limited")
118.	Sterlite Condupar Industrial LTDA	119.	Lakomasko B.V.		

## OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the Ind AS 24, for the purpose of identification of group companies, our Company has formulated a policy for identification of group companies and considered (i) the companies (other than our Corporate Promoter and Subsidiaries) with which there were related party transactions, as disclosed in the Restated Consolidated Summary Statements; and (ii) (a) the companies forming part of the Promoter Group (other than the Corporate Promoter) with which there were transactions in the most recent financial year, if any, included in the offer documents (“**Test Period**”) which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the Test Period and; (b) other companies (other than our Corporate Promoter and Subsidiaries) with which there were related party transactions for the period (after the period in respect of which, Restated Consolidated Summary Statements are included in this Draft Red Herring Prospectus) until the date of filing of this Draft Red Herring Prospectus with the SEBI, for disclosures to be included until filing of this Draft Red Herring Prospectus, as its group companies.

Accordingly, in terms of the policy adopted by our Board for determining group companies pursuant to its resolution dated August 7, 2021, our Board has identified the following as group companies of our Company (“**Group Companies**”).

1. Volcan Investments Limited;
2. Sterlite Interlinks Limited;
3. Indigrd Investment Managers Limited (formerly, Sterlite Investment Managers Limited);
4. NER II Transmission Limited;
5. Sterlite Grid 13 Limited;
6. IndiGrid Limited (formerly, Sterlite Grid 1 Limited);
7. IndiGrid 1 Limited (formerly, Sterlite Grid 2 Limited);
8. IndiGrid 2 Limited (formerly, Sterlite Grid 3 Limited);
9. Jabalpur Transmission Company Limited;
10. Bhopal Dhule Transmission Company Limited;
11. Purulia & Kharagpur Transmission Company Limited;
12. RAPP Transmission Company Limited;
13. Maheshwaram Transmission Limited;
14. Patran Transmission Company Limited;
15. Vapi II - North Lakhimpur Transmission Limited;
16. Vedanta Limited;
17. Fujairah Gold FZC;
18. Bharat Aluminium Company Limited;
19. Hindustan Zinc Limited;
20. Sterlite Technologies Limited;
21. Sterlite Power Technologies Private Limited;
22. Maharashtra Transmission Communication Infrastructure Limited;
23. ESL Steels Limited (formerly, Electrosteel Steels Limited);
24. PTC Cables Private Limited;
25. Talwandi Sabo Power Limited; and
26. Twin Star Technologies Limited.

## **A. Details of our Group Companies**

### **I. Top five Group Companies**

Our top five Group Companies comprising (a) Vedanta Limited, Hindustan Zinc Limited and Sterlite Technologies Limited (on the basis of market capitalisation one month prior to the filing of this Draft Red Herring Prospectus); and (b) ESL Steel Limited and Bharat Aluminium Company Limited (based on turnover for the preceding three years, as applicable), are as follows:

#### **1. Vedanta Limited**

##### *Corporate Information*

Vedanta Limited was originally incorporated in Goa on February 5, 1954 under the Portuguese Commercial Code as a private limited company and on June 26, 1965 under the name Sesa Goa Private Limited under the Companies Act, 1956. A scheme of amalgamation and arrangement amongst Sterlite Industries (India) Limited, Madras Aluminium Company Limited, Sterlite Energy Limited, Vedanta Aluminium Limited and Sesa Goa Limited and their respective shareholders and creditors has been effective from August 17, 2013. Subsequent to the aforesaid merger, the name of the Sesa Goa Private Limited was changed to Sesa Sterlite Limited effective September 18, 2013 and later to Vedanta Limited effective April 21, 2015. The corporate identity number of Vedanta Limited is L13209MH1965PLC291394. The equity shares of Vedanta Limited are listed on the National Stock Exchange of India Limited and BSE Limited. Its registered office is situated at 1<sup>st</sup> Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai 400 093, Maharashtra.

##### *Financial Performance*

The financial information derived from the standalone audited financial statements of Vedanta Limited, being, (i) the reserves (including revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per shares; (v) dilutes earnings per shares; and (vi) net asset value, for the Financial Years 2021, 2020 and 2019 is available at <https://www.vedantalimited.com/InvestorRelationDoc/Financial-Performance.pdf>.

#### **2. Hindustan Zinc Limited**

##### *Corporate Information*

Hindustan Zinc Limited was incorporated on January 10, 1966 under the Companies Act, 1956. Hindustan Zinc Limited received its certificate for commencement of business on January 10, 1966. The corporate identity number of Hindustan Zinc Limited is L27204RJ1966PLC001208. Its registered office is situated at Yashad Bhawan, Udaipur 313 004. The equity shares of Hindustan Zinc Limited are listed on the National Stock Exchange of India Limited and BSE Limited.

##### *Financial Performance*

The financial information derived from the standalone audited financial statements of Hindustan Zinc Limited, being, (i) the reserves (including revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per shares; (v) dilutes earnings per shares; and (vi) net asset value, for the Financial Years 2021, 2020 and 2019 is available at <https://www.hzllindia.com/wp-content/uploads/HZL-Financial-performance-for-last-3-years..pdf>.

#### **3. Bharat Aluminium Company Limited**

##### *Corporate Information*

Bharat Aluminium Company Limited was incorporated as a public limited company on November 26, 1965 under the Companies Act, 1956. The corporate identity number of Bharat Aluminium Company Limited is U74899DL1965PLC004518. Its registered office is situated at Aluminium Sadan, Core – 6 Scope Office Complex 7, Lodhi Road, New Delhi 110 003.

##### *Financial Performance*

The financial information derived from the standalone audited financial statements of Bharat Aluminium Company Limited, being, (i) the reserves (including revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per shares; (v) dilutes earnings per shares; and (vi) net asset value, for the Financial Years 2020, 2019 and 2018 is available at [http://www.balcoindia.com/media-corner/pdf/Financial\\_Performance.pdf](http://www.balcoindia.com/media-corner/pdf/Financial_Performance.pdf).

#### **4. Sterlite Technologies Limited**



## *Corporate Information*

Sterlite Technologies Limited was incorporated as a public limited company on March 24, 2000 under the Companies Act, 1956. Sterlite Technologies Limited received its certificate for commencement of business on March 31, 2000. The corporate identity number of Sterlite Technologies Limited is L31300PN2000PLC202408. Its registered office is situated at 4<sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra 411 001. The equity shares of Sterlite Technologies Limited are listed on the National Stock Exchange of India Limited and BSE Limited.

## *Financial Performance*

The financial information derived from the standalone audited financial statements of Sterlite Technologies Limited Limited, being, (i) the reserves (including revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per shares; (v) dilutes earnings per shares; and (vi) net asset value, for the Financial Years 2021, 2020 and 2019 is available at [https://www.stl.tech/pdf/Financial%20Performance-%20STL\\_1.pdf](https://www.stl.tech/pdf/Financial%20Performance-%20STL_1.pdf).

### **5. ESL Steels Limited (formerly, Electrosteel Steels Limited) (“ESL”)**

#### *Corporate Information*

ESL was incorporated as a public limited company on December 20, 2006 under the Companies Act, 1956. ESL received its certificate for commencement of business on January 5, 2007. The corporate identity number of ESL is U27310JH2006PLC012663. Its registered office is situated at Siyaljori, P.O. Jogidih, O.P. Bangaria, P.S. Chandankyari, Bokaro 828 303, Jharkhand.

#### *Financial Performance*

The financial information derived from the standalone audited financial statements of ESL, being, (i) the reserves (including revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per shares; (v) dilutes earnings per shares; and (vi) net asset value, for the Financial Years 2021, 2020 and 2019 is available at <https://www.eslsteel.com/investor-relations/financial-performance.aspx>.

## **II. Other Group Companies**

The details of the rest of our Group Companies are as follows:

### **1. Volcan Investments Limited**

Volcan Investments Limited was incorporated on November 25, 1992 under the International Business Companies Act, 2000 in the Commonwealth of the Bahamas. Volcan Investments Limited received its certificate for commencement of business on November 25, 1992. The corporate identity number of Volcan Investments Limited is 11,772 B. Its registered office is situated at Loyalist Plaza, Don Mackay Boulevard, Marsh Harbour, ABACO, Bahamas.

### **2. Sterlite Interlinks Limited**

Sterlite Interlinks Limited was incorporated as a public limited company on December 20, 2017 under the Companies Act, 2013. Sterlite Interlinks Limited was not required to receive a certificate for commencement of business on account of it being incorporated prior to coming into force of the relevant provision in the Companies Act, 2013. The corporate identity number of Sterlite Interlinks Limited is U64200DL2017PLC327427. Its registered office is situated at G-1, 1<sup>st</sup> Floor, The Mira Corporate Suites 1 and 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

### **3. Indgrid Investment Managers Limited (formerly, Sterlite Investment Managers Limited) (“IIML”)**

IIML was incorporated on April 22, 2010 under the Companies Act, 1956. The corporate identity number of IIML is U28113MH2010PLC308857. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

### **4. NER II Transmission Limited (“NER”)**

NER was incorporated on April 21, 2015 under the Companies Act, 2013. The corporate identity number of NER is U40106DL2015GOI279300. Its registered office is situated at F-1, The Mira Corporate Suites, 1 and 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

**5. Sterlite Grid 13 Limited (“SGL13”)**

SGL13 was incorporated as a public limited company on August 29, 2018 under the Companies Act, 2013. The corporate identity number of SGL13 is U29309DL2018PLC337962. Its registered office is situated at F-1, The Mira Corporate Suites, 1 and 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

**6. IndiGrid Limited (formerly, Sterlite Grid 1 Limited) (“IGL”)**

IGL was incorporated on March 30, 2010 under the Companies Act, 1956. The corporate identity number of IGL is U40104MH2010PLC353040. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**7. IndiGrid 1 Limited (formerly, Sterlite Grid 2 Limited) (“IGL1”)**

IGL1 was incorporated on May 11, 2005 under the Companies Act, 1956. The corporate identity number of IGL1 is U74999MH2005PLC153211. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**8. IndiGrid 2 Limited (formerly, Sterlite Grid 3 Limited) (“IGL2”)**

IGL2 was incorporated on August 14, 2014 under the Companies Act, 2013. The corporate identity number of IGL2 is U29130MH2014PLC353042. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**9. Jabalpur Transmission Company Limited (“JTCL”)**

JTCL was incorporated on September 8, 2009 under the Companies Act, 1956. The corporate identity number of JTCL is U40108MH2009PLC359687. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**10. Bhopal Dhule Transmission Company Limited (“BDTCL”)**

BDTCL was incorporated on September 8, 2009 under the Companies Act, 1956. The corporate identity number of BDTCL is L40102MH2009PLC364260. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**11. Purulia & Kharagpur Transmission Company Limited (“PKTCL”)**

PKTCL was incorporated on December 15, 2012 under the Companies Act, 1956. The corporate identity number of PKTCL is U40105MH2012GOI257937. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**12. RAPP Transmission Company Limited (“RTCL”)**

RTCL was incorporated on December 20, 2012 under the Companies Act, 1956. The corporate identity number of RTCL is U40105MH2012GOI357939. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**13. Maheshwaram Transmission Limited (“MTL”)**

MTL was incorporated on August 14, 2014 under the Companies Act, 2013. The corporate identity number of MTL is U40102MH2014GOI359685. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**14. Patran Transmission Company Limited (“PTCL”)**

PTCL was incorporated on December 19, 2012 under the Companies Act, 1956. The corporate identity number of PTCL is U40101MH2012GOI357938. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098.

**15. Vapi II - North Lakhimpur Transmission Limited (“VNLTL”)**

VNLTL was incorporated on June 25, 2018 under the Companies Act, 2013. The corporate identity number of VNLTL is U40100DL2018GOI335750. Its registered office is located at F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

**16. Fujairah Gold FZC**

Fujairah Gold FZC was incorporated on August 28, 2007 under the laws of Fujairah Free Zone Authority, Fujairah, United Arab Emirates. Fujairah Gold FZC received its certificate for commencement of business on August 28, 2007. The corporate identification number of Fujairah Gold FZC is 07-FZC-613. Its registered office is situated at Fujairah Free Zone II, PO Box 3992, Fujairah, United Arab Emirates.

**17. Sterlite Power Technologies Private Limited (“SPTPL”)**

SPTPL was incorporated as a private limited company on October 30, 2014 under the Companies Act, 2013. The corporate identity number of SPTPL is U29190DL2014PTC272744. Its registered office is situated at F-1, The Mira Corporate Suites, 1 and 2, Ishwar Nagar, Mathura Road, New Delhi 110 065.

**18. Maharashtra Transmission Communication Infrastructure Limited (“MTCIL”)**

MTCIL was incorporated as a public limited company on August 9, 2012 under the Companies Act, 1956. MTCIL received its certificate for commencement of business on September 27, 2012. The corporate identity number of MTCIL is U64201MH2012PLC234316. Its registered office is situated at Prakashganga Plot Number C-19, E Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

**19. PTC Cables Private Limited (“PCPL”)**

PCPL was incorporated as a private limited company on May 13, 1993 under the Companies Act, 1956. PCPL was not required to receive a certificate for commencement of business on account of it being incorporated prior to coming into force of the relevant provision in the Companies Act, 2013. The corporate identity number of PCPL is U27109WB1993PTC058804. Its registered office is situated at 137, Cotton Street, Kolkata 700 007.

**20. Talwandi Sabo Power Limited (“TSPL”)**

TSPL was incorporated on April 5, 2007 under the Companies Act, 1956. TSPL received its certificate for commencement of business on April 24, 2007. The corporate identity number of TSPL is U40101PB2007PLC031035. Its registered office is situated at Village Banawala, Mansa-Talwandi Sabo Road, District Mansa, Punjab 151 302.

**21. Twin Star Technologies Limited (“TSTL”)**

TSTL was incorporated as a public limited company on January 21, 2015. TSTL received its certificate for commencement of business on January 21, 2015. The corporate identification number of Twin Star Technologies Limited is U74900HR2015PLC072064. Its registered address is situated at 3<sup>rd</sup> Floor, IFFCO Tower, Pl. No. 3, Sector 29, Gurugram, Gurgaon 122 002, Haryana.

**B. Litigation**

Some of our Group Companies are party to pending litigation which has a material impact on our Company. For further details, please see the section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Group Companies*” on page 444.

**C. Nature and extent of interest of Group Companies**

***In the promotion of our Company***

Our Group Companies do not have any interest in the promotion of our Company.

***In the properties acquired by our Company in the past three years prior to filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Companies are not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

***In transactions for acquisition of land, construction of building, supply of machinery, etc.***

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery, etc. For details in relation to our related party transactions as per the requirements under Ind AS 24, please see the section entitled “*Related Party Transactions*” on page 400.

**D. Common pursuits between our Group Companies and our Company**

Except as disclosed below, none of our Group Companies are in the same line of business as our Company and our Subsidiaries and our Associates and there are no common pursuits between our Group Companies and our Company, our Subsidiaries and our Associates.

IIML, NER, SGL13, IGL, IGL1, JTCL, BDTCL, PKTCL, MTL, PTCL and VNLTCL keep pursuing business opportunities in power sector, which may be pursued by our Company simultaneously. The board of directors of each of the abovementioned entities take appropriate steps to ensure that a conflict of interest situation does not arise while pursuing such opportunities.

**E. Related business transactions within the Group Companies and significance on the financial performance of our Company**

Other than the transactions appearing in the section entitled “*Related Party Transactions*” on page 400, there are no other related business transactions between the Group Companies and our Company.

**F. Business interests or other interests**

There are related party transactions between the Group Companies and our Company as appearing in the section entitled “*Related Party Transactions*” on page 400. Other than the related party transactions, our Group Companies do not have any business interest or other interest in our Company.

**G. Other confirmations**

Except for Sterlite Technologies Limited, Hindustan Zinc Limited and Vedanta Limited, equity shares of which are listed on the Stock Exchanges, the equity shares of our Group Companies are not listed on any stock exchange. Further, the debt securities issued by Sterlite Technologies Limited and Vedanta Limited are listed on BSE, the non-convertible debentures issued by Hindustan Zinc Limited are listed on BSE and the non-convertible debentures issued by Bhopal Dhule Transmission Company Limited are listed on the Stock Exchanges. None of our listed Group Companies have made any public or rights issue of securities in the preceding three years.

None of our Group Companies have been refused listing by any stock exchange in India or abroad. Further, except in the case of Vedanta Limited and as disclosed below, none of our Group Companies has failed to meet the listing requirements of any stock exchanges in India or abroad.

***Vedanta Limited***

Pursuant to Regulation 33 of SEBI Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/140, dated July 29, 2020, financial results for the quarter ended June 30, 2020 were required to be approved by September 15, 2020. However, the same have been approved by the board of directors at its meeting held on October 03, 2020 and Vedanta Limited received notice(s) from BSE and NSE for delay in approval and submission of financial results for the quarter ended June 30, 2020 and a fine of ₹ 1,062,000 (inclusive of GST at 18 %) has been imposed by each of the Stock Exchanges. The same has been paid within the prescribed timeline.

Vedanta Limited had delayed submission of intimation under Regulation 29(2) of SEBI Listing Regulations with each of the Stock Exchange(s) with regard to the meeting of the board of directors held on October 3, 2020 to consider the financial results of Vedanta Limited for quarter ended June 30, 2020 and a fine of ₹ 118,000 (inclusive of GST at 18%) has been imposed by each of the stock exchange(s). The same has been paid within the prescribed timeline.

## DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013. The dividend distribution policy of our Company was approved and adopted by our Board on August 7, 2021. We may retain all our future earnings, if any, for use in the operations and expansion of our business. The dividend, if any, will depend on a number of factors, including but not limited to our Company's profits, investment requirements, accumulated reserves, earnings outlook, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions, cost of raising funds from alternate sources, cash flows and other factors considered relevant by our Board. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to applicable laws and regulations including taxation laws, economic conditions, prevalent market practices, and technological changes.

Further, our shareholders should not expect dividend in certain circumstances including growth opportunities which require our Company to allocate a significant amount of capital, in the event of a higher working capital requirement for business operations or otherwise, inadequacy of cashflow available for distribution, inadequacy or absence of profits, utilization of surplus cash for buyback of securities or setting off previous year losses, prohibition to declare dividend by any regulatory body and other factors which may be considered relevant by the Board. Our Company may also, from time to time, pay interim dividends. For details in relation to risks involved in this regard, please see the section entitled "*Risk Factors - Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition*" on page 53.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see the section entitled "*Financial Indebtedness*" on page 401.

Except as disclosed below, we have not declared and paid any dividends on the Equity Shares in any of the three Financial Years preceding the date of this Draft Red Herring Prospectus and until the date of this Draft Red Herring Prospectus:

The Board of Directors through their resolution dated May 10, 2021 declared an interim dividend of 265% per Equity Share, being ₹ 5.30 per share for the Financial Year 2021, aggregating up to approximately ₹ 324.26 million to be paid out of the profits of the Company for the Financial Year 2021. The dividend was paid to those shareholders of the Company whose names appear on the Register of Members as on the record date being May 20, 2021, except those Equity Shares in respect of which the Shareholders have waived or forgone their right to receive the interim dividend for the Financial Year 2021, in accordance with the Articles of Association.

**SECTION V: FINANCIAL INFORMATION**  
**RESTATED CONSOLIDATED SUMMARY STATEMENTS**

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**Independent Auditors' Examination Report on the Restated Consolidated Summary Statements of Assets and Liabilities as at March 31, 2021, 2020 and 2019 and Restated Consolidated Summary Statements of Profit and Loss (including Other Comprehensive Income), and Restated Consolidated Summary Cash Flow Statements and Restated Summary Statements of Changes in Equity for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of notes and other explanatory information of Sterlite Power Transmission Limited (collectively, the "Restated Consolidated Summary Statements")**

The Board of Directors,  
Sterlite Power Transmission Limited,  
F-1, The Mira Corporate Suites,  
Ishwar Nagar, Mathura Road,  
New Delhi – 110065

Dear Sirs /Madams,

1. We, S R B C & LLP ("we", "us" or "SRBC") have examined the attached Restated Consolidated Summary Statements of Sterlite Power Transmission Limited (the "Company"), its subsidiaries (the Company and its subsidiaries together are referred to as the "Group"), its joint venture and its associates annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with its proposed Initial Public Offer of equity shares of face value of Rs. 2 each ("Proposed IPO"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "ICDR Regulations"); and
  - c) The Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note")

## **Management’s Responsibility for the Restated Consolidated Summary Statements**

2. The preparation of Restated Consolidated Summary Statements, which are to be included in the DRHP, is the responsibility of the management of the Company, for the purpose set out in paragraph 12 below. The Restated Consolidated Summary Statements have been prepared by the management of the Company on the basis of preparation stated in note 2.1 of Annexure VI to the Restated Consolidated Summary Statements. The management of the companies included in the Group and of its joint venture and associates responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The management of the companies included in the Group and of its joint venture and associates are also responsible for identifying and ensuring that the Group and its joint venture and its associates comply with the Act, the ICDR Regulations and the Guidance Note.

## **Auditors’ Responsibilities**

3. We have examined such Restated Consolidated Summary Statements taking into consideration:
  - a) the terms of reference and our engagement agreed with you vide our engagement letter dated July 2, 2021, requesting us to carry out work on such Restated Consolidated Summary Statements, proposed to be included in the DRHP of the Company in connection with the Company’s Proposed IPO;
  - b) the Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Statement; and
  - d) the requirements of Section 26 of the Act and applicable provisions of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Proposed IPO.

## **Restated Consolidated Summary Statements as per audited financial statements**

4. The Restated Consolidated Summary Statements have been compiled by the management from the audited consolidated financial statements of the Group, its joint venture and its associates as at and for the years ended March 31, 2021, 2020 and 2019, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as “Ind AS”), which have been approved by the Board of Directors of the Company at their meetings held on June 14, 2021, November 30, 2020 and May 14, 2019 respectively.



5. For the purpose of our examination, we have relied on Independent Auditor's Reports issued by us dated June 14, 2021, November 30, 2020 and May 14, 2019, on the consolidated financial statements of the Group, its joint venture and its associates as at and for the years ended March 31, 2021, 2020 and 2019, respectively, as referred in Paragraph 4 above.
6. As indicated in our audit reports referred in paragraph 5 above:
- a) We did not audit the financial statements and other financial information in respect of 24 subsidiaries, whose financial statements reflected total assets of Rs. 13,275.05 million as at March 31, 2021, and total revenues of Rs.1,831.64 million and net cash outflows of Rs. 6,160.31 million for the year ended on that date included in Audited Consolidated Financial Statements of the Group. These financial statements and other financial information were audited by other auditors, tabulated below, whose financial statements, other financial information and auditor's reports were furnished to us by the management of the Group. The Audited Consolidated Financial Statements of the Group for the year ended March 31, 2021 also included the Group's share of net profit of Rs.1.69 million in respect of an associate whose financial statements, other financial information were audited by other auditors, as tabulated below, and whose report has been furnished to us by the management of the Group. Our opinion on the Audited Consolidated Financial Statements, in so far as it related to the amounts and disclosures included in respect of these subsidiaries and an associate was based solely on the reports of such other auditors.

Subsidiaries and associate forming part of the Audited Consolidated Financial Statements of the Group as at March 31, 2021 – Financial statements audited by another auditor

<b>Sr. No.</b>	<b>Name of the entity</b>	<b>Relationship</b>
1	Sterlite Grid 16 Limited	Subsidiary
2	Sterlite Grid 17 Limited	Subsidiary
3	Sterlite Grid 18 Limited	Subsidiary
4	Sterlite Grid 19 Limited	Subsidiary
5	Sterlite Grid 20 Limited	Subsidiary
6	Sterlite Grid 21 Limited	Subsidiary
7	Sterlite Grid 22 Limited	Subsidiary
8	Sterlite Grid 23 Limited	Subsidiary
9	Sterlite Grid 24 Limited	Subsidiary
10	Sterlite Grid 25 Limited	Subsidiary
11	Sterlite Grid 26 Limited	Subsidiary

12	Sterlite Grid 27 Limited	Subsidiary
13	Sterlite Grid 28 Limited	Subsidiary
14	Sterlite Grid 29 Limited	Subsidiary
15	Sterlite Brazil Participacoes S.A	Subsidiary
16	Se Vineyards Power Transmission S.A.	Subsidiary
17	Dunas Transmissão de Energia S.A	Subsidiary
18	Borborema Transmissão de Energia S.A.	Subsidiary
19	São Francisco Transmissão de Energia S.A.	Subsidiary
20	Goyas Transmissão de Energia S.A.	Subsidiary
21	Marituba Transmissão de Energia S.A.	Subsidiary
22	Solaris Transmissão de Energia S.A.	Subsidiary
23	Sterlite Ed India Foundation	Subsidiary
24	Onegrid Limited	Subsidiary
25	Sterlite Interlinks Limited	Associate

- b) We did not audit the financial statements and other financial information in respect of 24 subsidiaries, whose financial statements reflected total assets of Rs.19,244.86 million as at March 31, 2020, and total revenues of Rs.7,802.22 million and net cash outflows of Rs. 2,023.59 million for the year ended on that date included in Audited Consolidated Financial Statements of the Group. These financial statement and other financial information were audited by other auditors, as tabulated below, whose financial statements, other financial information and auditor's reports were furnished to us by the management of the Group. The Audited Consolidated Financial Statements of the Group for the year ended March 31, 2020 also included the Group's share of net profit of Rs.10.85 million in respect of 1 associate whose financial statements, other financial information were audited by other auditors, as tabulated below, and whose reports have been furnished to us by the management of the Group. Our opinion on the Audited Consolidated Financial Statements, in so far as it related to the amounts and disclosures included in respect of these subsidiaries and an associate was based solely on the reports of such other auditors.

Further, the financial statements and other financial information of certain subsidiaries located outside India were prepared in accordance with the accounting principles generally accepted in their respective countries and which were audited by other auditors. We had audited the conversion adjustments from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India made by the management of the Group in respect of these subsidiaries and our opinion in so far as it related to the balances and affairs of such subsidiaries located outside India was based on the report of other auditors and the conversion adjustments prepared by the management of the Group and audited by us.

Subsidiaries and associate forming part of the Audited Consolidated Financial Statements of the Group as at March 31, 2020 – Financial statements audited by another auditor

<b>Sr. No.</b>	<b>Name of the entity</b>	<b>Relationship</b>
1	Sterlite Grid 16 Limited	Subsidiary
2	Sterlite Grid 17 Limited	Subsidiary
3	Sterlite Grid 18 Limited	Subsidiary
4	Sterlite Grid 19 Limited	Subsidiary
5	Sterlite Grid 20 Limited	Subsidiary
6	Sterlite Grid 21 Limited	Subsidiary
7	Sterlite Grid 22 Limited	Subsidiary
8	Sterlite Grid 23 Limited	Subsidiary
9	Sterlite Grid 24 Limited	Subsidiary
10	Sterlite Grid 25 Limited	Subsidiary
11	Sterlite Grid 26 Limited	Subsidiary
12	Sterlite Grid 27 Limited	Subsidiary
13	Sterlite Grid 28 Limited	Subsidiary
14	Sterlite Grid 29 Limited	Subsidiary
15	Udupi Kasargode Transmission Limited	Subsidiary
16	Lakadia Vadodara Transmission Limited	Subsidiary
17	Se Vineyards Power Transmission S.A.	Subsidiary
18	Dunas Transmissão de Energia S.A	Subsidiary
19	Borborema Transmissão de Energia S.A.	Subsidiary
20	São Francisco Transmissão de Energia S.A.	Subsidiary
21	Goyas Transmissão de Energia S.A.	Subsidiary
22	Marituba Transmissão de Energia S.A.	Subsidiary

23	Solaris Transmissão de Energia S.A.	Subsidiary
24	Sterlite Ed India Foundation	Subsidiary
25	Sterlite Interlinks Limited	Associate

- c) We did not audit the financial statements and other financial information in respect of 10 subsidiaries, whose Ind AS financial statements reflected total assets of Rs.13,353.10 million as at March 31, 2019, and total revenues of Rs.7,223.18 million and net cash outflows/(inflows) of Rs. 2,644.03 million for the year ended on that date included in the Audited Consolidated Financial Statements of the Group. These financial statements and financial information were audited by other auditors, as tabulated below, whose financial statements, other financial information and auditor's reports were furnished to us by the management of the Group. Our opinion on the Audited Consolidated Financial Statements, in so far as it related to the amounts and disclosures included in respect of these was based solely on the reports of the other auditors.

Subsidiaries forming part of the Audited Consolidated Financial Statements of the Group as at March 31, 2019 – Financial statements audited by another auditor

<b>Sr. No.</b>	<b>Name of the entity</b>	<b>Relationship</b>
1	Se Vineyards Power Transmission S.A.	Subsidiary
2	Arcoverde Transmissão De Energia S.A.	Subsidiary
3	Sterlite Novo Estado Energia S.A, Brazil	Subsidiary
4	Dunas Transmissão de Energia S.A	Subsidiary
5	Borborema Transmissão de Energia S.A.	Subsidiary
6	São Francisco Transmissão de Energia S.A.	Subsidiary
7	Goyas Transmissão de Energia S.A.	Subsidiary
8	Marituba Transmissão de Energia S.A.	Subsidiary
9	Solaris Transmissão de Energia S.A.	Subsidiary
10	Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)	Subsidiary

- d) We did not audit the financial statements and other financial information in respect of 13 subsidiaries, as tabulated below, whose financial statements and other financial information reflected total assets of Rs. 7.91 million as at March 31, 2019, and total revenues of Rs. Nil million and net cash outflows/(inflows) of Rs. 1.00 million for the year ended on that date, which were unaudited and the unaudited financial statements and unaudited financial information with respect to such subsidiaries were furnished to us by the management. Our opinion, in so far as it related to amounts and disclosures included in respect of these subsidiaries was based solely on such unaudited financial statements and other unaudited financial information.

Subsidiaries forming part of the Audited Consolidated Financial Statements of the Group as at March 31, 2019 – Financial statements unaudited

<b>Sr. No.</b>	<b>Name of the entity</b>	<b>Relationship</b>
1	Sterlite Grid 16 Limited	Subsidiary
2	Sterlite Grid 17 Limited	Subsidiary
3	Sterlite Grid 18 Limited	Subsidiary
4	Sterlite Grid 19 Limited	Subsidiary
5	Sterlite Grid 20 Limited	Subsidiary
6	Sterlite Grid 21 Limited	Subsidiary
7	Sterlite Grid 22 Limited	Subsidiary
8	Sterlite Grid 23 Limited	Subsidiary
9	Sterlite Grid 24 Limited	Subsidiary
10	Sterlite Grid 25 Limited	Subsidiary
11	Sterlite Grid 26 Limited	Subsidiary
12	Sterlite Grid 27 Limited	Subsidiary
13	Sterlite Grid 29 Limited	Subsidiary

Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters.

7. Based on our examination and according to the information and explanations given to us for the respective years, we report that the Restated Consolidated Summary Statements:
- a) have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2021.

- b) there are no qualifications in the auditors' reports on the audited consolidated financial statements of the Group, its joint venture and its associates for the years ended March 31, 2021, 2020 and 2019 which require any adjustment to the Restated Consolidated Summary Statements. Emphasis of matter paragraphs included in the auditors' report on the consolidated financial statements of the Group, its joint venture and its associates for the years ended March 31, 2020 and 2019, which does not require any corrective adjustment in the Restated Consolidated Summary Statements, are as follows:

Emphasis of Matter -March 31, 2020

We draw attention to Note 50 (b) of the consolidated Ind AS financial statements which more fully describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effect on the carrying value of assets as at March 31,2020 and the operations of the Group. Our opinion is not modified in respect of this matter.

We draw attention to Note 51 to the consolidated Ind AS financial statements which describes that the Group had recognised goodwill on accounting for demerger during the financial year ended March 31,2016 which is being amortised over a period of five years from the appointed date 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 modified in respect of this matter

Emphasis of Matter -March 31, 2019

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 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.

- c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have not audited any financial statements of the Group, its joint venture or its associates as of any date or for any year subsequent to March 31, 2021. Accordingly, we express no opinion on the financial position, results of operations, cash flows and the Statement of changes in equity of the Group, its joint venture or its associates as of any date or for any period subsequent to March 31, 2021.
9. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors of the Company for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, and National Stock Exchange of India Limited in connection with the Proposed IPO. Our report should not be used, referred to or distributed for any other purpose.

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

per Paul Alvares  
Partner  
Membership No: 105754  
UDIN: 21105754AAAAEX9259  
Date: August 7, 2021  
Place: Pune

RESTATED CONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES

(All amounts in Rs. million unless otherwise stated)

	Annexure VII Note	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	10,878.60	19,820.56	14,104.43
Capital work-in-progress	3	14,932.90	25,220.05	28,915.24
Goodwill	4,5C	-	-	601.85
Other intangible assets	4	443.79	480.58	129.16
Intangible assets under development	4	-	65.53	225.05
Investment in associates and joint venture	5A	59.73	47.81	8.26
Financial assets				
i. Investments	5B	1,406.48	120.83	112.45
ii. Trade receivables	7	-	-	-
iii. Other financial assets	8	1,675.86	636.16	76.09
Income tax asset (net)		940.67	872.04	82.94
Deferred tax assets (net)	22	1,313.74	1,475.77	2,882.92
Other non-current assets	9	2,173.78	7,298.49	12,452.10
		<b>33,825.55</b>	<b>56,037.82</b>	<b>59,590.49</b>
Assets classified as held for sale	10	-	21.01	129.55
<b>Total non-current assets</b>		<b>33,825.55</b>	<b>56,058.83</b>	<b>59,720.04</b>
<b>Current assets</b>				
Inventories	11	3,087.83	3,922.79	1,992.03
Financial assets				
i. Investments	5B	9.07	299.40	802.25
ii. Trade receivables	7	6,230.12	5,539.54	6,911.57
iii. Cash and cash equivalents	12	6,711.19	2,946.34	4,264.43
iv. Other bank balances	13	3,041.43	8,022.89	554.28
v. Loans	6	302.53	282.84	260.65
vi. Other financial assets	8	1,824.04	2,010.62	966.75
Other current assets	9	5,376.41	5,048.31	5,229.70
		<b>26,582.62</b>	<b>28,072.73</b>	<b>20,981.66</b>
Assets classified as held for sale	10	7,134.52	7,325.63	41,970.04
		<b>33,717.14</b>	<b>35,398.36</b>	<b>62,951.70</b>
<b>TOTAL ASSETS</b>		<b>67,542.69</b>	<b>91,457.19</b>	<b>1,22,671.74</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	122.36	122.36	122.36
Other equity				
i. Securities premium	15	4,536.80	4,536.80	4,536.80
ii. Retained earnings	15	4,378.88	(5,626.61)	(10,407.06)
iii. Other reserves	15	1,934.32	1,577.86	(1,008.87)
<b>Total equity</b>		<b>10,972.36</b>	<b>610.41</b>	<b>(6,756.77)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
i. Borrowings	16	19,275.95	39,563.09	47,066.42
ii. Other financial liabilities	19	-	-	45.89
Provisions	20	-	680.00	278.83
Employee benefit obligations	21	76.67	74.96	94.08
Deferred tax liabilities (net)	22	541.14	1,207.91	174.52
Other non-current liabilities	23	3,194.86	89.62	-
<b>Total non-current liabilities</b>		<b>23,088.62</b>	<b>41,615.58</b>	<b>47,659.74</b>
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings	17	7,798.55	13,769.43	11,241.98
ii. Trade payables	18	6,234.40	7,797.83	8,341.70
iii. Other financial liabilities	19	11,126.75	24,534.01	16,076.18
Employee benefit obligations	21	98.18	76.52	47.63
Other current liabilities	23	3,127.84	2,136.70	2,797.49
Current tax liabilities (net)		484.48	916.71	147.42
		<b>28,870.20</b>	<b>49,231.20</b>	<b>38,652.40</b>
Liabilities directly associated with assets classified as held for sale	10	4,611.51	-	43,116.37
		<b>33,481.71</b>	<b>49,231.20</b>	<b>81,768.77</b>
<b>Total liabilities</b>		<b>56,570.33</b>	<b>90,846.78</b>	<b>1,29,428.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>67,542.69</b>	<b>91,457.19</b>	<b>1,22,671.74</b>

The above Statement should be read with the Annexure VI - Significant accounting policies to Restated Consolidated Summary Statements, Annexure V - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary 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

-Sd-  
**per Paul Alvares**  
Partner  
Membership Number : 105754  
Place: Pune  
Date: August 07, 2021

-Sd-  
**Pravin Agarwal**  
Chairman  
DIN: 00022096  
Place: Pune  
Date: August 07, 2021

-Sd-  
**Pratik Agarwal**  
Managing Director  
DIN: 03040062  
Place: Mumbai  
Date: August 07, 2021

-Sd-  
**Anuraag Srivastava**  
Chief Financial Officer  
Place: Mumbai  
Date: August 07, 2021

-Sd-  
**Ashok Ganesan**  
Company Secretary  
Place: New Delhi  
Date: August 07, 2021



STERLITE POWER TRANSMISSION LIMITED  
ANNEXURE-II

RESTATED CONSOLIDATED SUMMARY STATEMENTS OF PROFIT AND LOSS

(All amounts in Rs. million unless otherwise stated)

	Annexure VII Note	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>INCOME</b>				
Revenue from operations	24	20,923.91	30,043.19	35,550.06
Other income	26	17,245.68	21,539.97	164.54
<b>Total income (I)</b>		<b>38,169.59</b>	<b>51,583.16</b>	<b>35,714.60</b>
<b>EXPENSES</b>				
Cost of raw material and components consumed	28	8,075.52	10,360.19	13,271.57
Construction material and contract expense	29	4,437.61	9,061.15	11,104.87
Purchase of traded goods		591.19	1,896.40	137.38
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	30	1,280.05	(1,514.94)	(264.15)
Employee benefits expense	31	2,301.34	2,445.68	1,654.85
Depreciation and amortisation expense	33	984.59	1,740.74	2,035.70
Impairment of property, plant and equipment (including capital work in progress)	34	-	669.40	1,873.65
Finance costs	35	5,735.34	7,646.54	6,034.65
Finance income	25	(379.78)	(300.34)	(185.00)
Other expenses	32	4,506.71	5,278.40	5,213.79
Reversal of impairment of investment	10	(954.98)	-	-
<b>Total expenses (II)</b>		<b>26,577.59</b>	<b>37,283.22</b>	<b>40,877.31</b>
<b>Restated profit/(loss) before share of profit of associates and joint venture, tax expense and exceptional items</b>		<b>11,592.00</b>	<b>14,299.94</b>	<b>(5,162.71)</b>
<b>Share of profit of associates and joint venture</b>	5A	<b>5.75</b>	<b>8.74</b>	<b>325.99</b>
<b>Restated profit/(loss) before exceptional items and tax</b>		<b>11,597.75</b>	<b>14,308.68</b>	<b>(4,836.72)</b>
<b>Exceptional item</b>	27	<b>-</b>	<b>925.87</b>	<b>-</b>
<b>Restated profit/(loss) before tax</b>		<b>11,597.75</b>	<b>13,382.81</b>	<b>(4,836.72)</b>
<b>Tax expense:</b>	22			
Current tax		2,789.22	2,157.44	1,198.92
Less: MAT credit entitlement		-	-	(154.23)
Adjustment of tax relating to earlier periods		75.71	(684.11)	(21.50)
Deferred tax charge/(credit)		31.58	2,479.75	(611.96)
<b>Income tax expense</b>		<b>2,896.51</b>	<b>3,953.08</b>	<b>411.23</b>
<b>Restated profit/(loss) for the year</b>		<b>8,701.24</b>	<b>9,429.73</b>	<b>(5,247.95)</b>
<b>Restated other comprehensive income</b>				
<b>Restated other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>				
Exchange differences on translating the financial statements of foreign operations		(654.05)	(1,519.82)	(523.67)
Income tax effect		-	-	183.25
		<b>(654.05)</b>	<b>(1,519.82)</b>	<b>(340.42)</b>
Net movement on effective portion of cash flow hedges		2,416.44	(3,497.46)	(475.83)
Income tax effect		(237.63)	105.66	(131.16)
		<b>2,178.81</b>	<b>(3,391.80)</b>	<b>(606.99)</b>
<b>Restated net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>1,524.76</b>	<b>(4,911.62)</b>	<b>(947.41)</b>
<b>Restated other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>				
Re-measurement loss on defined benefit plans		(4.55)	(1.09)	(8.68)
Income tax effect		1.15	0.31	0.68
<b>Restated net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>(3.40)</b>	<b>(0.78)</b>	<b>(8.00)</b>
<b>Restated other comprehensive income for the year</b>		<b>1,521.36</b>	<b>(4,912.40)</b>	<b>(955.41)</b>
<b>Restated total comprehensive income for the year</b>		<b>10,222.60</b>	<b>4,517.33</b>	<b>(6,203.36)</b>
<b>Restated earnings/(loss) per equity share</b>	36			
<b>Basic and diluted</b>				
Computed on the basis of restated profit/(loss) for the year (Rs.)		142.22	154.13	(85.78)

The above Statement should be read with the Annexure VI - Significant accounting policies to Restated Consolidated Summary Statements, Annexure V - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary 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

-Sd-

-Sd-

-Sd-

per Paul Alvares  
Partner  
Membership Number : 105754  
Place: Pune  
Date: August 07, 2021

Pravin Agarwal  
Chairman  
DIN: 00022096  
Place: Pune  
Date: August 07, 2021

Pratik Agarwal  
Managing Director  
DIN: 03040062  
Place: Mumbai  
Date: August 07, 2021

-Sd-

-Sd-

Anuraag Srivastava  
Chief Financial Officer  
Place: Mumbai  
Date: August 07, 2021

Ashok Ganesan  
Company Secretary  
Place: New Delhi  
Date: August 07, 2021

STERLITE POWER TRANSMISSION LIMITED  
ANNEXURE-III

RESTATED CONSOLIDATED SUMMARY CASH FLOW STATEMENTS

(All amounts in Rs. million unless otherwise stated)

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>A. Cash flow from operating activities</b>			
<b>Restated net profit/(loss) as per consolidated statement of profit and loss</b>	8,701.24	9,429.73	(5,247.95)
Adjustment for taxation	2,896.51	3,953.08	411.23
<b>Restated profit/(loss) before tax</b>	<b>11,597.75</b>	<b>13,382.81</b>	<b>(4,836.72)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense	984.59	1,740.74	2,035.70
Provision for doubtful debts and advances	97.64	94.72	41.71
Profit/(loss) on sale of property, plant and equipment, (net)	(1.86)	(5.74)	43.77
Loss on sale of stake in subsidiary (loss of control)	-	38.51	-
Insurance claim written off	-	4.31	65.44
Unrealized exchange difference (net)	112.05	(194.52)	519.32
Impairment of property, plant and equipment (including capital work in progress)	-	669.40	1,873.65
Provision for estimated loss on a contract/ provision for onerous contracts (net of reversal)	-	406.65	278.83
Bad debts / advances written off	-	23.80	0.61
Indemnification expenses incurred under share purchase agreement	72.88	-	-
Profit on sale of investment in units of India Grid Trust	(213.92)	-	-
Impairment/ (reversal of impairment) of investment	(954.98)	-	624.27
Write down related to assets held for sale	670.24	-	-
Income on investment in India Grid Trust	(537.73)	(957.82)	-
Share in profit of associates and joint venture	(5.75)	(8.74)	(325.99)
Finance costs	5,735.34	7,646.54	6,034.65
Finance income	(379.78)	(300.34)	(185.00)
Net gain on sale of power transmission assets	(15,397.27)	(20,535.16)	(156.72)
Consideration received from India Grid Trust on sale of power transmission assets in earlier years	(1,047.29)	-	-
	<b>(10,865.84)</b>	<b>(11,377.65)</b>	<b>10,850.24</b>
<b>Operating profit before working capital changes</b>	<b>731.91</b>	<b>2,005.16</b>	<b>6,013.53</b>
Movements in working capital :			
Increase/(decrease) in trade payables	(1,527.07)	353.66	981.17
Increase/(decrease) in employee benefit obligation	18.71	8.67	31.45
Increase/(decrease) in other liabilities	8,707.89	(1,156.00)	(2.83)
Increase/(decrease) in other financial liabilities	2,232.50	1,283.07	(1,272.56)
(Increase)/decrease in trade receivables	(1,906.08)	650.67	1,364.44
(Increase)/decrease in inventories	834.95	(1,896.00)	101.46
(Increase)/decrease in other financial assets	(1,729.04)	(706.61)	(195.95)
(Increase)/decrease in other assets	1,468.62	(6,319.52)	(12,071.52)
Change in working capital	<b>8,100.48</b>	<b>(7,782.06)</b>	<b>(11,064.34)</b>
<b>Cash generated from/(used in) operations</b>	<b>8,832.39</b>	<b>(5,776.90)</b>	<b>(5,050.81)</b>
Direct taxes paid (net of refunds)	(3,299.31)	(1,493.87)	(1,157.01)
<b>Net cash flow from/(used in) operating activities</b>	<b>5,533.08</b>	<b>(7,270.77)</b>	<b>(6,207.82)</b>

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**STERLITE POWER TRANSMISSION LIMITED**  
**ANNEXURE-III**

**RESTATED CONSOLIDATED SUMMARY CASH FLOW STATEMENTS**

(All amounts in Rs. million unless otherwise stated)

	<b>31 March 2021</b> <b>(Rs. in million)</b>	<b>March 31, 2020</b> <b>(Rs. in million)</b>	<b>March 31, 2019</b> <b>(Rs. in million)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	(17,104.17)	(12,192.83)	(19,220.98)
Proceeds from sale of property, plant and equipment	4.84	20.32	22.49
Cash flow from/of sale/purchase of investments, net	290.33	(701.25)	(1,594.65)
Investment in units of India Grid Trust	-	(2,289.77)	(119.06)
Proceeds from sale of power transmission assets	25,071.08	24,283.08	-
Proceeds from sale of units of India Grid Trust	8,299.09	-	-
Investment in bank deposits, net	3,906.29	(7,468.62)	(239.82)
Income on investment in India Grid Trust	537.73	957.82	-
Payment for indemnification expenses as per share purchase agreement	(42.95)	-	-
Loans given to related parties	-	(23.79)	(71.68)
Investment in joint venture	(1,010.48)	-	-
Loans repayment received	-	-	2.30
Interest received	383.36	232.36	800.14
Dividend received	-	32.68	58.74
<b>Net cash flow from/(used in) investing activities</b>	<b>20,335.12</b>	<b>2,850.00</b>	<b>(20,362.52)</b>
<b>C. Cash flow from financing activities</b>			
Advance from Sterlite Interlinks Limited	-	6,200.00	-
Repayment of advance from Sterlite Interlink Limited	(6,200.00)	-	-
Proceeds of long term borrowings	31,120.37	26,846.78	71,368.45
Repayment of long term borrowings	(37,446.15)	(12,543.43)	(34,293.40)
Proceeds/(repayment) of short term borrowings (net)	148.63	(3,530.51)	2,043.69
Repayment of lease obligation	(107.42)	(120.78)	(95.13)
Finance costs paid	(8,556.96)	(8,740.69)	(8,994.51)
<b>Net cash flow from/(used in) financing activities</b>	<b>(21,041.53)</b>	<b>8,111.37</b>	<b>30,029.10</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,826.67</b>	<b>3,690.60</b>	<b>3,458.76</b>
<b>Cash and cash equivalents as at beginning of year</b>	<b>2,946.34</b>	<b>4,264.43</b>	<b>959.91</b>
<b>Cash and cash equivalents on disposal of subsidiaries in power transmission and infrastructure business</b>	<b>(1,061.82)</b>	<b>(5,008.69)</b>	<b>(154.24)</b>
<b>Cash and cash equivalents as at year end</b>	<b>6,711.19</b>	<b>2,946.34</b>	<b>4,264.43</b>

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

<b>Particulars</b>	<b>Long term borrowing</b>	<b>Short term borrowings</b>
<b>April 01, 2018</b>	<b>53,535.61</b>	<b>8,158.87</b>
Cash flow	-	-
- Interest	(7,698.85)	(1,295.65)
- Proceeds/(repayments)	36,979.92	2,043.69
Non-cash changes	-	-
- Classified as current maturities	(625.42)	-
- Notional interest	1,110.74	-
- Others	(1.17)	(8.65)
- Transferred to held for sale	(40,607.09)	-
Accrual for the period	4,372.68	2,343.72
<b>March 31, 2019</b>	<b>47,066.42</b>	<b>11,241.98</b>
Cash flow	-	-
- Interest	(6,771.28)	(1,969.41)
- Proceeds/(repayments)	14,303.35	2,667.88
Non-cash changes	-	-
- Classified as current maturities	(12,859.47)	-
- Others	(2,148.28)	(54.83)
- Transferred on sale of subsidiaries	(8,001.82)	(109.50)
Accrual for the period (gross of interest capitalised)	7,974.19	1,993.31
<b>March 31, 2020</b>	<b>39,563.09</b>	<b>13,769.43</b>
Cash flow	-	-
- Interest	(6,694.15)	(1,862.81)
- Proceeds/(repayments)	(6,433.20)	(6,051.37)
Non-cash changes	-	-
- Classified as current maturities	15,708.17	-
- Notional interest	(130.16)	-
- Others	(1.24)	5.33
- Transferred on sale of subsidiaries	(29,410.64)	-
Accrual for the period (gross of interest capitalised)	6,674.07	1,937.97
<b>March 31, 2021</b>	<b>19,275.95</b>	<b>7,798.55</b>

STERLITE POWER TRANSMISSION LIMITED  
ANNEXURE-III

RESTATED CONSOLIDATED SUMMARY CASH FLOW STATEMENTS  
(All amounts in Rs. million unless otherwise stated)

Components of cash and cash equivalents:

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Balances with banks:</b>			
On current accounts	3,570.10	1,190.24	3,907.16
Deposit with original maturity of less than 3 months	3,141.06	1,755.93	357.14
Cash in hand	0.03	0.17	0.13
<b>Total cash and cash equivalents (refer note 12)</b>	<b>6,711.19</b>	<b>2,946.34</b>	<b>4,264.43</b>

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**

-Sd-

**per Paul Alvares**  
Partner  
Membership Number : 105754  
Place: Pune  
Date: August 07, 2021

-Sd-

**Pravin Agarwal**  
Chairman  
DIN: 00022096  
Place: Pune  
Date: August 07, 2021

-Sd-

**Pratik Agarwal**  
Managing Director  
DIN: 03040062  
Place: Mumbai  
Date: August 07, 2021

-Sd-

**Anuraag Srivastava**  
Chief Financial Officer  
Place: Mumbai  
Date: August 07, 2021

-Sd-

**Ashok Ganesan**  
Company Secretary  
Place: New Delhi  
Date: August 07, 2021

**STERLITE POWER TRANSMISSION LIMITED**  
**ANNEXURE-IV**

**RESTATED SUMMARY STATEMENTS OF CHANGES IN EQUITY**  
(All amounts in Rs. million unless otherwise stated)

**A. EQUITY SHARE CAPITAL**

Equity shares of Rs. 2 each issued, subscribed and fully paid

	Nos. in million	Rs. in million
<b>At 01 April 2018</b>	61.18	122.36
Issued during the year	-	-
<b>At 31 March 2019</b>	<b>61.18</b>	<b>122.36</b>
Movement during the year	-	-
<b>At March 31, 2020</b>	<b>61.18</b>	<b>122.36</b>
Movement during the year	-	-
<b>At March 31, 2021</b>	<b>61.18</b>	<b>122.36</b>

**B. OTHER EQUITY**

(Rs. in million)

Particulars	Reserves and surplus					Items of other comprehensive income			Total equity
	Securities premium	Retained earnings	Debtore redemption reserve	Legal reserve	Special unearned income reserve	Capital redemption reserve	Cash flow hedge reserve	Foreign currency translation reserve	
<b>Balance as at 01 April 2018</b>	<b>4,536.80</b>	<b>(5,253.86)</b>	<b>440.45</b>	-	-	-	<b>(375.28)</b>	<b>0.04</b>	<b>(651.85)</b>
Restated loss for the year	-	(5,247.95)	-	-	-	-	-	-	(5,247.95)
Restated other comprehensive income	-	(7.98)	-	-	-	-	(606.99)	-	(614.97)
<b>Total comprehensive income</b>	<b>-</b>	<b>(5,255.93)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(606.99)</b>	<b>-</b>	<b>(5,862.92)</b>
Less: Transferred from debtore redemption reserve	-	341.57	(341.57)	-	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	-	(23.96)	-	(23.96)
Amount transferred from retained earnings to special unearned income reserve and legal reserve	-	(238.84)	-	11.94	226.90	0.02	-	(340.42)	(340.40)
<b>Balance as at March 31, 2019 (refer annexure V for impact of Ind AS 116)</b>	<b>4,536.80</b>	<b>(10,407.06)</b>	<b>98.88</b>	<b>11.94</b>	<b>226.90</b>	<b>0.02</b>	<b>(1,006.23)</b>	<b>(340.38)</b>	<b>(6,879.13)</b>
Restated profit for the year	-	9,429.73	-	-	-	-	-	-	9,429.73
Restated other comprehensive income	-	(0.78)	-	-	-	-	(3,391.80)	(1,519.82)	(4,912.40)
<b>Total comprehensive income</b>	<b>-</b>	<b>9,428.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,391.80)</b>	<b>(1,519.82)</b>	<b>4,517.33</b>
Amount transferred from debtore redemption reserve to retained earnings	-	98.88	(98.88)	-	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	-	2,849.85	-	2,849.85
Amount transferred from retained earnings to capital redemption reserve	-	(1,543.65)	-	-	-	1,543.65	-	-	-
Amount transferred from retained earnings to special unearned income reserve	-	(3,043.54)	-	-	3,043.54	-	-	-	-
Amount transferred from retained earnings to legal reserve	-	(160.19)	-	160.19	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>4,536.80</b>	<b>(5,626.61)</b>	<b>-</b>	<b>172.13</b>	<b>3,270.44</b>	<b>1,543.67</b>	<b>(1,548.18)</b>	<b>(1,860.20)</b>	<b>488.05</b>
Restated profit for the year	-	8,701.24	-	-	-	-	-	-	8,701.24
Restated other comprehensive income	-	(3.40)	-	-	-	-	2,178.81	(654.05)	1,521.35
<b>Total comprehensive income</b>	<b>-</b>	<b>8,697.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,178.81</b>	<b>(654.05)</b>	<b>10,222.60</b>
Amount transferred to debtore redemption reserve (refer note 15.7)	-	(200.00)	200.00	-	-	-	-	-	-
Add: Reclassified to statement of profit and loss	-	-	-	-	-	-	139.35	-	139.35
Amount transfer to capital redemption reserve (refer note 15.6)	-	(36.00)	-	-	-	36.00	-	-	-
Amount transferred from capital redemption reserve	-	1,543.65	-	-	-	(1,543.65)	-	-	-
<b>Balance as at March 31, 2021</b>	<b>4,536.80</b>	<b>4,378.88</b>	<b>200.00</b>	<b>172.13</b>	<b>3,270.44</b>	<b>36.02</b>	<b>769.98</b>	<b>(2,514.25)</b>	<b>10,850.00</b>

The above Statement should be read with the Annexure VI - Significant accounting policies to Restated Consolidated Summary Statements, Annexure V - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date

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

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

-Sd-

-Sd-

-Sd-

-Sd-

-Sd-

**per Paul Alvares**  
Partner  
Membership Number : 105754  
Place: Pune  
Date: August 07, 2021

**Pravin Agarwal**  
Chairman  
DIN: 00022096  
Place: Pune  
Date: August 07, 2021

**Pratik Agarwal**  
Managing Director  
DIN: 03040062  
Place: Mumbai  
Date: August 07, 2021

**Anuraag Srivastava**  
Chief Financial Officer  
Place: Mumbai  
Date: August 07, 2021

**Ashok Ganesan**  
Company Secretary  
Place: New Delhi  
Date: August 07, 2021

**STERLITE POWER TRANSMISSION LIMITED**  
**ANNEXURE-V**

**Statement of Material Adjustments and Regroupings**  
**(All amounts in Rs. million unless otherwise stated)**

**ANNEXURE-V: STATEMENT OF MATERIAL ADJUSTMENTS AND REGROUPINGS**

The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2021, March 31, 2020 and March 31, 2019 the related Restated consolidated summary statement of Profit and Loss, Restated consolidated summary statement of cash flows and Restated consolidated summary statement of changes in equity for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 are collectively referred to as the "Restated Consolidated Summary Statements".

**1. Material Adjustments**

The accounting policies as at and for the year ended March 31, 2021 are materially consistent with the policies adopted for each of the year ended March 31, 2020 and March 31, 2019 and year ended March 31, 2021. The Restated Consolidated Summary Statements have been prepared based on the respective audited Historical Consolidated Financial Statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after tax (as per historical audited consolidated financial statements)	8,697.74	9,416.61	(5,237.06)
<b>Total</b>	<b>8697.74</b>	<b>9416.61</b>	<b>-5,237.06</b>
<b>Restatement adjustments</b>			
(Increase)/decrease in total expenses			
Depreciation of right-of-use assets	3.56	11.16	-83.80
Finance cost on lease liability	1.12	2.17	-23.18
Other expenses	-	-	95.32
<b>Total</b>	<b>4.68</b>	<b>13.34</b>	<b>-11.66</b>
Tax adjustments	-1.18	-0.22	0.77
<b>Restated profit after tax</b>	<b>8,701.24</b>	<b>9,429.73</b>	<b>-5,247.95</b>

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Retained earnings (as per historical audited consolidated financial statements)	4,372.21	-5,629.79	-10,405.74
<b>Total</b>	<b>4372.21</b>	<b>-5629.79</b>	<b>-10,405.74</b>
Restatement adjustments	-6.67	-3.18	1.32
<b>retained earnings (as per restated consolidated summary statements)</b>	<b>4,378.88</b>	<b>-5,626.61</b>	<b>-10,407.06</b>

**Impact of Ind-AS 116: Leases**

As per para C8 of Appendix C to Ind AS 116, if a lessee elects to apply this Standard in accordance with paragraph C5(b), the lessee shall:

(a) recognise a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

(b) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either:

(i) its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or Ind AS 116, Leases

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

For the purpose of preparation of Restated Consolidated Summary Statement, management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for each of the year ended. Hence in these Restated Consolidated Summary Statements, Ind AS 116 has been adopted with effect from April 01, 2018 following modified retrospective method. Impact of adoption of Ind AS 116 has been adjusted in the respective years for the purpose of restatement. Therefore, the closing equity balance as per the audited consolidated financial statements for the year ended March 31, 2019 has been restated as mentioned above.

The reconciling items in retained earnings represents impact on account of the aforesaid adjustments.

## **2. Non adjusting items:**

### **Emphasis of matter paragraph in auditor's report**

Restated Consolidated Summary Statements does not contain any qualifications requiring adjustments, however, the auditor's reports for for the year ended March 31, 2020 and March 31, 2019 includes an emphasis of matter.

### **As at and for the year ended March 31, 2020**

Emphasis of matter relating to the impact of COVID-19 pandemic, and its consequential impact on the Company's operations and carrying value of assets. Auditors' opinion is not modified in respect of this matter.

Emphasis of matter relating to the recognition of goodwill on accounting for demerger during the financial year ended March 31,2016 which is being amortised over a period of five years from the appointed date April 1,2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Honourable Bombay High Court.

Auditors' opinion is not modified in respect of this matter.

### **As at and for the year ended March 31, 2019**

Emphasis of matter relating to the recognition of goodwill on accounting for demerger during the financial year ended March 31,2016 which is being amortised over a period of five years from the appointed date April 1,2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by Honourable Bombay High Court.

Auditors' opinion is not qualified in respect of this matter.

## **3. Material regroupings**

Appropriate regrouping/reclassifications have been made in the Restated Consolidated Summary Statements in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2019 (as amended), in respect of the corresponding items of assets, liabilities, income, expenses, and cash flows in order to align them with the groupings as per the audited consolidated financial statements of the Group as at and for the year ended March 31, 2021. Non financial information including ratios, percentages, etc, have been updated to the extent applicable, as a consequence of regroupings / reclassifications made, as indicated above.

## **4. Material errors**

There are no material errors that require any adjustment in the Restated Consolidated Summary Statements.

## **1. Corporate information**

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

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

## **2. Significant Accounting Policies**

### **2.1 Basis of preparation**

The Restated Consolidated Summary Statements comprise of the Restated Consolidated Summary Statements of Assets and Liabilities as at March 31, 2021, 2020 and 2019 and Restated Consolidated Summary Statements of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Summary Cash Flow Statements, Restated Summary Statements of Changes in Equity, the consolidated summary statement of notes and other explanatory information for the years ended March 31, 2021, 2020 and 2019 of Sterlite Power Transmission Limited (collectively, the "Restated Consolidated Summary Statements")

The Restated Consolidated Summary Statements have been compiled by the management from the audited Restated Consolidated Summary Statements of each of the years ended March 31, 2021, March 31, 2020, March 31, 2019 comprising the Balance Sheet, Statement of Profit & Loss, Statement of Cash flows and Statement of changes in equity (together, the "Historical Audited Consolidated Financial Statements"). The accounting policies have been consistently applied by the Group in of the consolidated financial statements for the year ended March 31, 2021.

Restated Consolidated Summary Statements have been prepared for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Holding Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer of equity shares of Rs. 2 each of the Holding Company (the "Offering"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Holding Company, have in all material respects been prepared in all material respects in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); and
- b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
- c) The Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (referred to as the Guidance Note).



## STERLITE POWER TRANSMISSION LIMITED

### ANNEXURE VI: Significant accounting policies forming part of Restated Consolidated Summary Statements

The Historical Audited Consolidated Financial Statements were prepared by the Group, its associates and joint venture in accordance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

The Historical Audited Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value:

- a) derivative financial instruments
- b) certain financial assets carried at fair value (also refer accounting policy regarding financial instruments)

The Restated Consolidated Summary Statements are presented in Indian Rupees which is also functional currency of the Group, its associates and joint venture and all values are rounded to the nearest millions, except when otherwise indicated.

The restated consolidated summary statements were authorised for issue in accordance with a resolution of the directors on August 07, 2021.

#### 2.2 Basis of consolidation

The Restated Consolidated Summary Statements derived from the Historical Audited Consolidated Financial Statements of the Group, its associates and joint venture as at March 31, 2019, March 31, 2020 and March 31, 2021. 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 Restated Consolidated Summary Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

## STERLITE POWER TRANSMISSION LIMITED

### ANNEXURE VI: Significant accounting policies forming part of Restated Consolidated Summary Statements

Restated Consolidated Summary 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 Restated Consolidated Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Restated Consolidated Summary 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.

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 Restated Consolidated Summary 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 Restated Consolidated Summary 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 at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained (unless the subsidiary is considered as an asset rather than a business and the investment retained is classified as investment in associate or joint venture in which case the investment retained is carried at cost)
- Recognises any surplus or deficit in profit or loss

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### **2.3 Summary of significant accounting policies**

The following is the summary of significant accounting policies applied by the Group in preparing its Restated Consolidated Summary Statements:

#### **a) Business Combinations and goodwill**

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

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

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

#### **Business Combination under Common control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C to Ind AS 103 and are accounted for using the pooling-of-interest method as follows:

## STERLITE POWER TRANSMISSION LIMITED

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- The assets and liabilities of the combining entities are reflected at the carrying amounts recorded in the parent entity's Restated Consolidated Summary Statements with the exception of certain income tax and deferred tax assets.

- No adjustments are made to reflect fair values, or recognize new assets or liabilities. The only adjustments are made to harmonize significant accounting policies.

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

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

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

Further, as required by the Guidance Note, in case of merger (including common control mergers) [referred in Note 49 (a) and 50] and similar transactions, the Group accounted for such transactions in the Restated Consolidated Summary Statements as accounted in the Historical Audited Consolidated Financial Statements.

#### **b) Investment in associates and joint ventures**

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

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

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

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

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

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

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

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

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**c) Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

**d) Foreign currencies**

The Group's Restated Consolidated Summary 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., Restated Consolidated Summary 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 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 Restated Consolidated Summary 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 Restated Consolidated Summary 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.



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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 54)
- Disclosures for valuation methods, significant estimates and assumptions (Note 53, 54 and 37)
- Financial instruments (including those carried at amortised cost) (Note 5B, 6, 7, 8, 12, 13, 16, 17, 18, 19)

#### f) Revenue recognition

##### Revenue from contract with customers

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

The Disclosure for significant accounting judgements, estimates and assumptions relating to revenue from operations are provided in Note 37.

##### 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 Central Electricity Regulatory Commission ('CERC') tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

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

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

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

Where the profits from the contract cannot be estimated reliably, revenue is recognised equalling to expense incurred to the extent that it is probable that the expense will be recovered.

### **Revenue from construction of concession assets**

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

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

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

### **Remuneration of concession assets**

Remuneration from service concession arrangement comprise of interest income recognised using the discount rate that reflects the economic volatility on the future cash flows from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset.

### **Rendering of other services**

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

#### *Contract modifications:*

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

#### *Variable considerations:*

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

#### Contract balances:

##### *Contract assets*

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

##### *Trade receivables*

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

##### *Contract liabilities*

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

### **Project management and Investment management services**

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

### **Dividend**

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

### **Interest Income**

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

### **License Fees**

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

### **g) Government grants**

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

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

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

### **h) Taxation**

#### **Current income tax**

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

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

### **Deferred tax**

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

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

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

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

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

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

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

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

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

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

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

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

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

**i) Non-current assets held for sale**

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

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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

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

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

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

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**ANNEXURE VI: Significant accounting policies forming part of Restated Consolidated Summary Statements**

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

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

**j) Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or 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	(Life in number of years)
		Useful life (Schedule II)
Buildings (Factory/Office)	30/60 Years	30/60 Years
Plant and Machinery	2 - 20 Years *	Continuous process plant- 25 Years Others- 15 Years
Substations	25-35 Years*	40 Years
Furniture and fixtures	3 - 10 Years *	10 Years
Power Transmission Lines	25-35 Years*	40 Years
Data processing equipment	3 - 6 Years *	Service and networks- 6 Years and desktops and laptop etc - 3 Years
Office equipment	2 - 5 Years *	5 Years
Electric fittings	4 - 20 Years *	10 Years
Vehicles	3 - 5 Years *	8 Years
Leasehold improvements	Lease period§	Lease period

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

§ Leasehold improvements are depreciated over the useful life of the asset or the lease period whichever is lower

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

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

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

**k) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

Software are amortised on a straight-line basis over a period of five to six years. Goodwill on consolidation is being amortised on a straight-line basis over a period of five years as per the Court Order. Refer note 50.

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



**l) Borrowing Costs**

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

**m) Leases**

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

*Group as lessee*

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

**i) Right-of-use assets**

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

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

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

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

**ii) Lease Liabilities**

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

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

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see note 16 and note 19).

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

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

*Group as lessor*

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

**n) Inventories**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**p) Provisions**

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

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

**Onerous contracts**

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

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

**q) Retirement and other employee benefits**

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

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

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

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

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

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

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

**r) Employee Stock Appreciation Rights Scheme**

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

**s) Financial instruments**

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

**Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

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

**Debt instruments at amortised cost**

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

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

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

**Debt instrument at FVTOCI**

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

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

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

**Debt instrument at FVTPL**

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

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

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

**Equity investments**

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

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

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

**Derecognition**

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

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

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

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

**Impairment of financial assets**

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

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

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

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

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

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

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

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

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

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

## STERLITE POWER TRANSMISSION LIMITED

### ANNEXURE VI: Significant accounting policies forming part of Restated Consolidated Summary Statements

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 Group does not reduce impairment allowance from the gross carrying amount.

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

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

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

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

#### **Financial liabilities**

##### **Initial recognition and measurement**

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

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

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

##### **Subsequent measurement**

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

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

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



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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### **Loans and borrowings**

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

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

This category generally applies to borrowings.

#### **Derecognition**

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

#### **Embedded derivatives**

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

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

**Reclassification of financial assets**

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

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

<b>Original classification</b>	<b>Revised Classification</b>	<b>Accounting Treatment</b>
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 right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**t) Cash and cash equivalents**

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

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

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

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

**v) Derivative financial instruments and hedge accounting**

*Initial recognition and subsequent measurement*

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

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

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

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking 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.

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

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

**w) Earnings per share**

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

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

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

**2.4 Changes in accounting policies and disclosures:**

Several amendments apply for the first time in March 2021, but do not have an impact on the Restated Consolidated Summary Statements of the Group.

- Amendments to Ind AS 116: Covid-19-Related Rent Concessions.
- Amendments to Ind AS 103 Business Combinations
- Amendments to Ind AS 1 and Ind AS 8: Definition of Material
- Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

STERLITE POWER TRANSMISSION LIMITED  
ANNEXURE-VII

Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Leasehold improvements	Buildings	Transmission lines	Plant and machinery	Data processing equipment	Furniture and fittings	Office equipment	Vehicles	Electrical installations	Sub-station	Subtotal (Other than ROU assets)	Right of use asset (land)	Right of use asset (office building)	Right of use asset (vehicles)	Subtotal of ROU assets	Total
<b>Cost</b>																	
As at 1 April 2018	966.38	60.59	963.07	15,391.88	2,963.33	101.99	44.75	38.18	17.43	271.63	-	20,819.23	-	-	-	-	20,819.23
Additions on account of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-	3.17	260.94	-	264.11	264.11
Additions #	401.93	-	45.81	21,572.69	162.09	30.70	5.44	12.13	22.98	3.49	-	22,257.25	-	-	-	-	22,257.25
Adjustments ^	-	-	(150.00)	-	-	-	-	-	-	-	-	(150.00)	-	-	-	-	(150.00)
Disposals##	-	-	(0.17)	(63.05)	(113.71)	-	(0.30)	(0.42)	(4.53)	(0.02)	-	(182.20)	-	-	-	-	(182.20)
Transferred to assets held for sale (refer note 10)	-	-	-	(23,959.21)	(0.45)	(0.58)	(2.22)	(7.92)	(2.72)	-	-	(23,973.09)	-	-	-	-	(23,973.09)
<b>As at March 31, 2019</b>	<b>1,368.31</b>	<b>60.59</b>	<b>1,008.71</b>	<b>12,792.31</b>	<b>3,011.26</b>	<b>132.11</b>	<b>47.67</b>	<b>41.97</b>	<b>33.16</b>	<b>275.10</b>	<b>-</b>	<b>18,771.19</b>	<b>3.17</b>	<b>260.94</b>	<b>-</b>	<b>264.11</b>	<b>19,035.30</b>
Additions #	68.72	-	20.85	8,137.20	193.10	15.99	2.99	7.53	6.39	6.48	7,954.23	16,413.48	-	65.79	7.85	73.64	16,487.11
Adjustments ^	(25.59)	-	-	-	-	-	-	(0.08)	-	-	-	(25.67)	-	(12.79)	-	(12.79)	(38.46)
Disposals	-	-	-	-	(50.96)	(14.75)	(1.07)	(1.51)	(12.25)	(29.11)	-	(109.65)	-	-	-	-	(109.65)
Transferred to assets held for sale (refer note 10)	(9.29)	-	-	(12,484.61)	-	(0.77)	(0.19)	(0.13)	-	-	-	(12,494.99)	-	-	-	-	(12,494.99)
<b>As at March 31, 2020</b>	<b>1,402.15</b>	<b>60.59</b>	<b>1,029.56</b>	<b>8,444.90</b>	<b>3,153.40</b>	<b>132.58</b>	<b>49.40</b>	<b>47.78</b>	<b>27.30</b>	<b>252.47</b>	<b>7,954.23</b>	<b>22,554.36</b>	<b>3.17</b>	<b>313.92</b>	<b>7.85</b>	<b>324.96</b>	<b>22,879.31</b>
Additions #	37.12	-	-	16,786.01	18.86	4.99	1.49	6.01	-	0.41	9,715.54	26,570.43	-	-	2.29	2.29	26,572.72
Adjustments ^	-	-	(10.00)	-	-	(0.18)	-	-	-	-	-	(10.18)	-	(4.27)	-	(4.27)	(14.45)
Disposals	-	-	-	-	(70.83)	(0.01)	(3.22)	(3.12)	(0.69)	(1.58)	-	(79.44)	-	(4.87)	(1.72)	(6.59)	(86.02)
Disposals on sale of subsidiaries (refer note 37)	(620.63)	-	-	(20,273.35)	(1.32)	-	(0.16)	(2.87)	-	-	(14,090.52)	(34,988.85)	-	-	-	-	(34,988.85)
<b>As at March 31, 2021</b>	<b>818.64</b>	<b>60.59</b>	<b>1,019.56</b>	<b>4,957.56</b>	<b>3,100.11</b>	<b>137.38</b>	<b>47.51</b>	<b>47.80</b>	<b>26.61</b>	<b>251.30</b>	<b>3,579.25</b>	<b>14,046.33</b>	<b>3.17</b>	<b>304.78</b>	<b>8.42</b>	<b>316.39</b>	<b>14,362.71</b>
<b>Depreciation/Impairment</b>																	
As at April 01, 2018	-	19.64	261.72	2,087.54	1,721.91	56.92	23.99	19.92	5.48	111.53	-	4,308.65	0.18	-	-	0.18	4,308.83
Additions on account of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-	-	83.80	-	83.80	83.80
Depreciation charge for the year	-	21.19	43.82	980.58	221.67	20.01	9.65	11.62	5.18	17.25	-	1,330.97	0.04	-	-	0.04	1,331.01
Disposal ###	-	-	(0.09)	(14.03)	(97.32)	-	(0.16)	(0.21)	(2.99)	-	-	(114.81)	-	-	-	-	(114.81)
Impairment (refer note 45)	-	-	-	388.43	-	-	-	-	-	-	-	388.43	-	-	-	-	388.43
Transferred to assets held for sale (refer note 10)	-	-	-	(1,060.61)	(0.28)	(0.28)	(0.70)	(4.37)	(0.15)	-	-	(1,066.39)	-	-	-	-	(1,066.39)
<b>As at March 31, 2019</b>	<b>-</b>	<b>40.83</b>	<b>305.45</b>	<b>2,381.91</b>	<b>1,845.98</b>	<b>76.65</b>	<b>32.78</b>	<b>26.96</b>	<b>7.52</b>	<b>128.78</b>	<b>-</b>	<b>4,846.85</b>	<b>0.22</b>	<b>83.80</b>	<b>-</b>	<b>84.02</b>	<b>4,930.87</b>
Depreciation charge for the year	-	10.47	42.38	570.30	212.37	22.27	5.91	7.49	7.06	15.89	84.36	978.51	0.04	91.44	0.60	92.08	1,070.59
Adjustments#	-	-	-	93.67	-	(0.05)	-	-	-	-	-	93.62	-	-	(1.78)	(1.78)	91.84
Disposal	-	-	-	(44.52)	(10.46)	(0.92)	(0.86)	(3.94)	(20.80)	-	-	(81.48)	(0.01)	-	(0.01)	(0.01)	(81.49)
Transferred to assets held for sale (refer note 10)	-	-	-	(2,952.03)	-	(0.77)	(0.16)	(0.10)	-	-	-	(2,953.06)	-	-	-	-	(2,953.06)
<b>As at March 31, 2020</b>	<b>-</b>	<b>51.30</b>	<b>347.83</b>	<b>93.85</b>	<b>2,013.83</b>	<b>87.64</b>	<b>37.61</b>	<b>33.49</b>	<b>10.64</b>	<b>123.88</b>	<b>84.36</b>	<b>2,884.45</b>	<b>0.25</b>	<b>175.24</b>	<b>(1.18)</b>	<b>174.31</b>	<b>3,058.75</b>
Depreciation charge for the year	-	5.11	47.82	246.03	201.07	17.54	4.30	7.30	5.55	15.03	279.75	829.50	0.03	70.22	2.32	72.57	902.07
Adjustment#	-	-	(1.88)	-	(0.04)	-	-	-	-	-	-	(1.92)	-	-	-	(1.92)	(1.92)
Disposal	-	-	-	(69.78)	-0.00*	(2.23)	(2.66)	(0.68)	(1.29)	-	-	(76.63)	-	-	(0.29)	(0.29)	(76.92)
Disposals on sale of subsidiaries (refer note 37)	-	-	-	(173.84)	(0.32)	-	(0.03)	(0.34)	-	-	(223.33)	(397.86)	-	-	-	-	(397.86)
<b>As at March 31, 2021</b>	<b>-</b>	<b>56.41</b>	<b>393.77</b>	<b>166.04</b>	<b>2,144.80</b>	<b>105.14</b>	<b>39.65</b>	<b>37.79</b>	<b>15.51</b>	<b>137.62</b>	<b>140.78</b>	<b>3,237.54</b>	<b>0.28</b>	<b>245.46</b>	<b>0.85</b>	<b>246.59</b>	<b>3,484.11</b>
<b>Net Book Value</b>																	
As at March 31, 2019	1,368.31	19.76	703.26	10,410.40	1,165.28	55.46	14.89	15.01	25.64	146.32	-	13,924.34	2.95	177.14	-	180.09	14,104.43
As at March 31, 2020	1,402.15	9.29	681.73	8,351.05	1,139.57	44.94	11.79	14.29	16.66	128.60	7,869.87	19,669.91	2.92	138.68	9.03	150.65	19,820.56
As at March 31, 2021	818.64	4.18	625.79	4,791.52	955.31	32.23	7.86	10.01	11.10	113.69	3,438.47	10,808.79	2.89	59.32	7.57	69.80	10,878.60

# 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 equipment 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 49 pertaining to ENICL transmission line rendered inoperable due to flood

Capital work in progressS (Rs. in million)

As at March 31, 2019	28,915.24
As at March 31, 2020	25,220.05
As at March 31, 2021	14,932.90

\$ Capital work in progress mainly includes expenditure incurred on construction of transmission infrastructure.

\* Amount is less than Rs. 0.01 million.

Refer note 16 for pledge of property, plant and equipment for borrowings.

Refer note 40 for capitalisation of borrowing cost.

**STERLITE POWER TRANSMISSION LIMITED**  
**ANNEXURE-VII**

**Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements**  
**(All amounts in Rs. million unless otherwise stated)**

**NOTE 4: INTANGIBLE ASSETS**

(Rs. in million)					
DESCRIPTION	Software/ Licenses	Right of way*	Subtotal of other intangible assets	Goodwill (refer note 50)	Total
<b>April 01, 2018</b>	<b>94.17</b>	-	<b>94.17</b>	<b>3,675.42</b>	<b>3,769.59</b>
Additions	87.30	-	87.30	-	87.30
Disposals	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>181.47</b>	-	<b>181.47</b>	<b>3,675.42</b>	<b>3,856.89</b>
Additions	187.56	244.83	432.39	-	432.39
Disposals	14.11	-	14.11	-	14.11
Adjustments on account of foreign currency translation	(6.53)	-	(6.53)	-	(6.53)
<b>As at March 31, 2020</b>	<b>348.39</b>	<b>244.83</b>	<b>593.22</b>	<b>3,675.42</b>	<b>4,268.64</b>
Additions	1.95	46.25	48.20	-	48.20
Disposals	-	-	-	-	-
Adjustments on account of foreign currency translation	(3.55)	-	(3.55)	-	(3.55)
<b>As at March 31, 2021</b>	<b>346.79</b>	<b>291.08</b>	<b>637.88</b>	<b>3,675.42</b>	<b>4,313.29</b>
<b>Amortisation/Impairment</b>					
<b>April 01, 2018</b>	<b>31.68</b>	-	<b>31.68</b>	<b>2,473.37</b>	<b>2,505.05</b>
Amortisation charge for the year	20.63	-	20.63	600.20	620.83
<b>As at March 31, 2019</b>	<b>52.31</b>	-	<b>52.31</b>	<b>3,073.57</b>	<b>3,125.88</b>
Amortisation charge for the year	63.68	4.62	68.30	601.85	670.15
Disposals	(6.35)	-	(6.35)	-	(6.35)
Adjustments on account of foreign currency translation	(1.62)	-	(1.62)	-	(1.62)
<b>As at March 31, 2020</b>	<b>108.02</b>	<b>4.62</b>	<b>112.64</b>	<b>3,675.42</b>	<b>3,788.06</b>
Amortisation charge for the year	71.74	10.79	82.53	-	82.53
Disposals	(0.24)	-	(0.24)	-	(0.24)
Adjustments on account of foreign currency translation	(0.85)	-	(0.85)	-	(0.85)
<b>As at March 31, 2021</b>	<b>178.67</b>	<b>15.41</b>	<b>194.07</b>	<b>3,675.42</b>	<b>3,869.50</b>
<b>Net Book Value</b>					
<b>As at March 31, 2019</b>	<b>129.16</b>	-	<b>129.16</b>	<b>601.85</b>	<b>731.01</b>
<b>As at March 31, 2020</b>	<b>240.37</b>	<b>240.21</b>	<b>480.58</b>	-	<b>480.58</b>
<b>As at March 31, 2021</b>	<b>168.12</b>	<b>275.67</b>	<b>443.81</b>	-	<b>443.79</b>

\* The Group executed a project awarded by Gurugram Metropolitan Development Authority ("GMDA") to a consortium of which the Group is a party which involves laying of four ducts for creation of Optical Fibre cable backbone network for Gurugram smart city as per the designs approved by GMDA. The entire infrastructure shall be in the ownership of GMDA; Out of the four ducts, the Group will be given right of use of two ducts for monetizing its investments. One duct along with Optical Fibre Cable shall be used solely by GMDA and one duct will be spare and will be in the custody of GMDA, revenue earned out of the said duct shall be shared between GMDA and the consortium. The Group shall also undertake maintenance of the above network infrastructure for a period of 21 years on its own cost.

The consideration for the development of infrastructure for GMDA's use and for the maintenance of the same for 21 years will be in the form of Right of Way ("ROW") for the above project given by GMDA and no cash consideration will be received from GMDA. For the two ducts for which the rights of use/monetisation will be with the Group, there will be no restrictions from GMDA on the customers or the pricing to be charged by the Group. The Group has valued the consideration in the form of ROW at fair value which is included in intangible asset and the intangible assets under development. The Group has also recognised contract liability at present value of future cash flows for its performance obligations related to maintenance of the ducts over the period of 21 years.

**Intangible assets under development\***

Particulars	(Rs. in million)
Opening as at April 1, 2018	-
Add: Incurred during the year	225.05
Less: Capitalised during the year	-
Add/(less): Adjustment during the year	-
<b>Closing balance as at March 31, 2019</b>	<b>225.05</b>
Add: incurred during the year	87.29
Less: Capitalised during the year	(246.81)
Add/(less): Adjustment during the year	-
<b>Closing balance as at March 31, 2020</b>	<b>65.53</b>
Add: incurred during the year	-
Less: Capitalised during the year	(46.25)
Add/(less): Adjustment during the year	(19.27)
<b>Closing balance as at March 31, 2021</b>	<b>-</b>

\* Intangible assets under development include rights relating to a fibre infrastructure project.

**STERLITE POWER TRANSMISSION LIMITED**  
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Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
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**NOTE 5A: INVESTMENT IN ASSOCIATES AND JOINT VENTURE**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non-Current</b>			
<b>Investments in units- quoted (valued at cost) (associate)</b>			
Investment in units of India Grid Trust (refer note iv below)	-	-	8.26
Nil (March 31, 2020: Nil; March 31, 2019: 1,00,000) units			
<b>Investment in equity shares- unquoted (valued at cost) (associate)</b>			
Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) (refer note i below and 10(a)) 16,24,515 (March 31, 2020: 16,24,515; March 31, 2019: Nil) equity shares of Rs. 2 each fully paid up	47.14	36.92	-
Sterlite Interlinks Limited 4,900 (March 31, 2020: 4,900; March 31, 2019: Nil) equity shares of Rs.10 each fully paid up (refer note ii below)	12.59	10.89	-
<b>Investment in equity shares- unquoted (valued at cost) (joint venture)</b>			
Sterlite Grid 13 Limited (refer note iii below) 3,10,000 (March 31, 2020: 50,000, March 31, 2019: 50,000) equity shares of Rs 10 each fully paid up	-	-	-
<b>Total</b>	<b>59.73</b>	<b>47.81</b>	<b>8.26</b>

**Note i**

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

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Net assets</b>			
Current assets	219.43	154.49	-
Non-current assets	113.32	72.22	-
Current liabilities	(116.20)	(48.00)	-
Non-current liabilities	(35.26)	(36.73)	-
	<b>181.29</b>	<b>141.98</b>	<b>-</b>
<b>Equity investments (unquoted):</b>			
Proportion of the Group's ownership	26.00%	26.00%	-
Carrying amount of the investment	47.14	36.92	-
Investment in associate	<b>47.14</b>	<b>36.92</b>	<b>-</b>
<b>Statement of profit and loss</b>			
Revenue from contract with customers	280.28	164.35	-
Other income	2.07	-	-
Employee benefit expense	(189.25)	(108.78)	-
Depreciation expense	(9.68)	(63.53)	-
Finance cost	(3.17)	(3.19)	-
Finance income	17.67	(0.82)	-
Other expense	(50.40)	4.07	-
<b>Profit/(loss) before tax</b>	<b>47.52</b>	<b>(7.90)</b>	<b>-</b>
Income tax	(8.19)	(0.20)	-
<b>Profit/(loss) for the year</b>	<b>39.33</b>	<b>(8.10)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>39.33</b>	<b>(8.10)</b>	<b>-</b>
<b>Group's share of profit/(loss) for the year</b>	<b>10.22</b>	<b>(2.11)</b>	<b>-</b>

**Note ii**

The Group has 49% (March 31, 2020: 49%, March 31, 2019: Nil) interest in Sterlite Interlinks Limited ('SIL'), which undertakes activities of construction, maintenance of the infrastructure of Dark Fibre through OPGW / Cabling, ROW, Duct Space and towers on lease/ rent out basis. The Group's interest in SIL is accounted for using the equity method in the consolidated financial statements. The table below illustrates the summarised consolidated financial information of the Group's investment in SIL.

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Net assets</b>			
Current assets	224.16	6,663.47	-
Non-current assets	125.38	1.36	-
Current liabilities	(191.91)	(6,635.08)	-
Non-current liabilities	(131.94)	(7.51)	-
	<b>25.69</b>	<b>22.24</b>	<b>-</b>
<b>Equity investments (unquoted):</b>			
Proportion of the Group's ownership	49.00%	49.00%	-
Carrying amount of the investment	12.59	10.90	-
Investment in associate	<b>12.59</b>	<b>10.90</b>	<b>-</b>
<b>Statement of profit and loss</b>			
Revenue from contract with customers	125.04	120.12	-
Consumption	(58.59)	-	-
Purchase of traded goods	(35.23)	(79.66)	-
Finance cost	(5.64)	(0.00)	-
Other expense	(20.61)	(10.45)	-
<b>Profit before tax</b>	<b>4.97</b>	<b>30.01</b>	<b>-</b>
Income tax	(1.51)	(7.51)	-
<b>Profit for the year</b>	<b>3.46</b>	<b>22.49</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>3.46</b>	<b>22.49</b>	<b>-</b>
<b>Group's share of profit for the year</b>	<b>1.69</b>	<b>10.85</b>	<b>-</b>

Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

Note iii

Investment in Sterlite Grid 13 Limited has been classified as investment in joint venture which is engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India. Refer note 49.

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Net assets</b>			
Current assets	1,751.79	-	-
Non-current assets	4,875.68	-	-
Current liabilities	(2,044.43)	-	-
Non-current liabilities	(4,586.99)	-	-
	<b>(3.95)</b>	-	-
<b>Equity investments (unquoted):</b>			
Proportion of the Group's ownership	50.00%	-	-
Carrying amount of the investment	(1.97)	-	-
Investment in associate*	<b>(1.97)</b>	-	-
<b>Statement of profit and loss</b>			
Revenue from operations	-	-	-
Other expense	-	-	-
<b>Profit before tax</b>	-	-	-
Income tax	-	-	-
<b>Profit for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
<b>Group's share of profit for the year</b>	-	-	-

\* As the net worth is negative, the investment is shown at Nil value.

Note iv

The Group had 21.18% interest in India Grid Trust as on March 31, 2019, 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 has accounted for using the equity method in the Historical Audited Consolidated Financial Statements. The following table illustrates the summarised consolidated financial information of the Group's investment in India Grid Trust. From the financial year 2019-20, the investment in India Grid Trust was reduced to 15% hence associate accounting using equity method has not been done for the year ended March 31, 2021 and March 31, 2020.

	March 31, 2019 (Rs. in million)
<b>Non-Current</b>	
Current assets	3,438.82
Non-current assets	50,023.44
Current liabilities	(637.43)
Non-current liabilities	(26,058.72)
	<b>26,766.11</b>
<b>Equity Investments (Quoted):</b>	
Proportion of the Group's ownership	21.18%
Carrying amount of the investment	5,668.51
Less: Provision for diminution in value of investment in an associate (refer note 10)	(624.27)
Less: Classified as assets held for sale (refer note 10)	(5,035.98)
Investment in associate	<b>8.26</b>
<b>Statement of Profit and Loss</b>	
Revenue	6,739.05
Depreciation expense	(1,809.22)
Finance cost	(2,295.83)
Other expense	(1,088.50)
<b>Profit before tax</b>	<b>1,545.50</b>
Income tax	(6.36)
<b>Profit for the year</b>	<b>1,539.14</b>
<b>Total comprehensive income for the year</b>	<b>1,539.14</b>
<b>Group's share of profit for the year</b>	<b>325.99</b>

NOTE 5B: INVESTMENTS

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non current</b>			
<b>Investments in units- quoted (valued at fair value through profit and loss account)</b>			
India Grid Trust (refer note 10b)			
20,40,457 units (March 31, 2020: 1,00,000; March 31, 2019: Nil) units	286.15	8.38	-
<b>Investments in equity shares- unquoted (valued at fair value through other comprehensive income)</b>			
<b>Others</b>			
Sharper Shape Group Inc.			
26,505 (March 31, 2020: 26,505; March 31, 2019: 26,505) equity shares of USD 0.01 each fully paid up	112.45	112.45	112.45
<b>Investment in non-convertible debentures (unquoted) (valued at amortised cost)</b>			
Sterlite Grid 13 Limited			
10,07,88,150 (March 31, 2020: Nil; March 31, 2019: Nil) 12.30% Non- convertible debentures of face value of Rs.10 each	1,007.88	-	-
<b>Current</b>			
<b>Investment in mutual funds - quoted (valued at fair value through profit or loss)</b>			
8,119.47 (March 31, 2020: 1,72,310.21; March 31, 2019: Nil) units of Axis Liquid Fund direct plan - daily dividend reinvestment ##	9.07	172.50	-
Nil (March 31, 2020: Nil; March 31, 2019: 2,88,957.58) units of Aditya Birla Sun Life Liquid Fund - daily dividend reinvestment	-	-	29.00
Nil (March 31, 2020: 93,859.73; March 31, 2019: Nil) units of Invesco India liquid fund direct plan- daily dividend reinvestment #	-	93.95	-
Nil (March 31, 2020: Nil; March 31, 2019: 35,354.66) units of Axis Liquid Fund direct plan - daily dividend	-	-	35.39
Nil (March 31, 2020: Nil; March 31, 2019: 34,713.52) units of UTI Liquid fund - daily dividend	-	-	35.39
Nil (March 31, 2020: 9,535.71; March 31, 2019: Nil) units of UTI Liquid cash plan - daily dividend reinvestment ###	-	32.95	-
Nil (March 31, 2019: Nil; 31 March 2019: 68,036.35) units of L & T Liquid Fund - Regular Daily Dividend option ####	-	-	68.84
Nil (March 31, 2019: Nil; 31 March 2019: 35,349.80) units of DSP Black Rock Liquidity Fund - Direct Plan Daily Dividend	-	-	35.38
Nil (March 31, 2019: Nil; 31 March 2019: 35,275) units of Rs 1,000 each of SBI Premier Liquid Fund - Direct plan daily dividend	-	-	35.39
Nil (March 31, 2019: Nil; 31 March 2019: 23,140.03) units of Reliance Liquid Fund - Direct Plan Daily Dividend Option	-	-	35.39
Nil (March 31, 2019: Nil; 31 March 2019: 1,23,06,841.38) units Santander Cash Blue RF Referenciado DI FI	-	-	527.47
<b>Total</b>	<b>1,415.55</b>	<b>420.23</b>	<b>914.70</b>



Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

Current (equity)	9.07	299.40	802.25
Non-current (units)	286.15	8.38	-
Non-current (equity)	112.45	112.45	112.45
Non-current (non-convertible debentures)	1,007.88	-	-
Aggregate value of quoted investments (equity)	9.07	299.40	802.25
Aggregate value of quoted investments (units)	286.15	8.38	-
Aggregate value of unquoted investments (equity)	112.45	112.45	112.45
Aggregate value of unquoted investments (non-convertible debentures)	1,007.88	-	-

Out of above units followings are the lien marked

- # Includes Nil (March 31, 2020: 92,910.843; March 31, 2019: Nil) units which are lien marked  
## Includes 8,119.47 (March 31, 2020: 1,70,437.06; March 31, 2019: Nil) units which are lien marked  
### Includes Nil (March 31, 2020: 9,535.71; March 31, 2019: Nil) units which are lien marked  
#### Includes Nil (March 31, 2020: Nil; March 31, 2019: 68,036.35) units are held as debt service reserve account

Investments at fair value through OCI reflect investment in unquoted equity securities. Refer Note 53 and Note 54 for determination of their fair values.

NOTE 5C: IMPAIRMENT TESTING OF GOODWILL

Goodwill generated as a result of recording of assets and liabilities as part of the Scheme of demerger of Sterlite Technologies Limited (refer note 50) with effect from 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:

	31 March 2021 (Rs. in million)	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)
East-North Interconnection Company Limited (ENICL)	-	-	8.53
Power product and solutions	-	-	593.32
<b>Goodwill on consolidation</b>	<b>-</b>	<b>-</b>	<b>601.85</b>

As the carrying value of the goodwill as at March 31, 2021 and March 31, 2020 is Nil, the Group has not performed impairment testing as at that date. The Group had performed its annual impairment test for financial year 2018-2019 on 31 March 2019. The Group considered 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.

Goodwill generated on demerger of Power product business from Sterlite Technologies Limited which was merged with the Company with effect from 01 April 2015 has been allocated to Power product and solutions CGU for impairment testing.

The recoverable amount of power products and solutions 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%.

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions are as follows:

**Power products and solutions CGU**

**EBITDA margin:** EBITDA margin of revenue had been considered based on average values achieved in the three years preceding the valuation date. A decrease in EBITDA margin by 2.74% would have resulted in impairment.

EBITDA margins were based on the actual EBITDA of power products business for the three years preceding the beginning of the budget period. The EBITDA margins that were considered were from 6.30% - 9.35% over the budget period for anticipated order flows as at March 31, 2019.

**Discount rate:** Discount rate represented the then market assessment of the risks specific to the cash generating unit (CGU), taking into consideration the time value of money and individual risks of the underlying assets that had not been incorporated in the cash flow estimates. The discount rate calculations were based on the specific circumstances of the Group and was derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity was derived from the expected return on investment by the Group's investors. The cost of debt was based on the interest-bearing borrowings the Group was obliged to service. Segment-specific risk was incorporated by applying individual beta factor. The beta factor was evaluated annually based on publicly available market data. Adjustments to the discount rate were made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in pre-tax WACC by 24.42% would have resulted in impairment.

**Growth rate:** Growth rate had been considered for a period of five years based on management estimates and past trends. A decrease in growth rate by 11.69% during the next five year period would have resulted in impairment.

**East-North Interconnection Company Limited (ENICL)**

During the financial year ended March 31, 2020, the Group has written off goodwill amounting to Rs. 8.53 million pursuant to sale of ENICL to India Grid Trust.

NOTE 6: LOANS (unsecured, considered good)

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Current</b>			
Loans to related parties (refer note 56)*	302.53	282.84	260.65
<b>Total</b>	<b>302.53</b>	<b>282.84</b>	<b>260.65</b>

\* The Group has unsecured loan receivable amounting to Rs. 207.35 million (March 31, 2020: Rs. 195.12 million; March 31, 2019: Rs. 185.65 million) (including accumulated interest accrued) from Sterlite Power Technologies Private Limited (SPTPL) which is recovered by the Group subsequent to year ended March 31, 2021.

Unsecured loan to Sterlite Technologies Limited (STL) amounting to Rs. 95.18 million [(March 31, 2020: Rs. 87.72 million; March 31, 2019: Rs. 75.00 million (including accumulated interest accrued))] carries interest @ 10% p.a. and is repayable on demand.

NOTE 7: TRADE RECEIVABLES

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non-current</b>			
Trade receivables	592.08	446.02	363.84
<b>Total</b>	<b>592.08</b>	<b>446.02</b>	<b>363.84</b>
<b>Break-up for security details:</b>			
- Unsecured, considered good	-	-	-
- Unsecured, credit impaired receivables	592.08	446.02	363.84
	<b>592.08</b>	<b>446.02</b>	<b>363.84</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>			
- Unsecured, considered good	-	-	-
- Unsecured, credit impaired receivables	592.08	446.02	363.84
<b>Total non-current trade receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current</b>			
Other trade receivables	6,213.01	5,487.31	6,841.14
Receivables from associate (refer note 56)	-	-	15.21
Receivables from other related parties (refer note 56)	17.11	52.23	55.22
<b>Total</b>	<b>6,230.12</b>	<b>5,539.54</b>	<b>6,911.57</b>
<b>Break-up for security details:</b>			
- Unsecured, considered good	6,230.12	5,539.54	6,911.57
- Unsecured, credit impaired receivables	-	-	-
	<b>6,230.12</b>	<b>5,539.54</b>	<b>6,911.57</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>			
- Unsecured, considered good	-	-	-
- Considered doubtful	-	-	-
	<b>6,230.12</b>	<b>5,539.54</b>	<b>6,911.57</b>
<b>Total current trade receivables</b>	<b>6,230.12</b>	<b>5,539.54</b>	<b>6,911.57</b>

As at March 31, 2021, there are no trade or other receivable which are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

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 Rs. Nil million (March 31, 2020: Rs. Nil million; March 31, 2019: Rs. 750.43 million).

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

Refer note 51 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTE 8: OTHER FINANCIAL ASSETS

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non-current</b>			
Security deposits (unsecured, considered good)	114.42	76.83	48.91
Other bank balance* (refer note 13)	1,561.44	559.33	27.18
<b>Total other non-current financial assets</b>	<b>1,675.86</b>	<b>636.16</b>	<b>76.09</b>
<b>Current</b>			
Security deposits (unsecured, considered good)	39.44	48.35	57.19
Advances recoverable in cash (unsecured, considered good)	71.56	4.34	83.13
Unbilled revenue of transmission charges ##	88.63	134.46	114.86
Interest accrued on fixed deposits	8.66	14.28	2.64
Insurance claim receivable**	-	-	204.20
Receivable from related parties (unsecured, considered good) (refer note 56)	37.83	58.56	199.85
Receivable from India Grid Trust for sale of investments (unsecured, considered good)	379.66	1,420.77	-
Earnest money deposit with customer (unsecured, considered good)	24.40	51.48	51.95
Others	-	-	11.69
	<b>650.18</b>	<b>1,732.24</b>	<b>725.51</b>
<b>Derivative instruments at fair value through OCI</b>			
- Forward exchange contracts	-	278.38	241.24
- Commodity future contracts	1,173.86	-	-
	<b>1,173.86</b>	<b>278.38</b>	<b>241.24</b>
<b>Total other current financial assets</b>	<b>1,824.04</b>	<b>2,010.62</b>	<b>966.75</b>

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

Advances recoverable in cash are non-derivative financial assets. These contain other costs incurred as part of project execution which are recoverable on actual basis.

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

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

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

\* During the financial year ended March 31, 2020, the Group sold its equity stake in Sterlite Novo Estado Energia S.A, Brazil ('Nova Estado'), Arcoverde Transmissao De Energia S.A., Brazil ('Arcoverde'), Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A.). Pursuant to this, the Group has established an escrow account of Rs. 482.50 million (March 31, 2020: 478.44 million; March 31, 2019: Rs. Nil million) for Nova Estado and Arcoverde which will be released after a period of more than 12 months on fulfilment of certain conditions prescribed in the share purchase agreement executed for the assets sold.

## Unbilled transmission charges pertain to unbilled revenue for the month of March 31, 2021 amounting to Rs. 88.63 million (March 31, 2020: Rs 134.46 million; March 31, 2019:Rs. 114.86 million) billed to transmission utilities in the month of April 2021.

\*\* Refer Note 49 for insurance claim receivable of East-North Interconnection Company Limited.

NOTE 9: OTHER ASSETS

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non-current</b>			
Capital advances (unsecured, considered good)	400.11	1,452.76	3,193.34
Concession contract assets*	1,006.15	5,328.51	7,837.35
Advances to vendors/contractors (unsecured, considered good)	-	-	1,031.42
Balances with government authorities	642.74	418.34	114.46
Prepaid expenses	55.12	44.77	189.94
Deposits paid with government authorities under tax litigation (refer note 42)	69.66	54.11	54.11
Advances recoverable in kind (unsecured, considered good)	-	-	1.90
Others	-	-	29.58
<b>Total other non-current assets</b>	<b>2,173.78</b>	<b>7,298.49</b>	<b>12,452.10</b>
<b>Current</b>			
Advances to vendors/contractors (unsecured, considered good)	2,045.66	300.28	682.97
Balances with government authorities	1,721.35	1,823.89	1,277.61
Prepaid expenses	167.86	354.16	560.49
Deposits paid under dispute	-	-	75.28
Contract assets related to EPC contracts (refer note 24)	1,438.35	2,017.04	2,629.56
Concession contract assets*	-	551.34	-
Others	3.19	1.60	3.79
<b>Total other current assets</b>	<b>5,376.41</b>	<b>5,048.31</b>	<b>5,229.70</b>

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

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Opening balance</b>	5,879.85	7,837.35	278.20
Revenue from construction of concession assets	1,263.92	6,448.20	6,800.91
Remuneration of the concession assets	710.99	1,306.08	422.27
Assets sold during the year	-	(8,275.54)	-
Write-off contractual assets (RAP)	(389.60)	-	-
Asset held for sale (refer note 10)	(5,698.97)	-	-
Impact of foreign currency conversion	(760.04)	(1,436.24)	335.97
<b>Closing balance</b>	<b>1,006.15</b>	<b>5,879.85</b>	<b>7,837.35</b>
<b>Current</b>	-	551.34	-
<b>Non-current</b>	<b>1,006.15</b>	<b>5,328.51</b>	<b>7,837.35</b>

NOTE 10: ASSETS AND LIABILITIES HELD FOR SALE

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

Following assets and liabilities are classified as held for sale as at March 31, 2021, March 31, 2020 and March 31, 2019:

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>India Grid Trust (refer note 10(b))</b>			
Investment in units of India Grid Trust	-	7,325.63	-
Nil (March 31, 2020: 8,74,48,026; March 31, 2019: Nil) units	-	-	-
<b>Total</b>	-	<b>7,325.63</b>	-
<b>Indgrid Investment Managers Limited (refer note 10(a))</b>			
Investment in equity shares	21.01	21.01	-
8,74,729 (March 31, 2020: 8,74,729; March 31, 2019: Nil) shares	-	-	-
<b>Total</b>	<b>21.01</b>	<b>21.01</b>	-
<b>NER-II Transmission Limited (refer note 37)</b>			
Investment in equity shares	834.36	-	-
6,03,829 (March 31, 2020: Nil, March 31, 2019: Nil) shares	-	-	-
<b>Total</b>	<b>834.36</b>	-	-

For the financial year ended March 31, 2021:

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

Also, the Group intends to sell São Francisco Transmissão de Energia S.A. (referred to as Disposal Group III) and Marituba Transmissão de Energia S.A (referred to as Disposal Group IV) in the next financial year for which the board of directors of the holding Company has passed the necessary resolutions and the sale of entities is considered as highly probable by the management. Hence the assets and liabilities pertaining to these entities are classified as held for sale.

Particulars	March 31, 2021				Total
	Disposal Group I	Disposal Group II	Disposal Group III	Disposal Group IV	
<b>Assets</b>					
- Non-current assets	-	-	-	-	-
- Current assets	5,761.47	164.49	57.84	295.36	<b>6,279.16</b>
<b>Liabilities</b>					
- Non-current liabilities	-	-	-	-	-
- Current liabilities	4,466.67	48.79	57.84	38.21	<b>4,611.51</b>

Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
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(i) Break up of assets and liabilities of Disposal Group I, Disposal Group II, Disposal Group III and Disposal Group IV as at March 31, 2021:

	March 31, 2021				(Rs. in million)
	Disposal Group I	Disposal Group II	Disposal Group III	Disposal Group IV	Total
<b>Assets</b>					
Accounts receivable	38.80	-	-	-	38.80
Cash and cash equivalents	1,012.64	0.73	0.90	0.40	1,014.66
Advances to suppliers	19.13	11.98	13.94	11.30	56.35
Concession infrastructure - contract asset	4,660.22	349.06	318.59	371.10	5,698.97
Taxes receivable	21.12	1.98	6.70	2.37	32.17
Prepaid expenses	5.68	3.48	2.21	1.60	12.97
Other assets	3.88	7.83	4.97	2.80	19.48
Deferred tax assets	-	1.07	12.32	-	13.39
Difference between carrying amount and fair value less costs to sell	-	(211.64)	(301.79)	(94.21)	(607.64)
<b>Total assets held for sale</b>	<b>5,761.47</b>	<b>164.49</b>	<b>57.84</b>	<b>295.36</b>	<b>6,279.15</b>
<b>Liabilities</b>					
Accounts payable	127.67	16.43	20.79	1.62	166.51
Borrowings	3,657.82	-	-	-	3,657.82
Other financial liabilities	0.01	-	-	-	0.01
Employee benefit & social obligation	11.71	-	7.01	0.02	18.74
Regulatory charges	2.39	-	-	-	2.39
Others liabilities	1.59	0.07	0.57	0.01	2.25
Deferred PIs and Cofins taxes	470.88	32.29	29.47	34.33	566.96
Deferred tax liabilities	194.60	-	-	2.23	196.83
<b>Total liabilities held for sale</b>	<b>4,466.67</b>	<b>48.79</b>	<b>57.84</b>	<b>38.21</b>	<b>4,611.51</b>

(a) **Propose sale of shares held in Indgrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (SIML))**

During the financial year ended March 31, 2020, Indgrid Investment Managers Limited (IIML) (formerly known as Sterlite Investment Managers Limited) served a call money notice on Sterlite Power Transmission Limited ('SPTL' or the 'Company') requesting to pay call money of Rs. 0.50 per share. Based on the communication provided by the Company, IIML forfeited 11,25,00,000 partly paid equity shares of Rs. 2 each partly paid-up Rs. 0.25 per share held by the Company leading to recognition of loss on forfeiture amounting to Rs. 25.28 million in previous year.

During the financial year ended March 31, 2020, the Company exercised an option to convert 1.00 million 8.98% non-cumulative non participating redeemable preference share (RPS) with face value of Rs.10 per RPS to 10,00,000 8.98% compulsorily convertible preference shares (CCPS). The compulsorily convertible preference shares were to be redeemed fully on September 30, 2026. CCPS carried voting rights as per provision of section 47(2) of the Companies Act, 2013. Further during the previous year, the Company were allotted 49,99,125 fully paid up equity shares of face value Rs.2 each at a premium of Rs. 18 per share on conversion of 10,00,000 8.98% Compulsorily Convertible Preference Shares ('CCPS').

Pursuant to "Share Subscription and Purchase Agreement" executed between Electron IM PTE. LTD ('EIMPT') and the Company on April 30, 2019, the Group had to sell 74% of its stake in its subsidiary IIML in two tranches starting from June 30, 2019 till June 30, 2021. In FY 19-20, the Company sold 60% of its stake in IIML for a consideration of Rs. 60.05 million. Further, the remaining investment in IIML to the extent of 14% i.e. Rs. 21.01 million (March 31, 2020: Rs. 21.01 million) has been disclosed as "asset classified as held for sale". The Group's interest in IIML is accounted for using the equity method in the consolidated financial statements.

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

Erstwhile Sterlite Power Grid Ventures Limited (SPGVL) now merged with Sterlite Power Transmission Limited ('SPTL'), being the sponsor of India Grid Trust ('IGT'), entered into "Inter-se sponsor agreement" dated April 30, 2019 ('the Inter-se Agreement') with Esoteric II Pte. Ltd. ('the Investor') to designate the investor as a 'Sponsor' of IGT subject to approval under the SEBI (Infrastructure Investment Trusts) Regulations, 2016. Pursuant to the Inter-se Agreement, SPGVL agreed to sell 60.03 million units ('the Units') of IGT to the Investor at Rs. 83.89 per unit.

On September 24, 2019, SPGVL and Sterlite Interlinks Limited ('SIL') entered into a Unit transfer agreement ('Unit Transfer Agreement') for sale of the Units by SPGVL to SIL and consequently SPGVL, the Investor and SIL entered into an amendment agreement dated September 25, 2019 amending the Inter-se Agreement to include clauses for Unit Transfer Agreement and sale of 87.45 million units by SIL to the Investor.

Pursuant to the Unit Transfer Agreement, SIL had given an interest bearing advance to erstwhile SPGVL of Rs. 6,200.00 million for the purchase of the Units. The Units were owned by erstwhile SPGVL as at March 31, 2020 and were pledged as security, basis which SIL raised funds from its lenders. Accordingly, the advance was presented under short term borrowings as at March 31, 2020 (refer note 17) and investment in the Units was classified as asset held for sale.

On August 3, 2020, the parties terminated the Inter-se Agreement. Further, on August 14, 2020, SPTL sold 85.51 million units of IGT in open market through March 31, 2020 Stock Exchange ('NSE') at an average price of Rs. 98 per unit. Accordingly, the Group has classified the balance units of IGT as non-current investments and has also reversed impairment loss of Rs. 954.98 million recognised in earlier year. Further, other income for the year ended March 31, 2021 includes net gain of Rs. 218.23 million on sale of IGT units.

**For the financial year ended March 31, 2019:**

The Group had entered into agreement dated April 30, 2019 with India Grid Trust pursuant to which the investments of the Group in net assets of subsidiaries - Sterlite Grid 2 limited ('SGL2') and NRSS XXIX transmission limited ('NRSS') (referred to as 'Disposal Group 1') and Sterlite Grid 3 Limited ('SGL3') and Odisha General Phase-II transmission limited ('OGPTL') (referred to as 'Disposal Group 2') are proposed to be transferred to India Grid Trust at an agreed cash consideration specified in respective share purchase agreements.

Further the Group had 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 had 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 Rs 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.

Assets and liabilities pertaining to disposal groups disclosed as "current" to the extent of expected cash flows within next one year.

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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:

	March 31, 2019				(Rs. in million)
	Disposal Group I	Disposal Group II	Disposal Group III	Investment in associate held for sale	Total
<b>Assets</b>					
- Non-current assets	-	-	129.55	-	129.55
- Current assets	25,190.08	11,683.94	60.05	5,035.98	41,970.04
<b>Liabilities</b>					
- Non-current liabilities	-	-	-	-	-
- Current liabilities	33,884.26	9,211.78	20.33	-	43,116.37

(i) Break up of assets and liabilities of Disposal Group I, Disposal Group II, Disposal Group III and Disposal Group IV as at March 31, 2019:

	(Rs. in million)			
	Disposal Group 1	Disposal Group 2	Disposal Group 3	Total
<b>Assets</b>				
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
<b>Total assets held for sale</b>	<b>25,190.08</b>	<b>11,683.94</b>	<b>189.60</b>	<b>37,063.62</b>
<b>Liabilities</b>				
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
<b>Total liabilities held for sale</b>	<b>33,884.26</b>	<b>9,211.78</b>	<b>20.33</b>	<b>43,116.37</b>

NOTE 11: INVENTORIES

(Valued at lower of cost and net realisable value)

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Raw materials and components (includes stock in transit Rs. 692.36 million (March 31, 2020: Rs. 453.66 million; March 31, 2019: Rs. 71.05 million))	1,873.92	1,454.23	1,001.96
Work-in-progress	205.64	264.51	391.96
Finished goods (includes stock in transit Rs. 451.22 million (March 31, 2020: Rs. 410.57 million; March 31, 2019: Rs. 41.21 million))	762.44	2,006.93	391.98
Construction material	7.22	19.43	50.86
Traded goods	58.21	34.90	7.46
Stores, spares, packing materials and others	180.40	142.79	147.81
<b>Total</b>	<b>3,087.83</b>	<b>3,922.79</b>	<b>1,992.03</b>

NOTE 12: CASH AND CASH EQUIVALENTS

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Balances with banks:			
On current accounts	3,570.10	1,190.24	3,907.16
Deposit with original maturity of less than 3 months	3,141.06	1,755.93	357.14
Cash in hand	0.03	0.17	0.13
<b>Total</b>	<b>6,711.19</b>	<b>2,946.34</b>	<b>4,264.43</b>

NOTE 13: OTHER BANK BALANCES

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Deposit with original maturity for more than 12 months*	1,561.44	0.89	27.60
Deposits with original maturity for more than 3 months but less than 12 months**	3,041.43	7,930.17	554.28
Escrow account	-	92.72	-
	<b>4,602.87</b>	<b>8,023.78</b>	<b>581.88</b>
Amount disclosed under non-current other financial assets	(1,561.44)	(0.89)	(27.60)
<b>Total</b>	<b>3,041.43</b>	<b>8,022.89</b>	<b>554.28</b>

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

\* Held as lien by bank against bank guarantees

\*\* Out of total deposits, amount held as lien by banks against bank guarantees includes Rs. 1,783.95 million (March 31, 2020: Rs. 650.64 million; March 31, 2019: Rs. 5.71 million), Rs. 7.48 million (March 31, 2020: Rs. 242.04 million; March 31, 2019: Rs. 476.62 million) held in debt service reserve account, deposit of Rs. 1,250 million (March 31, 2020: Nil million; March 31, 2019: Rs. Nil million) is lien marked with trustee of Non-convertible debentures (NCD), deposit of Rs. Nil million (March 31, 2020: Nil million; March 31, 2019: Rs. 25.78 million) against margin money and Rs. Nil million (March 31, 2020: Rs. Nil million; March 31, 2019: Rs. 40.71 million) lien against bill discounting.

NOTE 14: EQUITY SHARE CAPITAL

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Authorised shares (nos. million)*</b> 6,380.00 (March 31, 2020: 80.00; March 31, 2019: 80.00) equity shares of Rs. 2 each	12,760.00	160.00	160.00
<b>Issued, subscribed and fully paid-up shares (no. million)</b> 61.18 (March 31, 2020: 61.18; March 31, 2019: 61.18) equity shares of Rs. 2 each fully paid - up.	122.36	122.36	122.36
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>122.36</b>	<b>122.36</b>	<b>122.36</b>

\* Authorised share capital has been disclosed after considering the impact of merger order. (refer note 49)

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

	Nos. in million	Rs. in million
<b>At April 01, 2018</b>	61.18	122.36
Add: Movement during the year	-	-
<b>At March 31, 2019</b>	61.18	122.36
Add: Movement during the year	-	-
<b>At March 31, 2020</b>	61.18	122.36
Add: Movement during the year	-	-
<b>At March 31, 2021</b>	<b>61.18</b>	<b>122.36</b>

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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 Company has declared interim dividend of Rs. 5.30 per share (March 31, 2020: Rs. Nil; March 31, 2019: Rs. Nil) after the reporting period but before the financials statements approval date.

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

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

c. Shares held by Holding Company and their subsidiaries/associates:

	March 31, 2021 Rs. in million	March 31, 2020 Rs. in million	March 31, 2019 Rs. in million
<b>Immediate holding company</b> Twin Star Overseas Limited, Mauritius	87.34	87.34	87.34
<b>Subsidiary of Volcan Investments Limited, Bahamas</b> <b>[Ultimate holding company]</b> Vedanta Limited	1.91	1.91	1.91

	March 31, 2021		March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding	No. in million	% holding
<b>Immediate holding company</b> Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%	43.67	71.38%
<b>Subsidiary of Volcan Investments Limited, Bahamas</b> <b>[Ultimate holding company]</b> Vedanta Limited	0.95	1.56%	0.95	1.56%	0.95	1.56%

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

	March 31, 2021		March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding	No. in million	% holding
<b>Immediate holding company</b> Twin Star Overseas Limited, Mauritius	43.67	71.38%	43.67	71.38%	43.67	71.38%

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Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

NOTE 15 : OTHER EQUITY

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Securities premium</b>			
Balance as per last financial statements	4,536.80	4,536.80	4,536.80
Add: Movement during the year	-	-	-
<b>Closing balance</b>	<b>4,536.80</b>	<b>4,536.80</b>	<b>4,536.80</b>
<b>Retained earnings</b>			
Balance as per last financial statements	(5,626.61)	(10,407.06)	(5,253.86)
Add: Restated net profit/(loss) for the year	8,701.24	9,429.73	(5,247.95)
Less: Remeasurement of post employment benefit obligation, net of tax	(3.40)	(0.78)	(7.98)
Add: Amount transferred from debenture redemption reserve	-	98.88	341.57
Less: Amount transferred to debenture redemption reserve	(200.00)	-	-
Less: Amount transferred to special unearned income reserve	-	(3,043.54)	(226.90)
Less: Amount transferred to legal reserve	-	(160.19)	(11.94)
Add: Balance transferred from capital redemption reserve (refer note 15.6)	1,543.65	-	-
Less: Transfer to capital redemption reserve (refer note 15.6)	(36.00)	(1,543.65)	-
<b>Net surplus/(deficit) in the statement of profit and loss</b>	<b>4,378.88</b>	<b>(5,626.61)</b>	<b>(10,407.06)</b>
<b>Other reserves</b>			
<b>Debenture redemption reserve</b>			
Balance as per last financial statements	-	98.88	440.45
Add: Created during the year	-	-	75.24
Add: Transferred from retained earnings (refer note 15.7)	200.00	-	-
Less: Amount reclassified to retained earning	-	(98.88)	(416.81)
<b>Closing balance</b>	<b>200.00</b>	<b>-</b>	<b>98.88</b>
<b>Cash flow hedge reserve</b>			
Balance as per last financial statements	(1,548.18)	(1,006.23)	(375.28)
Add/(less): Cash flow hedge reserve created on hedging contracts	2,178.81	(3,391.80)	(606.99)
Less: Amount reclassified to retained earning	(139.35)	(2,849.85)	23.96
<b>Closing balance</b>	<b>769.98</b>	<b>(1,548.18)</b>	<b>(1,006.23)</b>
<b>Foreign currency translation reserve</b>			
Balance as per last financial statements	(1,860.20)	(340.38)	0.04
Less: Movement during the year	(654.05)	(1,519.82)	(340.42)
<b>Closing balance</b>	<b>(2,514.25)</b>	<b>(1,860.20)</b>	<b>(340.38)</b>
<b>Capital redemption reserve</b>			
Balance as per last financial statements	1,543.67	0.02	-
Add/(less): Movement during the year (refer note 15.6)	(1,507.65)	1,543.65	0.02
<b>Closing balance</b>	<b>36.02</b>	<b>1,543.67</b>	<b>0.02</b>
<b>Legal reserve</b>			
Balance as per last financial statements	172.13	11.94	-
Add: Transferred from retained earnings	-	160.19	11.94
<b>Closing balance</b>	<b>172.13</b>	<b>172.13</b>	<b>11.94</b>
<b>Special unearned income reserve</b>			
Balance as per last financial statements	3,270.44	226.90	-
Add: Transferred from retained earnings	-	3,043.54	226.90
<b>Closing balance</b>	<b>3,270.44</b>	<b>3,270.44</b>	<b>226.90</b>
<b>Total other reserves</b>	<b>1,934.32</b>	<b>1,577.86</b>	<b>(1,008.87)</b>
<b>Total Other equity</b>	<b>10,850.00</b>	<b>488.05</b>	<b>(6,879.13)</b>

**Nature and purpose of reserves:**

**15.1 Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**15.2 Cash flow hedge reserve**

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

**15.3 Foreign currency translation reserve**

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

**15.4 Legal reserve**

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

**15.5 Special unearned income reserve**

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

**15.6 Capital redemption reserve**

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

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

Also during the current year, the Group has redeemed 18 million redeemable preference shares of face value of Rs. 2 each issued to Clix Finance India Private Limited. Accordingly, the Group created capital redemption reserve of Rs. 36 million in compliance of Section 69 of the Companies Act, 2013.

**15.7 Debenture Redemption Reserve**

One of the subsidiary of the Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the subsidiary to create DRR out of profits of the Company available for payment of dividend. DRR has been created for an amount which is equal to 10% of the value of debentures issued.

NOTE 16 : LONG TERM BORROWINGS

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non-current</b>			
<b>Non-convertible debentures (secured)</b>			
Nil (31 March 2020: Nil; 31 March 2019: 9,375) Non convertible debentures of Rs 10,00,000 each	-	-	9,564.25
Nil (31 March 2020: Nil; 31 March 2019: 3,500) 12.50% Non convertible debentures of Rs 10,00,000 each [refer note I a(i)]	-	-	3,445.90
Nil (March 31, 2020: 2,50,000; 31 March 2019: Nil) Non-convertible debentures of BRL 1,000 each [refer note Ib]	-	3,698.07	-
<b>Term loans (refer note II)</b>			
Indian rupee loans from banks (secured)	8,396.14	9,357.59	9,232.27
Indian rupee loans from financial institutions (secured)	8,390.14	20,561.33	15,663.63
Local bills discounting and acceptances (secured)	2,470.00	5,892.50	9,011.08
Lease liabilities (unsecured)	19.67	53.60	109.25
<b>Redeemable preference shares (unsecured) (refer note III)</b>			
Nil (March 31, 2020: Nil; March 31, 2019: 18.00) million redeemable preferences shares of Rs. 2 each	-	-	40.04
<b>Total non-current borrowings</b>	<b>19,275.95</b>	<b>39,563.09</b>	<b>47,066.42</b>
<b>The above amount includes</b>			
Secured borrowings	19,256.28	39,509.49	46,917.14
Unsecured borrowings	19.67	53.60	149.29
<b>Current maturities</b>			
<b>Non-convertible debentures (secured) (refer note I)</b>			
Nil (31 March 2020: Nil; 31 March 2019: 400) Non-convertible Debentures of Rs. 1 million each	-	-	402.13
Nil (31 March 2020: 3,500; 31 March 2019: Nil) 12.50% Non convertible debentures of Rs 1 million each [refer note I a(i)]	-	3,467.37	-
Nil (31 March 2020: 11,500; 31 March 2019: Nil) Non convertible debentures of Rs. 1 million each [refer note I a(ii)]	-	11,417.08	-
Interest accrued but not due on debentures	-	887.06	-
<b>Term loans (secured) (refer note II)</b>			
Indian rupee loans from banks	40.00	271.47	833.96
Indian rupee loans from financial institution	665.91	237.36	3,208.45
Interest accrued on term loans	0.18	14.30	85.27
Lease liabilities (unsecured)	34.31	111.86	82.53
<b>Redeemable preference shares (unsecured) (refer note III)</b>			
Nil (March 31, 2020: 18.00; March 31, 2019: Nil) million redeemable preferences shares of Rs. 2 each	-	42.07	-
<b>Total current maturities</b>	<b>740.40</b>	<b>16,448.57</b>	<b>4,612.34</b>
<b>The above amount includes</b>			
Secured borrowings	706.09	16,336.71	4,529.81
Unsecured borrowings	34.31	111.86	82.53
	<b>740.40</b>	<b>16,448.57</b>	<b>4,612.34</b>
Amount disclosed under the head "other current financial liabilities" (note 19)	740.40	16,448.57	4,612.34
<b>Net amount</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes:

I. Non-convertible debentures

a) Sterlite Power Transmission Limited (SPTL)

i) 12.50% non-convertible debentures of Rs. 10,00,000 each

During the year ended March 31, 2019, the Company had issued 3,500 non-convertible debentures ("NCDs") of face value Rs 10,00,000/- each amounting to Rs 3,500 million carrying interest of 12.50%. The debentures were secured by:

- first and exclusive charge over all present and future fixed assets,
- investments of the SPTL in erstwhile Sterlite Power Grid Ventures Limited now merged with SPTL ("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
- second charge on all current assets of the SPTL
- first and exclusive charge over any OCPRS, CCPS, or any other instrument by which money has been infused in SPGVL.

During the current year NCDs have been repaid.

ii) 11.50%-12.30% Non-convertible debentures of Rs. 10,00,000 each

Erstwhile Sterlite Power Grid Ventures Limited now merged with the SPTL ("SPGVL") had issued 11,500 non-convertible debentures ("NCDs") of Rs. 1 million each on private placement basis between March 2019 and July 2019 in 4 different tranches of Rs. 1,950 million, Rs. 5,500 million, Rs. 1,050 million and Rs. 3,000 million. All these instruments are redeemable after a period of 3 years from the deemed date of allotment of the first tranche (i.e. March 28, 2022). These NCDs carry interest rate between 11.50% p.a. - 12.30% p.a. between different tranches. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

- First pari-passu charge on loans and advances given by SPGVL to project Sterlite Grid 4 Limited (SGL-4), Sterlite Grid 5 Limited (SGL-5), Khargone Transmission limited (KTL), Gurgaon- Palwal Transmission Limited (GPTL), NER- II Transmission limited (NER-II) and Goa Tamnar Transmission Project Limited (GTTPPL).
- Pledge of 51% shares of (SGL 4) and (SGL 5) on fully diluted basis at all times
- Non-disposal undertaking for balance 49% shares of SGL 4 and SGL 5.
- Pledge of 49% shares of the following project SPVs i.e. KTL, GPTL, NER-II & GTTPPL.
- a first rank pari passu charge on Interest Service Reserve Account (ICRA) and ISRA amount.

During the current year NCDs have been repaid.

b) Sterlite Brazil Participoos, S.A., Brazil

In the previous year the Company issued 0.25 million non-convertible debentures of 1,000 BRL each with real and fiduciary guarantee. It carried an interest @ IPCA + 1.70% p.a. repayable in 42 semi-annual instalments in the first instalment starting in January, 2022 and the last being in July, 2042. For security of these NCDs as guarantee package, the company had given bank guarantees along with fiduciary assignment of rights and pledge of 100% equity shares of its wholly owned subsidiary SE Vineyards Power Transmission S.A.

During the current year, the Company has repaid the non-convertible debentures.



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**c) East-North Interconnection Company Limited (ENICL)**

During the year 2015-16, ENICL issued 9,250 Non Convertible Debentures ('NCDs') of Rs 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 Rs 1,000,000 each redeemable by 31 December 2020, 31 December 2025 and 31 December 2033 respectively in quarterly instalments ranging from Rs. 0.07 million to Rs 0.25 million. The NCD have been paid by the Group.

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.

**II. Term Loans**

**A) Khargone Transmission Limited (KTL)**

(i) Indian rupee term loans from banks and financial institutions of Rs. 10,971.18 million (March 31, 2020: Rs. 10,022.22 million, March 31, 2019: Rs. 6,769.10 million) carry interest rate ranging between 10.70% p.a. to 13.50% p.a. (March 31, 2020: 11.10% p.a. to 14.00% p.a., March 31, 2019: 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 repayment schedule starting from October 31, 2021. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment on July 31, 2033. The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of 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%.

The Company is required to ensure compliance of certain financial covenants, after completion of one financial year of full operations of the project, pertaining to maintenance of minimum debt service coverage ratio, debt equity ratio in respect of long term loans obtained from financial institutions. For the financial year ended March 31, 2021, the Company is not required to comply with the said covenants.

(ii) Domestic bill discounting amounting to Rs. Nil million (March 31, 2020: Rs. Nil million; March 31, 2019: Rs. 2,438.58 million) carries interest rate 7.40% p.a. to 9.20% p.a. This facility has been sanctioned as a sublimit of the rupee term loan and carries same terms, conditions and securities as described above. The bills are due for maturity within 270 days to 720 days and upon maturity gets automatically converted into rupee term loan hence this has been classified under long-term borrowings.

**B) Sterlite Power Transmission Limited (SPTL)**

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

The term loan is secured by:

a) First pari-passu charge by the way of hypothecation of stock and book debts;

b) Second pari-passu charge on movable fixed assets of the Company (present and future)

The loan has been repaid subsequent to year ended March 31, 2021.

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

The term loan is secured by:

a) First pari-passu charge over all present and future current assets of the borrower;

b) Second pari-passu charge over all present and future immovable and movable fixed assets of the borrower;

c) Demand promissory note

d) DSRA equivalent to 1 month interest ensuing interest service obligation

The Company has satisfied the covenants attached to the borrowings.

(iii) Indian rupee term loan from banks outstanding amount as at March 31, 2019 amounting to Rs. 750.00 million carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in 12 quarterly equated instalments of Rs. 150 million (excluding interest) starting from June 2017. During the financial year ended March 31, 2020, the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immovable fixed assets of the Company, present & future.

(iv) Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to Rs. 441.71 million carries interest @ MCLR +225 BPS p.a. Loan amount is repayable in 5 annual instalments starting from December 2018 in 5%,10%,20%,30% & 35% of loan amount. During the financial year ended March 31, 2020, the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immovable 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)

(v) Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to Rs. 462.88 million carries interest @ 11% p.a. Balance loan amount is repayable in 3 annual instalments 20%,30% & 35% of loan amount. During the financial year ended March 31, 2020, the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First charge on all movable fixed assets of the Company, present & future.

b) First charge on all immovable 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)

(vi) Indian rupee term loan from financial institutions outstanding as at March 31, 2019 amounting to Rs. 993.50 million carries interest @ HDFC MCLR + 2.15% p.a. First tranche of the loan amount of Rs. 700.00 million is repaid in Feb 2018 and balance loan amount is repayable in 10 quarterly instalments starting from June 2018. During the financial year ended March 31, 2020, the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) First ranking and pari passu charge on the mortgaged properties

b) First ranking and pari passu charge by the way of hypothecation on all the movable fixed assets

c) First ranking and pari passu charge by the way of hypothecation on all the receivables

d) Second ranking and pari passu charge by the way of hypothecation on all the current assets

e) First ranking and pari passu pledge over atleast 51% Pledged Securities of SPGVL held by the borrower.

(vii) Indian rupee term loan from financial institution outstanding as at March 31, 2019 amounting to Rs. 900.00 million carries interest @ L&T infra PLR minus Spread. During the financial year ended March 31, 2020, the loan has been repaid in full and outstanding balance is Nil.

The term loan is secured by pari passu charge on below:

a) A first ranking and pari passu mortgage on the Mortgaged Property , both present and future

b) First ranking and pari passu charge by the way of hypothecation on all the Movable Fixed Assets, both present and future

c) First Ranking and pari passu charge by the way of hypothecation on all the dividends, any other receivable, Loans and advances from the borrower investment in SPGVL both present and future

d) An exclusive charge by the way of hypothecation on the DSRA, The DSR term Deposit and The DSR term Instruments (if any), both present and future

e) Pledge of equity share & OCRPS /CCPS, amounting to 51% economic interest and voting right on fully diluted basis of Sterlite Power Grid Venture Limited held by SPTL.

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**C) Gurgaon-Palwal Transmission Limited (GPTL)**

- (i) Indian rupee term loan of Rs. Nil million (March 31, 2020: Rs. 6,477.83 million; March 31, 2019: Rs. 4,200 million) from bank and financial institutions carries interest rate in range between Nil (March 31, 2020: 10.65% p.a. to 12.25% p.a.; March 31, 2019: 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 pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.
- (ii) Domestic bill discounting amounting to Rs. Nil (March 31, 2020: Rs. 924.80 million, March 31, 2019: Rs. 2,424.80 million) carries interest rate Nil (March 31, 2020: 7.00% to 8.80% p.a.; March 31, 2019: 8.25% 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 267 to 720 days and upon maturity gets automatically converted in into rupee term loan hence this has been classified under long-term borrowings.

**D) NER II Transmission Limited (NER II)**

- (i) Indian rupee term loan from financial institutions of Rs. Nil (March 31, 2020: Rs. 13,077.50 million, March 31, 2019: Rs. 4,937.50 million) carries interest at the rate of Nil (March 31, 2020: 10.50%- 12.65% p.a; March 31, 2019: 10.50% to 12.50% p.a.) payable monthly (linked to the Lead Lenders Benchmark Rate with Spread). Total loan amount is repayable in 47 structured quarterly instalments post 6 months moratorium period in accordance with amortisation schedule (tenure of 15 year). The loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.
- (ii) Domestic bill discounting amounting to Rs. Nil (March 31, 2020 : Rs. 2,147.70 million, March 31, 2019: Rs. 2,327.70 million) carries interest rate Nil (March 31, 2020: 9% p.a; March 31, 2019: 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 303 days and upon maturity gets automatically converted into rupee term loan hence this has been classified under long-term borrowings.

**E) Goa Tannar Transmission Project Limited (GTPL)**

- (i) Indian rupee term loan from financial Institutions carries interest at the rate of 10.75% p.a (Benchmark Rate +/- Spread). Total loan amount is repayable in 63 structured quarterly instalments post 6 months moratorium period in accordance with repayment schedule (tenure of 20 year). The loan together with interest, liquidated damages, fees, costs, charges, expenses and all other amounts is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by at least 51% of equity share capital till final settlement date.
- (ii) Domestic bill discounting amounting to Rs. 1,820.00 million (March 31, 2020: Rs. 1,820.00 million, March 31, 2019: Rs. 1,820.00 million) carries interest rate 7.10% p.a. to 9.50% p.a (March 31, 2020: 8.00% to 9.10% p.a.; March 31, 2019: 8.75% to 9.10% 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. This will be converted in rupee term loan on maturity. Hence this has been classified under long term borrowings.

The Company is required to ensure compliance of certain financial covenants, after completion of one financial year of full operations of the project, pertaining to maintenance of minimum debt service coverage ratio, debt equity ratio in respect of long term loans obtained from financial institutions. For the financial year ended March 31, 2021, the Company is not required to comply with the said covenants.

**F) Lakadia Vadodara Transmission Project Limited (LVTP)**

- (i) Indian rupee term loan from banks and financial institution carries interest rate in the range of 10.50% to 11.50% p.a. (benchmark Rate +/- Spread). Total loan amount is repayable to banks and financial institution (other than REC Limited) in 159 structured monthly instalments and to REC Limited in 237 structured monthly instalments post 6 months moratorium period in accordance with repayment schedule. The loan together with interest, liquidated damages, additional interest, fees, costs, charges, expenses and all other monies is secured by first charge on all the immovable properties pertaining to the project, tangible movable assets, current assets, revenue, receivables and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower under all insurance contracts and insurance proceeds pertaining to the project. Loan are also secured by pledge of 51% of the equity share capital and CCD of the Company. Further, creation and perfection of securities is under process as on 31 March 2021.
- (ii) Domestic bill discounting amounting to Rs. 650.00 million (March 31, 2020: Rs. 1,000.00 million, March 31, 2019: Rs. Nil million) carries interest rate 4.90% p.a. to 7.41% p.a (March 31, 2020: 7.41% p.a.; March 31, 2019: Nil). 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 360 days and will be converted in Rupee term loan on maturity. Hence this has been classified under long term borrowings.
- The Company is required to ensure compliance of certain financial covenants after completion of one financial year of full operations if the project, pertaining to maintenance of minimum debt service coverage ratio, debt equity ratio in respect of long term loans obtained from banks and financial institutions. However, as at 31 March 2021, these covenants are not applicable.
- G) The lease liabilities are unsecured and the interest rate implicit in the lease is between 9.83% p.a. to 11.75% p.a. (March 31, 2020: 9.95% p.a. to 12% p.a.; March 31, 2019: 9.83% p.a. to 12.50% p.a) and for Brazil: 10.24% p.a. (March 31, 2020: 10.24% p.a.; March 31, 2019: 10.24% p.a.). The gross investment in the lease i.e. the lease obligation and interest is payable in quarterly instalments.

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III. Redeemable preference shares

The preference shares carried 0.01% non-cumulative dividend. Holders of preference shares had a preferential right to receive their redemption value in precedence to holders' of equity shares in the event at liquidation. These shares carried face value of Rs. 2 per share and are redeemed at a premium of 8% compounded annually in the current year.

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Authorised shares (nos. million)</b>			
36.40 (March 31, 2020: 36.40; March 31, 2019: 36.40) redeemable preference shares of Rs. 2 each	72.80	72.80	72.80

**Issued, subscribed and fully paid-up shares (nos. million)\***

Nil (March 31, 2020: 18.00, March 31, 2019: 18.00) cumulative redeemable preference shares of Rs. 2 each			
- Nominal Value	-	36.00	36.00
- Securities Premium	-	-	-

**Terms/rights attached to preference shares**

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

	(Nos. in million)	Face value (Rs. in million)
<b>At April 01, 2018</b>	<b>18.00</b>	<b>36.00</b>
Add: Movement during the year	-	-
<b>At March 31, 2019</b>	<b>18.00</b>	<b>36.00</b>
Add: Movement during the year	-	-
<b>At March 31, 2020</b>	<b>18.00</b>	<b>36.00</b>
Add: Movement during the year	(18.00)	(36.00)
<b>At March 31, 2021</b>	<b>-</b>	<b>-</b>

**Detail of preference shareholders holding more than 5 % of shares in the company**

	March 31, 2021		March 31, 2020		March 31, 2019	
	No. in million	% holding	No. in million	% holding	No. in million	% holding
Clix Capital Services Private Limited	-	-	18.00	100.00%	18.00	100.00%

NOTE 17 : SHORT TERM BORROWINGS

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Cash credit from banks (secured) (refer note 17(i))	1,299.34	799.24	443.58
Working capital demand loans from banks (secured) (refer note 17(ii))	1,766.46	2,700.00	2,072.85
Bridge loan from bank (secured) (refer note 17(iii))	-	447.19	4,409.49
Export packing credit (secured) (refer note 17(iv))	-	499.80	2,118.03
Factoring bill payable (secured) (refer note 17(xi))	-	-	1,611.83
Suppliers credit (secured) (refer note 17(v))	144.26	878.08	377.66
Suppliers credit (unsecured) (refer note 17(vi))	418.73	116.93	-
Advance from Sterlite Interlinks Limited (secured)(refer note 17(vii)) (refer note 56)	-	6,200.00	-
Other loans from banks and financial institutions (secured) (refer note 17(viii))	650.00	628.19	208.54
Non-convertible debentures (secured) (refer note 17(x))	2,019.76	-	-
Loans from related parties (unsecured) (refer note 17(ix))(refer note 56)	1,500.00	1,500.00	-
<b>Total</b>	<b>7,798.55</b>	<b>13,769.43</b>	<b>11,241.98</b>
<b>The above amount includes</b>			
Secured borrowings	5,879.82	12,152.50	11,241.98
Unsecured borrowings	1,918.73	1,616.93	-

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Note:

- (i) Cash credit from banks is secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable as collateral charge. Some cash credit limits are also secured by way of second charge over immovable fixed assets and some are secured by hypothecation of entire current assets and receivables both present and future. The cash credit is repayable on demand and carries interest @ 9.05% - 13.35% p.a. (March 31, 2020: 9.10% to 13.35% p.a.; March 31, 2019: 9.20% to 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 as primary charge and by hypothecation of movable fixed assets as collateral charge. Some working capital demand loans are secured by hypothecation of entire current assets and receivables both present and future. Working Capital Demand Loan is generally taken for a period of less than 365 days and carries interest @ 7.55% - 12.45% p.a. (March 31, 2020: 8.15% to 13.35% p.a.; March 31, 2019: 8.10% to 9.75% p.a.).
- (iii) Bridge loan taken in Brazil was 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 was repayable within a period of 12-18 months and carried a rate of interest of CDI + 1.9%-2.85% (March 31, 2020: CDI + 3.55%, March 31, 2019: CDI + 1.9%-2.85%), to a range between 8%-10%. The loan has been repaid in the current year.
- (iv) Export packing credits are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables as primary charge and by hypothecation of movable fixed assets as collateral charge and is generally taken for a period of 180 days. It carries interest @ 9.50% p.a. (March 31, 2020: 9.25% - 9.50% p.a.; March 31, 2019: 8.85% to 9.70% p.a.).
- (v) Secured suppliers' credit arrangements are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables. Suppliers' credit is generally repaid after a period of six months where foreign currency suppliers credit carry interest @ 1.20% - 3.28% (March 31, 2020: 2.30% - 3.37% p.a.; March 31, 2019: 3.10% to 3.90% p.a.) (excluding hedging premium) and domestic suppliers credit carry interest @ 6.40% - 10.00% p.a. (March 31, 2020: 7.90% - 13.27% p.a.; March 31, 2019: 7.80% to 10.00% p.a.).
- (vi) Unsecured suppliers credit consists of financing of payable to MSME and other vendors with banks and is generally taken for a period of not more than 90 days. It carries interest @ 8.25% - 9.50% p.a. (March 31, 2020: 8.3% - 9.25% p.a.; March 31, 2019: Nil).
- (vii) Advance from Sterlite Interlinks Limited ('SIL') was secured against investment made in the units of India Grid Trust which carried interest rate of 14.90 % p.a. (March 31, 2020: 14.90%; March 31, 2019: Nil) paid on quarterly basis. Refer note 10 above.
- (viii) Other loans from banks and financial institutions:
- a) The Indian rupee loan of Rs.500 million from Arka Fincap Limited carries interest at the rate of 12.50% p.a. payable quarterly. Entire loan amount shall be repayable as a bullet repayment on 30 September 2021. The loan is secured by:
- First exclusive charge over loans and advances extended by SPTL to any one or more intermediate holding Companies (SGLs) up to an amount of Rs. 750 million;
  - Interest service reserve (ISRA) of 3 months to be maintained in the form of FDs charged in favour of lender at all times during the tenor of the facility
- The loan has been subsequently repaid in the FY 2021-22.
- b) The Indian rupee loan of Rs. 100 million from Aditya Birla Finance Limited ('ABFL') carries floating interest rate of 12.00% p.a. payable quarterly linked to ABFL long term reference rate. Entire loan amount shall be repayable as a bullet repayment at the end of 12 months from the date of disbursement. The loan is secured by:
- First pari-passu charge by way of hypothecation on borrower's current assets to be created and perfected within 120 days from the date of first disbursement;
  - Exclusive pledge of 20,39,880 units of India Grid Trust ('Indigrd Invit') (including charge on dividend/distribution received), held by borrower in demat form, providing a minimum facility cover of 2x for ABFL facility at all times.
  - Any dividend /distribution received from the units by borrower shall be used to purchase ABSLMF's liquid/overnight debt MF units on the day/net day of such receipt, which shall be lien marked to ABFL. The MF units purchased shall be liquidated on the date of ABFL debt servicing, to service facility dues.
  - Interest service reserve account (ISRA) equivalent to interest servicing for 2 quarters to be created upfront as lien marked liquid/overnight debt MF units of ABSL mutual fund, to the satisfaction of ABFL
- The financial covenants are reviewed periodically. As at 31 March 2021, the Company has satisfied the debt covenants prescribed in the loan agreement.
- c) The Indian rupee loan of Rs. 50 million from Aditya Birla Finance Limited ('ABFL') carries floating interest rate of 12.00% p.a. payable quarterly linked to ABFL long term reference rate. Entire loan amount shall be repayable as a bullet repayment at the end of 12 months from the date of disbursement. The loan is secured by:
- First pari-passu charge by way of hypothecation on borrower's current assets to be created and perfected within 120 days from the date of first disbursement;
  - Interest service reserve account (ISRA) equivalent to interest servicing for 2 quarters to be created upfront as lien marked liquid/overnight debt MF units of ABSL mutual fund, to the satisfaction of ABFL.
- The financial covenants are reviewed periodically. As at 31 March 2021, the Company has satisfied the debt covenants prescribed in the loan agreement.
- d) In the previous year, other borrowings from banks consists of short term facility in the form of vendor financing which is repayable within period of 90 days and carries interest rate @8.25% p.a.
- (ix) Loan from related parties include an unsecured demand loan from PTC Cables Private Limited with an interest rate between 9.50% - 10.25% p.a. (March 31, 2020: 10.25% - 10.90% p.a., March 31, 2019: Nil) (SBI MCLR + 250 Basis points). Interest will be calculated on the basis of 360 days in a year consisting of 12 months of 30 days. The borrower shall pay the interest on the last day of the term. However, Group can repay the partial or full amount to the lender with prior not less than 10 days irrevocable notice or the lender may ask the repayment by giving 5 business day notice to the Group.
- (x) **10.25% Non-Convertible Debentures:**  
The Non- Convertible Debentures (NCD's) are issued in the form of INR denominated, secured, unlisted, unsecured, senior, transferable, redeemable, non-convertible debt securities. NCD's carry coupon rate of 10.25% p.a. and shall be compounded, accrue, become due and payable in arrears, quarterly. The NCD's shall have a charge on the secured assets in accordance with provisions of debenture deed and other debentures documents.
- The outstanding amounts shall be secured by :-
- A first charge over the mortgaged properties in terms of mortgage documents
  - A first charge by way of pledge of :
    - 100% equity share capital of the issuer, on a fully diluted basis and
    - 49% share capital of the project companies on a fully diluted basis.
  - in terms of respective deeds of confirmations ranking pari passu inter se the Debenture Trustee and the Pari Passu Lender.
  - A first ranking exclusive fixed charge by way of hypothecation over the issue proceeds account and the DSRA and such other Escrow Accounts
  - A first fixed charge by way of hypothecation over:
    - All the loans and advances provided by SPGVL now merged with SPTL) or provided by SPTL to the issuer, present and future;
    - All the current assets of the issuer, including all its receivables and unsecured loans and advances, provide by the issuer to Project SPV's Kharogoe Transmission Limited and NER II Transmission Limited.
    - The Escrow accounts (save and except the issue proceeds amount) opened/maintained by the issuer in terms of the applicable Escrow account agreement together with all amounts standing to the credit of each of the said Escrow accounts
  - Corporate guarantee provided by the Corporate Guarantor in favour of the Debenture Trustee in terms of the Corporate Guarantee.
- Since these NCD's are minimum period holding of 10 months from deemed date of allotment i.e. 7 December 2020, therefore it has been classified as short term borrowings. NCD's contain certain covenants relating to total debt to EBITDA, total debt to net worth and interest service coverage ratio to be satisfied at SPTL Standalone level. As at 31 March 2021, the covenants prescribed in NCD's deed are complied.
- (xi) Factoring bill payable carries an interest in the range of Nil (March 31, 2020: Nil; March 31, 2019: 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 Rs. 1500 million : 3 months Yes Bank Limited MCLR.
  - Above Rs. 1500 million : 3 months Yes bank Limited MCLR + spread of 0.85% p.a.).

NOTE 18 : TRADE PAYABLES

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Current</b>			
Trade payables	6,234.40	7,797.83	8,341.70
<b>Current</b>			
Trade payables (including acceptances)	4,073.08	4,707.63	7,771.89
Trade payables to related parties (refer note 56)	110.22	75.23	319.70
Operational suppliers credit from related parties (refer note 56)	2,051.10	3,014.96	250.11
<b>Total</b>	<b>6,234.40</b>	<b>7,797.83</b>	<b>8,341.70</b>

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

**NOTE 19 : OTHER FINANCIAL LIABILITIES**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non-Current</b>			
Payable for employee stock appreciation rights	-	-	45.89
<b>Total non-current financial liabilities</b>	-	-	<b>45.89</b>
<b>Current</b>			
<b>Derivative instruments fair value through OCI#</b>			
Commodity futures	-	982.49	869.18
Forward contracts	115.63	-	-
	<b>115.63</b>	<b>982.49</b>	<b>869.18</b>
<b>Other financial liabilities at amortised cost</b>			
Security deposits (refer note 56)	54.00	50.00	-
Current maturities of long-term borrowings (refer note 16)	705.91	15,435.35	4,520.63
Current maturities of lease liabilities (refer note 16)	34.31	111.86	82.53
Interest accrued and not due on long-term borrowings (refer note 16)	0.18	901.36	-
Interest accrued and not due on short term borrowings	260.71	155.04	50.67
Interest free deposit from customers	3.30	0.92	1.47
Employee benefits payable	152.14	266.98	80.54
Earnest money deposit from vendors	2.01	2.01	2.02
Payable for employee stock appreciation rights (refer note 46)	307.65	54.36	39.56
Payables for property plant & equipment*			
- Payable to related party	-	308.16	-
- Payable to others	7,618.73	5,852.89	10,371.58
Deferred revenue^	1,675.57	-	-
Others\$	196.61	412.59	58.00
<b>Total</b>	<b>11,126.75</b>	<b>24,534.01</b>	<b>16,076.18</b>

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

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

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

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

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

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

^ Deferred revenue represents unrealised intercompany profit on sales made to the wholly owned subsidiary which has been converted into an associate Company. Refer note 37

\$ Other current financial liabilities consists of bonus payable, leave travel allowance payables etc.

**NOTE 20 : PROVISIONS**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non-Current</b>			
Provision for onerous contracts	-	680.00	278.83
<b>Total</b>	-	<b>680.00</b>	<b>278.83</b>
<b>Movement of provision</b>			
<b>Opening balance</b>	<b>680.00</b>	<b>278.83</b>	-
Add: Created during the year	-	680.00	278.83
Less: Utilised/ (reversed) during the year	(680.00)	(278.83)	-
<b>Closing balance</b>	-	<b>680.00</b>	<b>278.83</b>

Provision for onerous contracts represents estimated loss on construction contracts related to power transmission assets where it is probable that total contract expenses will exceed total revenue from contract. The expected loss is recognised immediately as an expense in the statement of profit and loss account.

**NOTE 21 : EMPLOYEE BENEFIT OBLIGATIONS**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non current</b>			
Provision for leave benefit	-	-	22.59
Provision for gratuity (refer note 39)	76.67	74.96	71.49
<b>Total</b>	<b>76.67</b>	<b>74.96</b>	<b>94.08</b>
<b>Current</b>			
Provision for gratuity (refer note 39)	23.71	9.76	8.88
Provision for leave benefit	74.47	66.76	38.75
<b>Total</b>	<b>98.18</b>	<b>76.52</b>	<b>47.63</b>

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Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

NOTE 22: DEFERRED TAX ASSETS / LIABILITIES (NET)

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>I. Deferred tax liability</b>			
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	204.79	98.71	139.53
Fair valuation of land on transition date	38.86	38.86	38.86
Cash flow hedge reserve	230.90	-	-
Timing difference on accounting profit and profit chargeable under income tax for Brazil	1.81	1,032.61	-
Related to construction of concession assets	-	38.28	922.12
Others	64.78	(0.55)	(0.77)
<b>Gross deferred tax liability</b>	<b>541.14</b>	<b>1,207.91</b>	<b>1,099.74</b>
Less: Netted off against deferred tax assets	-	-	925.22
<b>Net deferred tax liability</b>	<b>541.14</b>	<b>1,207.91</b>	<b>174.52</b>
<b>II. Deferred tax assets</b>			
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	511.80	528.71	638.13
Unabsorbed tax depreciation	149.31	364.69	1,807.35
Provision for doubtful debts and advances	122.58	-	127.12
Impairment of investment in India Grid Trust	-	222.47	222.47
Business loss	-	-	375.57
On capital loss incurred during current year	173.78	163.81	293.60
Deferred tax asset created on elimination of profit	116.31	-	-
Deferred tax asset on expenses disallowed in income tax, allowed as and when incurred	171.14	170.53	-
Others	68.82	25.56	343.90
<b>Gross deferred tax assets</b>	<b>1,313.74</b>	<b>1,475.77</b>	<b>3,808.14</b>
Less: Netted off against deferred tax liabilities	-	-	925.22
<b>Net deferred tax asset</b>	<b>1,313.74</b>	<b>1,475.77</b>	<b>2,882.92</b>

Reconciliation of deferred tax asset

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Opening deferred tax asset, (net)	267.86	2,708.40	1,826.77
Deferred tax credit recorded in statement of profit and loss (including MAT credit availed)	(30.40)	(2,479.53)	765.42
Net deferred tax credit recorded in OCI not to be reclassified to profit and loss in the subsequent period	-	105.66	52.78
Deferred tax credit recorded in cash flow hedge reserve	(237.63)	(105.66)	(112.95)
Deferred tax asset/ (liability) classified as asset held for sale (refer note 10)	750.41	-	187.18
Others	22.37	38.99	(10.80)
<b>Closing deferred tax asset, net</b>	<b>772.60</b>	<b>267.86</b>	<b>2,708.40</b>

The major components of income tax expense for the years ended 31 March 2021, March 31, 2020 and March 31, 2019 are:

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Profit or loss section</b>			
<b>Current income tax charges:</b>			
Current income tax	2,789.22	2,157.44	1,198.92
MAT credit entitlement	-	-	(154.23)
Adjustment of tax relating to earlier periods	75.71	(684.11)	(21.50)
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences	31.58	2,479.75	(611.96)
<b>Income tax expenses reported in the statement of profit or loss</b>	<b>2,896.51</b>	<b>3,953.08</b>	<b>411.23</b>
<b>OCI section</b>			
<b>Deferred tax related to items recognised in OCI during the year:</b>			
Exchange differences on translation of foreign operations	-	-	(183.25)
Net (gain)/loss on revaluation of cash flow hedges	237.63	(105.66)	131.16
Re-measurement loss defined benefit plans	(1.15)	(0.31)	(0.68)
<b>Income tax (debited)/credited through OCI</b>	<b>236.48</b>	<b>(105.97)</b>	<b>(52.77)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021, March 31, 2020 and March 31, 2019:

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Accounting profit before income tax</b>	<b>11,597.75</b>	<b>13,382.81</b>	<b>(4,836.72)</b>
At India's statutory income tax rate of 25.17% (March 31, 2020: 25.17%, March 31, 2019: 34.94%)	2,918.92	3,368.19	(1,689.95)
Disallowance of amortisation of goodwill	-	119.79	166.30
Permanent difference on account expenses disallowed	193.12	266.04	125.15
Effect of income chargeable at reduced rate of tax	-	79.90	41.39
Difference in income tax rate considered for deferred tax on capital assets	(71.81)	(375.03)	-
Adjustments in respect of deferred tax of previous years	-	4.46	57.45
Deferred tax asset not recognised in relation to associate (net)	-	-	133.92
Deferred tax asset not recognised on loss for the year	-	-	1,128.41
Deferred tax asset not recognised	117.91	2.02	-
Dividend distribution tax	-	-	466.75
Interest expense on income tax under section 234 B and 234 C	(19.48)	-	-
Deferred tax asset created on provision for doubtful debts of previous year	(112.25)	-	-
Difference in rate of tax in Brazil and India	(125.86)	455.21	-
Deferred tax asset utilised against gain on sale of subsidiaries	-	602.54	-
Exchange rate difference	(115.88)	117.20	-
Income tax for earlier year	75.71	(684.11)	(21.50)
Others	36.12	(3.14)	3.30
<b>At the effective income tax rate of 24.97 % (March 31, 2020: 29.57 %, March 31, 2019: -8.54%)</b>	<b>2,896.51</b>	<b>3,953.08</b>	<b>411.23</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>2,896.51</b>	<b>3,953.08</b>	<b>411.23</b>

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 temporary differences which arose in India of INR 468.50 million (March 31, 2020: Rs. 8.04 million; March 31, 2019: Rs. Nil million) that are available for offsetting for eight years against future taxable profits of the companies in which these differences arose. Majority of these temporary differences will expire in March 2028.

NOTE 23: OTHER LIABILITIES

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Non-Current Liabilities</b>			
Contract liabilities for EPC contracts including advances from customers (refer note 56)*	2,975.76	-	-
Contract liability (refer note 4)	93.84	89.62	-
Unearned revenue	125.26	-	-
<b>Total</b>	<b>3,194.86</b>	<b>89.62</b>	<b>-</b>
<b>Current Liabilities</b>			
Advance from customers	486.86	1,014.50	194.99
TDS payable	203.72	186.80	159.84
Contract liabilities for EPC contracts including advances from customers (refer note 56)*	1,899.93	365.14	326.12
GST payable	4.43	74.18	552.39
Other statutory dues payable to central/state government	11.36	-	958.24
Unearned revenue	7.29	-	-
Others#	514.25	496.08	605.91
<b>Total</b>	<b>3,127.84</b>	<b>2,136.70</b>	<b>2,797.49</b>

\* The Company has provided corporate guarantees against the advances received from joint venture.

# Other current liabilities consists of MSMED interest, interest on GST, provision for non-submission of C-Forms etc.

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Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

NOTE 24: REVENUE FROM OPERATIONS

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Revenue from contracts with customers</b>			
Revenue from sale of conductors and power cables	12,206.75	11,724.68	16,021.39
Revenue from engineering, procurement and construction (EPC) contracts	3,909.48	5,031.53	7,176.96
Revenue from power transmission services	2,076.60	3,300.58	4,606.53
Revenue from construction of concession assets	1,168.67	6,448.20	6,800.91
Remuneration of concession assets	646.50	1,306.08	422.27
Revenue from operation & maintenance of concession assets	16.48	39.08	-
Revenue from sale of traded goods	588.80	1,923.76	171.69
Revenue from project consultancy services	75.54	-	-
Revenue from network infrastructure	6.58	2.37	-
<b>Total revenue from contracts with customers</b>	<b>20,695.40</b>	<b>29,776.28</b>	<b>35,199.75</b>
<b>Other operating revenue</b>			
Scrap sales	100.67	93.96	113.66
Export incentive	53.98	46.64	92.52
Management fees (refer note 56)	68.10	123.13	144.12
License fees	5.76	3.19	-
<b>Total revenue from operations</b>	<b>20,923.91</b>	<b>30,043.19</b>	<b>35,550.06</b>

(a) Performance obligations

**Sale of conductors and power cables**

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

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

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

**Power transmission services**

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

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

**Construction of concession assets**

The Group's performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. The Group's progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When the Group provides more than one service under a concession agreement, the consideration received is allocated based on the fair values of the services delivered.

**Remuneration of concession assets**

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

**Project consultancy**

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

(b) Disaggregated revenue information

	Within India			Outside India		
	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
(i) Revenue from sale of conductors and power cables recognised at a point in time	5,161.75	8,554.40	10,789.63	7,045.00	3,170.28	5,231.76
(ii) Revenue from engineering, procurement and construction (EPC) contracts recognised over time	3,909.48	5,031.53	7,176.96	-	-	-
(iii) Revenue from power transmission services recognised at a point in time	2,076.60	3,300.58	4,606.53	-	-	-
(iv) Revenue from construction of concession assets recognised over time	-	-	-	1,168.67	6,448.20	6,800.91
(v) Remuneration of concession assets recognised over time	-	-	-	646.50	1,306.08	422.27
(vi) Revenue from operation & maintenance of concession assets recognised over time	-	-	-	16.48	39.08	-
(vii) Revenue from sale of traded goods recognised at a point of time	588.80	1,923.76	171.69	-	-	-
(viii) Revenue from professional consultancy services recognised at a point of time	-	-	-	-	-	-
(ix) Revenue from network infrastructure recognised over time	6.58	2.37	-	-	-	-
(x) Revenue from project consultancy services recognised over time	-	-	-	75.54	-	-
<b>Total</b>	<b>11,743.21</b>	<b>18,812.64</b>	<b>22,744.81</b>	<b>8,952.19</b>	<b>10,963.64</b>	<b>12,454.94</b>



Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

(c) Assets and liabilities related to contracts with customers

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Balances at the beginning of the year</b>			
Trade receivables	5,539.54	6,911.57	8,016.12
Contract assets*	8,031.34	10,466.91	372.97
Contract liabilities (including advances from customers)	365.14	326.12	97.18
<b>Balances at the end of the year</b>			
Trade receivables	6,230.12	5,539.54	6,911.57
Contract assets	2,533.12	8,031.34	10,466.91
Contract liabilities (including advances from customers)	4,969.53	365.14	326.12

\* Also includes contract assets related to construction of concession assets

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

Set out below is the amount of revenue recognised from:

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Amounts included in contract liabilities at the beginning of the year	365.14	326.12	97.18
Performance obligations satisfied in previous years	-	-	-

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

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>Revenue as per contracted price</b>	<b>20,656.60</b>	<b>29,647.68</b>	<b>35,100.00</b>
<b>Adjustments:</b>			
Incentives earned for higher asset availabilities	37.59	114.13	125.97
Surcharges received for late payments	15.36	32.96	10.14
Rebates given for early payments	(14.15)	(18.49)	(36.35)
<b>Total revenue from contracts with customers</b>	<b>20,695.40</b>	<b>29,776.28</b>	<b>35,199.75</b>

(e) Terms of service concession contracts

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

**Characteristics of service concession arrangement**

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

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

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

The periodic rate revision recipe comprises repositioning by determining:

- the change of third-party capital costs in the concession agreement;
- receipts from reinforcements and improvements;
- identifying the amount to be considered as reducing rate - Other Income

**Variable consideration**

In accordance with the service concession agreement, the Group is liable to pay penalty for unavailability of transmission facilities to the Grantor. Further, the Group is eligible for additional RAP as an incentive for improving the availability of transmission facilities. These variable considerations are recognised as revenue from transmission infrastructure and/or operation & maintenance revenue in the period in which they occur.

**Details of revenue from construction of service concession assets and related construction costs:**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Revenue from construction of service concession assets	1,168.67	6,448.20	6,800.91
Cost of construction of service concession assets	1,416.03	5,320.43	5,907.26

(f) Remuneration of concession assets

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

(g) Transaction price allocated to the remaining performance obligations

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Expected to be recognised as revenue over the next one year	30,403.76	6,925.26	5,511.79
Expected to be recognised as revenue beyond next one year	60,938.34	-	-
<b>Total</b>	<b>91,342.10</b>	<b>6,925.26</b>	<b>5,511.79</b>

NOTE 25: FINANCE INCOME

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Interest income on			
- Bank deposits	170.89	207.10	73.17
- Loan to related parties (refer note 56)	85.85	21.98	11.05
- Others	-	2.74	-
Fair value gain on investments measured at fair value through profit or loss	82.33	18.27	17.40
Dividend income on mutual funds	-	32.68	54.74
Gain on sale of mutual funds	5.06	2.68	9.18
Interest on income tax refund	-	-	0.37
Others	35.65	14.89	19.09
<b>Total</b>	<b>379.78</b>	<b>300.34</b>	<b>185.00</b>

NOTE 26: OTHER INCOME

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Profit on sale of investment in units of India Grid Trust (refer note 10b)	213.92	-	-
Net gain on sale of power transmission assets (refer note i,iii,iv and v below) (refer note 37)	15,397.27	20,535.16	156.72
Profit on sale of property, plant and equipment, (net)	1.86	5.74	-
Income on investment in India Grid Trust	537.73	957.82	-
Consideration received from India Grid Trust on sale of investments in earlier years (refer note ii below)	1,047.29	-	-
Miscellaneous income	47.61	41.25	7.82
<b>Total</b>	<b>17,245.68</b>	<b>21,539.97</b>	<b>164.54</b>

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

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

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

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

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

(iii) **Sale of Sterlite Grid 2 Limited and Sterlite Grid 3 Limited**

Pursuant to share purchase agreements dated April 30, 2019 executed among the Group, Axis Trustee Services Limited (Trustee to India Grid Trust) and Sterlite Investment Managers Limited (Investment Manager of India Grid Trust), the Group sold 100% stake in Sterlite Grid 2 Limited ('SGL2') [and consequently in NRSS XXIX Transmission Limited ('NRSS') which is a wholly owned subsidiary of SGL2] and Sterlite Grid 3 Limited ('SGL3') [and consequently in Odisha Generation Phase II Transmission Limited ('OGPTL') which is a wholly owned subsidiary of SGL3] to India Grid Trust.

In financial year ended March 31, 2020, pursuant to this sale of power transmission assets in SGL2 and SGL3 to India Grid Trust, the group has recognised gain of Rs. 16,330.59 million through statement of profit and loss account.

(iv) **Sale of East-North Interconnection Company Limited**

During the financial year ended March 31, 2020, the Group entered into agreement to sale its equity stake in East-North Interconnection Company Limited ('ENICL') to India Grid Trust ('IGT'). The Group transferred 49.00% stake and right to appoint majority of the directors on the board of the ENICL as per the Share Purchase Agreement executed on March 23, 2020 among the Group, Axis Trustee Services Limited (on behalf of and acting in its capacity as trustee to India Grid Trust) and Sterlite Investments Managers Limited (in its capacity as investment manager of India Grid Trust). Subsequently during the current year, the balance 51.00% of stake in ENICL has been transferred to IGT by the Group.

- (v) During the financial year ended March 31, 2020, the Group sold its equity stake in Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A.), Arcoverde Transmissao De Energia S.A., Brazil & Sterlite Novo Estado Energia S.A, Brazil. Consequent to this, the Group derecognised these Power Transmission Assets and gain of Rs. 4,085.30 million was recognised in the statement of profit and loss account.

- (vi) During the financial year ended March 31, 2019, the Group received additional consideration of Rs. 156.72 million from India Grid Trust in respect of the sale of Bhopal Dhule Transmission Company Limited ("BDTCL") project pursuant to the Project Implementation and Management Agreement dated November 10, 2016, as amended, in connection with the additional tariff allowed by CERC for BDTCL project.

NOTE 27: EXCEPTIONAL ITEM

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Ineffectiveness of derivative contracts designated as cash flow hedges*	-	925.87	-
	-	<b>925.87</b>	-

\*During the financial year ended March 31, 2020, the Group sold some of its investments in Brazilian transmission project entities. The contract for supply of conductor to these project entities were subsequently been cancelled, this was considered as a non-recurring event. The loss on cancellation of corresponding cash flow hedges entered for mitigation of risk of fluctuation in prices of aluminium and foreign currency was disclosed as exceptional item.

NOTE 28: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Inventory at the beginning of the year	1,454.23	1,001.96	1,486.02
Add: Purchases during the year	8,492.99	10,812.46	12,787.51
	<b>9,947.22</b>	<b>11,814.42</b>	<b>14,273.53</b>
Less: Inventory at the end of the year	1,871.70	1,454.23	1,001.96
<b>Cost of raw material and components consumed</b>	<b>8,075.52</b>	<b>10,360.19</b>	<b>13,271.57</b>

**STERLITE POWER TRANSMISSION LIMITED**  
**ANNEXURE-VII**

Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

**NOTE 29: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Construction material	2,743.50	8,143.86	10,229.61
Subcontracting charges*	1,694.11	917.29	875.26
<b>Total</b>	<b>4,437.61</b>	<b>9,061.15</b>	<b>11,104.87</b>

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

**NOTE 30: DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Opening inventories:			
Traded goods	34.90	7.46	38.59
Work-in-progress	264.51	391.96	287.63
Finished goods	2,006.93	391.98	201.03
	<b>2,306.34</b>	<b>791.40</b>	<b>527.25</b>
Closing inventories:			
Traded goods	58.21	34.90	7.46
Work-in-progress	205.64	264.51	391.96
Finished goods	762.44	2,006.93	391.98
	<b>1,026.29</b>	<b>2,306.34</b>	<b>791.40</b>
<b>Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods</b>	<b>1,280.05</b>	<b>(1,514.94)</b>	<b>(264.15)</b>

**NOTE 31: EMPLOYEE BENEFITS EXPENSE**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Salaries, wages and bonus	1,866.78	2,120.99	1,444.60
Contribution to provident fund and superannuation fund	133.12	175.25	37.06
Employees stock appreciation rights expense (refer note 46)	196.98	(21.94)	50.60
Gratuity expense (refer note 39)	29.55	24.12	10.69
Staff welfare expenses	74.91	147.26	111.90
<b>Total</b>	<b>2,301.34</b>	<b>2,445.68</b>	<b>1,654.85</b>

Employee benefit expense above is net of the amounts capitalised to property, plant and equipment. Refer note 40 for details.

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

**NOTE 32: OTHER EXPENSES**

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Consumption of stores and spares	67.58	84.63	93.58
Power, fuel and water	207.07	259.74	274.89
Repairs and maintenance			
- Building	6.98	0.57	1.66
- Machinery	71.97	80.17	86.19
- Others	2.61	0.05	-
Service expenses and labour charges	224.80	262.01	347.50
Consumption of packing materials	296.18	426.63	389.73
Transmission infrastructure maintenance charges	108.93	103.70	64.23
Sales commission	182.13	411.33	251.67
Carriage outwards	464.79	416.79	454.37
Rent	19.79	142.44	75.41
Insurance	136.26	242.82	124.65
Rates and taxes	127.47	114.69	181.54
Travelling and conveyance	59.81	316.74	365.04
Loss on sale of property, plant and equipment (net)	-	-	43.77
Legal and professional fees	1,067.88	987.47	684.11
Provision for diminution in value of investment in an associate	-	-	624.27
Advertisement and business promotion expenses	11.68	8.27	28.20
Recruitment expense	6.83	31.51	-
Network maintenance charges	16.05	0.68	-
Directors sitting fee and commission	14.50	13.18	23.72
Foreign exchange difference	-	0.68	67.51
Bad debts/advances written off	-	23.80	-
Provision for doubtful debts and advances	97.64	94.72	41.71
Write down related to assets held for sale (refer note 10)	670.24	-	-
Provision for onerous contracts (refer note 20)	-	406.65	278.83
Loss on sale of stake in subsidiary (loss of control)	-	38.51	-
Management Fees	-	4.36	-
Insurance claim written off	-	4.31	65.44
Sales promotion	-	22.38	19.70
Indemnification expenses incurred under share purchase agreement	72.88	118.70	-
Miscellaneous expenses	572.64	660.87	626.07
<b>Total</b>	<b>4,506.71</b>	<b>5,278.40</b>	<b>5,213.79</b>

Other expenses above are net of the amounts capitalised to property, plant and equipment. refer note 40 for details.

\*During the year, the Group has spend Rs. 19.51 million (March 31, 2020: Rs. 10.94 million, March 31, 2019: Rs. Nil million) on Corporate Social Responsibility ('CSR activities') as per Section 135 of the Companies Act, 2013.

Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

Details of CSR expenditure:

Particulars	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
a) Gross amount required to be spent by the Group during the year	-	-	-
b) Amount approved by the Board to be spent during the year	19.51	10.94	-
<b>Particulars</b>			
	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
c) Construction/acquisition of any asset			
Amount spent during the year ending on 31 March, 2021:	-	-	-
Amount spent during the year ending on 31 March, 2020:	-	-	-
Amount spent during the year ending on 31 March, 2019:	-	-	-
d) On purposes other than (c) above			
Amount spent during the year ending on 31 March, 2021:	19.51	-	19.51
Amount spent during the year ending on 31 March, 2020:	10.94	-	10.94
Amount spent during the year ending on 31 March, 2019:	-	-	-
<b>Particulars</b>			
	<b>March 31, 2021 (Rs. in million)</b>	<b>March 31, 2020 (Rs. in million)</b>	<b>March 31, 2019 (Rs. in million)</b>
e) Details related to spent / unspent obligations:			
i) Contribution to Public Trust	-	-	-
ii) Contribution to Charitable Trust	-	-	-
iii) Unspent amount in relation to:			
- Ongoing project	0.99	-	-
- Other than ongoing project	-	-	-
f) Details of excess amount spent			
Opening balance	-	-	-
Amount required to be spent during the year	-	-	-
Amount spent during the year	19.51	10.94	-
Closing balance	-	-	-

NOTE 33: DEPRECIATION AND AMORTISATION EXPENSE

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Depreciation of tangible assets	829.50	978.51	1,331.06
Depreciation of right-of-use assets	72.57	92.08	83.80
Amortisation of intangible assets	82.52	68.30	20.62
Amortisation of goodwill (refer note 50)	-	601.85	600.22
<b>Total</b>	<b>984.59</b>	<b>1,740.74</b>	<b>2,035.70</b>

NOTE 34: IMPAIRMENT EXPENSE

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Impairment of property, plant and equipment classified as asset held for sale (refer note 10)	-	-	388.43
Impairment of property, plant and equipment (including capital work in progress) (refer note 45)	-	669.40	1,485.22
<b>Total</b>	<b>-</b>	<b>669.40</b>	<b>1,873.65</b>

NOTE 35: FINANCE COST

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Interest on financial liabilities measured at amortised cost	4,839.85	6,457.11	5,454.40
Bill discounting/ factoring charges	248.49	134.64	181.11
Interest others	6.89	129.27	106.89
Interest on lease liabilities	6.51	17.33	23.39
Bank charges	633.60	905.86	266.48
Exchange difference to the extent considered as an adjustment to borrowing costs	-	2.33	2.38
<b>Total</b>	<b>5,735.34</b>	<b>7,646.54</b>	<b>6,034.65</b>

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 restated profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

The following reflects the restated profit/(loss) and share data used in the basic and diluted EPS computation

	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Restated profit/(loss) attributable to equity shareholders for computation of basic and diluted EPS	8,701.24	9,429.73	(5,247.95)
<b>Weighted average number of equity shares in calculating basic and diluted EPS (Nos. million)</b>	<b>61.18</b>	<b>61.18</b>	<b>61.18</b>
<b>Earnings per share</b>			
Basis and diluted (on nominal value of Rs. 2 per share)	<b>142.22</b>	<b>154.13</b>	<b>(85.78)</b>

**NOTE 37: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Group's Historical Audited 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 D to Ind AS 115 - Revenue from Contracts with Customers to transmission projects in India:**

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

**Asset held for sale**

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

The management has exercised significant judgement in assessing that these entities are available for immediate sale and can be sold in its current condition, the actions to complete the sale were initiated and the sale of these entities is highly probable within one year from the date and the Group expects approval from relevant regulatory authorities which is administrative in nature.

Accordingly, the management has classified the assets and liabilities related to these entities as held for sale since the carrying amounts of such assets and liabilities will be recovered principally through sale transaction rather than through continuing use.

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

**NER:**

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

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

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

**GPTL:**

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

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

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

**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 D of Ind AS 115 'Service Concession Arrangement' to transmission projects in Brazil**

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

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

**Revenue from contract with customers - EPC contracts**

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

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

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment), investment in associate and joint venture 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.

**Provision for expected credit losses of trade receivables and contract assets**

The Group performs an impairment analysis at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical observed data for defaults. At every reporting date, the historical observed default rates are updated. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Further, for companies engaged in the power infrastructure business, major receivables are from few customers and is based on point of connection mechanism (refer Note 24), hence the concentration of risk with respect to trade receivables is low.

**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 53 and 54 for further disclosures.

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NOTE 38: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES WHICH ARE INCLUDED IN THE CONSOLIDATION AND THE COMPANY'S EFFECTIVE EQUITY SHAREHOLDINGS THEREIN ARE AS UNDER:

Name of the Entity	Effective equity shareholding as on March 31, 2021	Effective equity shareholding as on March 31, 2020	Effective equity shareholding as on March 31, 2019	Country of incorporation
<b>List of subsidiaries</b>				
Sterlite Power Grid Ventures Limited^^	-	100.00%	100.00%	India
Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)*	-	-	100.00%	India
Sterlite Convergence Limited	100.00%	100.00%	100.00%	India
RAPP Transmission Company Limited (RTCL)###	-	-	26.00%	India
Maheshwaram Transmission Limited (MTL)###	-	-	51.00%	India
Sterlite Grid 2 Limited (SG2L)\$	-	-	100.00%	India
Sterlite Grid 3 Limited (SG3L)\$	-	-	100.00%	India
Sterlite Grid 4 Limited (SG4L)	100.00%	100.00%	100.00%	India
Sterlite Grid 5 Limited (SG5L)	100.00%	100.00%	100.00%	India
Sterlite Grid 6 Limited (SG6L)	100.00%	100.00%	100.00%	India
Sterlite Grid 7 Limited (SG7L)	100.00%	100.00%	100.00%	India
Sterlite Grid 8 Limited (SG8L)	100.00%	100.00%	100.00%	India
Sterlite Grid 9 Limited (SG9L)	100.00%	100.00%	100.00%	India
Sterlite Grid 10 Limited (SG10L)	100.00%	100.00%	100.00%	India
Sterlite Grid 11 Limited (SG11L)	100.00%	100.00%	100.00%	India
Sterlite Grid 12 Limited (SG12L)	100.00%	100.00%	100.00%	India
Sterlite Grid 13 Limited (SG13L)	-	100.00%	100.00%	India
Sterlite Grid 14 Limited (SG14L)	100.00%	100.00%	100.00%	India
Sterlite Grid 15 Limited (SG15L)	100.00%	100.00%	100.00%	India
Sterlite Grid 16 Limited (SG16L)	100.00%	100.00%	100.00%	India
Sterlite Grid 17 Limited (SG17L)	100.00%	100.00%	100.00%	India
Sterlite Grid 18 Limited (SG18L)	100.00%	100.00%	100.00%	India
Sterlite Grid 19 Limited (SG19L)	100.00%	100.00%	100.00%	India
Sterlite Grid 20 Limited (SG20L)	100.00%	100.00%	100.00%	India
Sterlite Grid 21 Limited (SG21L)	100.00%	100.00%	100.00%	India
Sterlite Grid 22 Limited (SG22L)	100.00%	100.00%	100.00%	India
Sterlite Grid 23 Limited (SG23L)	100.00%	100.00%	100.00%	India
Sterlite Grid 24 Limited (SG24L)	100.00%	100.00%	100.00%	India
Sterlite Grid 25 Limited (SG25L)	100.00%	100.00%	100.00%	India
Sterlite Grid 26 Limited (SG26L)	100.00%	100.00%	100.00%	India
Sterlite Grid 27 Limited (SG27L)	100.00%	100.00%	100.00%	India
Sterlite Grid 28 Limited (SG28L)**	100.00%	100.00%	-	India
Sterlite Grid 29 Limited (SG29L)	100.00%	100.00%	100.00%	India
Sterlite Grid 30 Limited (formerly known as NRSS XXIS JS Transmission limited)	100.00%	100.00%	100.00%	India
One Grid Limited**	100.00%	-	-	India
Sterlite EdIndia Foundation**	99.95%	99.93%	-	India
East-North Interconnection Company Limited (ENICL)\$#	-	48.67%	100.00%	India
NRSS XXIX Transmission Limited (NRSS)\$	-	-	100.00%	India
Odisha Generation Phase-II Transmission Limited (OGPTL)\$	-	-	100.00%	India
Gurgaon-Palwal Transmission Limited (GPTL)^#	-	100.00%	100.00%	India
Khargone Transmission Limited (KTL)	100.00%	100.00%	100.00%	India
NER-II Transmission Limited (NER-II)^	-	100.00%	100.00%	India
Goa-Tannar Transmission Project Limited (GTTPL)	100.00%	100.00%	100.00%	India
Udupi Kasargode Transmission Limited (UKTL)**	100.00%	100.00%	-	India
Lakadia Vadodara Transmission Project Limited (LVTPL)**	100.00%	100.00%	-	India
Sterlite Brazil Participacoes S.A	100.00%	100.00%	100.00%	Brazil
Se Vineyards Power Transmission S.A.***	100.00%	100.00%	100.00%	Brazil
Arcoverde Transmissao De Energia S.A.\$	-	-	100.00%	Brazil
Sterlite Novo Estado Energia S.A. Brazil\$	-	-	100.00%	Brazil
Dunas Transmissao de Energia S.A.***	100.00%	100.00%	100.00%	Brazil
Borobema Transmissao de Energia S.A.	100.00%	100.00%	100.00%	Brazil
Sao Francisco Transmissao de Energia S.A.***	100.00%	100.00%	100.00%	Brazil
Goyas Transmissao de Energia S.A.	100.00%	100.00%	100.00%	Brazil
Mariuba Transmissao de Energia S.A.***	100.00%	100.00%	100.00%	Brazil
Solaris Transmissao de Energia S.A.	100.00%	100.00%	100.00%	Brazil
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A.)\$	-	-	100.00%	Brazil
Castelo Transmissao de Energia S.A.\$	100.00%	100.00%	100.00%	Brazil
<b>List of associates and Joint ventures</b>				
Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)*	40.00%	40.00%	-	India
Sterlite Interlinks Limited	49.00%	49.00%	-	India
India Grid Trust (refer note 10) (associate upto May 07, 2019)	-	15.00%	21.18%	India
Sterlite Grid 13 Limited (SG13L)	50.00%	-	-	India
Vapi II North Lakhimpur Transmission Limited (VNLTL)	50.00%	-	-	India
NER-II Transmission Limited (NER-II)#	26.00%	-	-	India

\* Includes 14% of the stake classified as asset held for sale (refer note 10)

\*\* Subsidiary incorporated / acquired during the respective financial years

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

^ Subsidiaries sold during the financial year ended March 31, 2021

\$ Subsidiaries sold during the financial year ended March 31, 2020

^^ Merged with Sterlite Power Transmission Limited during the financial year ended March 31, 2021. Refer note 49a

# Based on the beneficial ownership

### 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:

- Right to nominate all directors on the Board of directors of the SPVs;
- Right to direct the Group to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPVs;
- Irrevocable and unconditional call option to acquire the remaining equity stake in the SPVs at later dates;
- Pledge on the remaining equity stake in the SPVs;
- 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 in the financial year ended March 31, 2019.

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

**NOTE 39: EMPLOYEE BENEFIT OBLIGATION**

The Group has a defined benefit gratuity plan which is unfunded. 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. During the financial year 2020-21, the Group has revised the gratuity payment where every employee working in the Group gets a gratuity on departure at 15 days salary (last drawn salary) for completed period of service.

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

Particulars	31 March 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Defined benefit obligation at the beginning of the year	84.72	80.37	57.73
Interest cost	4.70	5.76	4.48
Current service cost	16.87	17.93	14.22
Past service cost	13.35	-	-
Liability transferred in/acquisitions	-	0.43	-
Liability transferred out/divestments	-	(1.24)	-
Benefits paid directly by the Group	(23.82)	(19.63)	(4.74)
Actuarial (gain)/loss due to change in financial assumptions	(3.86)	0.62	10.19
Actuarial (gain)/loss on obligation due to experience adjustments	8.01	7.16	2.40
Actuarial (gain)/loss on obligation due to demographic assumptions	0.40	(6.69)	(3.91)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>100.38</b>	<b>84.72</b>	<b>80.37</b>

**Details of defined benefit obligation**

Particulars	31 March 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Present value of defined benefit obligation	100.38	84.72	80.37
Fair value of plan assets	-	-	-
<b>Defined benefit liability</b>	<b>100.38</b>	<b>84.72</b>	<b>80.37</b>
<b>Current</b>	<b>23.71</b>	<b>9.76</b>	<b>8.88</b>
<b>Non Current</b>	<b>76.67</b>	<b>74.96</b>	<b>71.49</b>

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

Particulars	31 March 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Current service cost	16.87	17.93	14.22
Past service cost	13.35	-	-
Liability transferred in/acquisitions	-	0.43	-
Interest cost on benefit obligation	4.70	5.76	4.48
<b>Net benefit expense*</b>	<b>34.92</b>	<b>24.12</b>	<b>18.70</b>

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

Particulars	31 March 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Actuarial (gain)/loss on obligation for the year			
- changes in demographic assumption	0.40	(6.69)	(3.91)
- changes in financial assumption	(3.86)	0.62	10.19
- experience variance	8.01	7.16	2.40
<b>Net (income)/expense for the year recognized in OCI</b>	<b>4.55</b>	<b>1.09</b>	<b>8.68</b>

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

Particulars	31 March 2021	March 31, 2020	March 31, 2019
Discount rate	5.65%	5.55% - 5.76%	7.22%
Expected rate of return on plan asset	NA	NA NA	
Employee turnover	16.56%-24.85%	20% - 24%	14.00%
Expected rate of salary increase	7%	8.00%	9.50%
Actual rate of return on plan assets	NA	NA	NA

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Sensitivity analysis**

Particulars	31 March 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Projected benefit obligation on current assumptions	100.37	84.72	80.37
Delta effect of +1% change in rate of discounting	(4.16)	(3.44)	(4.49)
Delta effect of -1% change in rate of discounting	4.54	3.75	5.01
Delta effect of +1% change in rate of salary increase	4.24	3.34	4.27
Delta effect of -1% change in rate of salary increase	(3.98)	(3.16)	(4.01)
Delta effect of +1% change in rate of employee turnover	(1.40)	(3.98)	(3.36)
Delta effect of -1% change in rate of employee turnover	3.29	6.36	5.18

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

Particulars	31 March 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Projected benefits payable in future years from the date of reporting			
Within the next 12 months (next annual reporting period)	23.71	11.11	8.88
2-5 years	57.15	44.68	38.98
5-10 years	32.41	35.62	38.22
More than 10 years	19.29	33.71	48.36

\* Includes amount capitalised during the year

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.

Particulars	31 March 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>A. Opening balance of expenditure included in CWIP</b>	<b>7,489.30</b>	<b>9,503.88</b>	<b>7,385.52</b>
<b>B. Additions to CWIP during the year</b>			
Employee benefits expense (including gratuity)	512.16	478.54	791.37
Finance costs*	2,874.45	3,477.40	2,915.18
Travelling and conveyance	75.12	70.97	149.70
Professional and consultancy fee	308.80	457.51	376.45
Other expenses	201.41	306.73	358.10
<b>Total</b>	<b>3,971.94</b>	<b>4,791.15</b>	<b>4,590.80</b>
<b>C. Transferred to property, plant and equipment during the year</b>	<b>6,687.81</b>	<b>6,805.73</b>	<b>2,472.44</b>
<b>D. Closing balance of expenditure in CWIP (A+B-C)</b>	<b>4,773.43</b>	<b>7,489.30</b>	<b>9,503.88</b>

\* During the year, the Group has capitalised borrowing costs of Rs. 2,874.45 million (31 March 2020: Rs. 3,477.40 million, 31 March 2019: Rs. 2,915.18 million) incurred on the borrowings availed for erection of transmission lines. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the company's borrowings, in this case 10.50% p.a. to 11.50% p.a. (March 31, 2020: 10.65% p.a. to 14.00% p.a, March 31, 2019: 10.50% p.a. to 14.10% p.a).

NOTE 41: CAPITAL AND OTHER COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are Rs 40,073.57 million (March 31, 2020: Rs. 20,580.55 million, March 31, 2019: Rs. 46,341.43 million).
- b) Entities in power transmission grid business have entered into transmission service agreements (TSAs) with long term transmission customers pursuant to which these entities have committed to transmit power of contracted capacity and have also committed minimum availability of transmission line over the period of respective TSAs. The TSAs contain provision for disincentives and penalties in case of certain defaults.
- c) The Group has entered into agreements with the lenders of following subsidiaries wherein it has committed to hold directly or indirectly at all times at least 51% of equity share capital of below mentioned subsidiaries and not to sell, transfer, assign, pledge or create any security interest except pledge of shares to the respective lenders as covered in respective agreements with lenders.
  1. Khargone Transmission Limited (KTL)
  2. Goa Tamnar Transmission Project limited (GTTPL)
  3. Lakadia Vadodara Transmission Limited (LVTPL)
- d) The Group has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency if any to the lenders of the project in subsidiaries to the extent as specified in the agreements executed with the respective lenders.
- e) The Group has entered into service concession agreement in Brazil for construction & maintenance of service concession assets.
- f) The board of directors of the Company have approved purchase of 59.47% equity stake in Maharashtra Transmission Communication Infrastructure Limited (MTCIL) from Sterlite Technologies Limited (STL) in the board meeting held on May 11, 2018. STL has filed an application with the Department of Telecommunication for transfer of its equity stake in MTCIL to the Company which is pending for approval.

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NOTE 42: CONTINGENT LIABILITIES

Particulars	31 March 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
<b>1 Disputed liabilities in appeal</b>			
a) Excise duty	76.40	76.40	127.18
b) Value Added Tax (VAT) and Central sales tax (refer note i below)	294.06	219.34	123.84
c) Service tax	-	-	3.24
<b>2 Bank guarantees given</b>			
- On behalf of India Grid Trust (IGT)	25.00	25.00	-
- To India Grid Trust (IGT) for various claim with respect to sale of investments (refer note ii and iii below)	1,000.00	-	-
<b>3 Corporate guarantees given:</b>			
- To India Grid Trust (IGT) for claim under arbitration with respect to sale of ENICL (refer note ii below)	-	1,000.00	-
- Given on behalf of its related party revenue contract executed	188.60	188.60	-
- To Sterlite Grid 1 Limited (subsidiary of India Grid Trust) against indemnification as per sharepurchase agreement	-	-	280.00
- To India Grid Trust (IGT) for clearance of items mentioned in the share purchase agreement with respect to sale of ENICL	350.00	350.00	-
- On behalf of its subsidiary for issuance of non-convertible debentures during the year	2,000.00	-	-

Further, pursuant to share purchase agreement with India Grid Trust, the Group is to indemnify India Grid Trust for entry tax demand of Rs. 252.31 million (March 31, 2020 Rs. 234.49 million, March 31, 2019 Rs. 410.20 million) sales tax demands of Rs. 43.88 million (March 31, 2020: Rs. 11.30 million, March 31, 2019: Rs. 104.34 million), custom duty demands of Rs. Nil (March 31, 2020: 12.78 million; 31, 2019 Rs. Nil million) and income tax act Rs. 27.90 million (March 31, 2020: 27.16 million; 31, 2019 Rs. Nil million) in relation to the Companies sold to the trust.

(i) The above Value Added Tax, Central Sales Tax and Entry Tax demand (along with the applicable interest, wherever levied) pertains to the following matters.

(a) Central Sales Tax demand of Rs.16.80 million (March 31, 2020 of Rs. 16.80 million, March 31, 2019 of Rs. 27.64 million) raised under the Delhi VAT Act, 2004 on account of non-submission of the declaration forms C pending to be received from the customers for the Assessment Year 2014-15.

(b) Value Added Tax, Central Sales Tax and Entry Tax demand of Rs.14.31 million (March 31, 2020: Rs. 19.10 million, March 31, 2019: Rs. 9.60 million) raised under the Madhya Pradesh VAT Act, 2002 on account of non-submission of the declaration forms EI/EII and Form 3 pending to be received / submitted for the Assessment Year 2015-16. The Group has deposited an amount of Rs. Rs. 4.77 million (March 31, 2020: 4.70 million) while preferring the appeal in this matter.

(c) Central Sales Tax demand of Rs. 5.53 million (March 31, 2020 Rs. 5.53 million, March 31, 2019: Rs. 4.39 million) raised under the West Bengal VAT Act, 2003 on account of non-submission of the declaration forms C pending to be received / submitted for the Assessment Year 2014-15 and . The Group has deposited an amount of Rs. 0.56 million (March 31, 2020: Rs. 0.47 million) while preferring the appeal in this matter.

(d) Central Sales Tax demand of Rs. Nil million (March 31, 2020 Rs. 0.19 million) pertains to the demand raised under the Rajasthan VAT Act, 2003 on account of non-submission of the declaration forms EII pending to be received from the suppliers for the Assessment Year 2015-16

(e) VAT demand of Rs. 30.95 million (March 31, 2020: Rs. 6.88 million) pertains to Telangana VAT Act, 2003 on account on non discharge of VAT liability by sub- contractor for the period December 2015 to June 2017. Central Sales Tax demand of Rs. 0.68 million on account of non-availability of E-1 form for the period 2017-18.

(f) Central Sales Tax demand of Rs. 185.81 million (March 31, 2020: 95.24 million) pertains to the demand raised under the Jharkhand VAT Act, 2005 on account of non-submission of the C form and EII forms pending to be received from the suppliers for the Assessment Year 2015-16 and Assessment year 2016-17.

(g) Central Sales Tax demand of Rs. 0.88 million pertains to the demand raised under the Odisha VAT Act, 2004 on account of non-submission of the E1 declaration forms pending to be received from the suppliers for the Assessment Year 2016-17 and 2017-18. The Group has deposited an amount of Rs. 0.10 million while preferring the appeal in this matter.

(h) Value Added Tax demand of Rs. 12.78 million (March 31, 2020: Rs. 14.16 million, March 31, 2019: Rs. 14.20 million) raised under the Uttarakhnd Vat Act,2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13, 2014-15 and 2015-16.

(i) Value Added Tax demand of Rs. 12.64 million (March 31, 2020: Rs. 15.52 million, March 31, 2020: Rs. 36.70 million) raised under the Orissa Value Added Tax Act, 2004 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year October-15 - March-16, April-16 - June-16 and April-14 - September-15.

(j) Value Added Tax demand of Rs. 14.36 million (March 31, 2020: Rs. 50.99 million, March 31, 2019: Rs. 32.00 million) raised under the Dadra & Nagar Haveli Value Added Tax Act, 2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13, 2013-14 and 2015-16.

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

(ii) During the previous year, one of the vendor involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited ('ENICL') in relation to turnkey construction contract executed by in earlier years which is pending before Arbitral Tribunal. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

(iii) Fixed deposits have been lien marked against the same.

It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

NOTE 43: HEDGING ACTIVITIES AND DERIVATIVES

**Cash flow hedges**

**Foreign exchange forward contracts**

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

**Commodity future contracts**

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

The cash flow hedges during the year ended March 31, 2021 were assessed to be highly effective and a net unrealised gain of Rs. 2,416.44 million relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges during the year ended March 31, 2020 & March 31, 2019 were assessed to be highly effective except for as disclosed in note 27 and an unrealised loss of Rs. 3,497.46 million and Rs. 475.83 million for respective years was included in OCI in respect of these contracts. The amounts retained in cash flow hedge reserve at March 31, 2021 of Rs. 769.98 million (March 31, 2020: Rs. (1,548.18 million), March 31, 2019: (Rs. 1,006.23 million)) is expected to mature and affect the statement of profit and loss during the year ended March 31, 2022.

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NOTE 44: DERIVATIVE INSTRUMENTS

(a) The following are the outstanding forward exchange contracts entered into by the Group, for hedge purpose, as on March 31, 2021, March 31, 2020 and March 31, 2019:

Purpose	Foreign currency	Amount		Buy/Sell	No. of contracts (Quantity)
		(In million)	(Rs. in million)		
<b>March 31, 2021</b>					
Hedge of payables, buyers credit and highly probable foreign currency purchases	USD	95.03	6,985.05	Buy	101.00
Hedge of trade receivables, margin money deposits and highly probable sale	USD	60.44	4,442.84	Sell	66.00
Hedge of trade receivables and highly probable sale	EUR	15.94	1,372.60	Sell	20.00
<b>March 31, 2020</b>					
Hedge of payables, buyers credit and highly probable foreign currency purchases	USD	85.47	6,443.71	Buy	105
Hedge of trade receivables, margin money deposits and highly probable sale	USD	88.62	6,680.33	Sell	84
Hedge of payables and highly probable purchases	EUR	0.25	20.76	Buy	1
Hedge of trade receivables and highly probable sale	EUR	3.70	307.28	Sell	15
<b>March 31, 2019</b>					
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

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts payable in foreign currency on account of the following:

Category	Currency type	31 March 2021		March 31, 2020		March 31, 2019	
		Foreign currency (In million)	Amount (Rs. in million)	Foreign currency (In million)	Amount (Rs. in million)	Foreign currency (In million)	Amount (Rs. in million)
Import of goods and services	USD	0.85	62.56	0.90	67.55	0.46	32.52
	EUR	0.07	5.82	0.02	1.27	-	-

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

The following are the outstanding future contracts entered into by the group as on March 31, 2021, March 31, 2020 and March 31, 2019:

Year	Commodity type	No. of contracts	Contracted quantity (MT)	Buy/Sell
March 31, 2021	Aluminium	143	60,705	Buy
March 31, 2021	Aluminium	31	10,359	Sell
March 31, 2021	Copper	4	323	Buy
March 31, 2021	Copper	1	275	Sell
March 31, 2021	Midwest premium on aluminium	4	100	Buy
March 31, 2021	Midwest premium on aluminium	4	100	Sell
March 31, 2020	Aluminium	157	1,19,760	Buy
March 31, 2020	Aluminium	120	1,02,595	Sell
March 31, 2020	Copper	5	137	Buy
March 31, 2020	Copper	4	104	Sell
March 31, 2020	Midwest premium on aluminium	16	5,650	Buy
March 31, 2019	Aluminium	256	1,06,294	Buy
March 31, 2019	Aluminium	37	12,561	Sell
March 31, 2019	Copper	10	795	Buy
March 31, 2019	Copper	2	354	Sell

NOTE 45: KEY ASSUMPTIONS IN IMPAIRMENT TESTING

The Group had entered into framework agreement with India Grid Trust ('IGT') and Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) on April 29, 2019 to sale entire stake in the "KTL" & "GPTL" at predetermined value subject to commercial operation of the transmission line. Subsequent to year end, the Group has completed sale of stake in GPTL to India Grid Trust at Enterprise value of 10,850 million. Accordingly for the year ended March 31, 2020 Group has reversed impairment amounting to Rs. 318.44 million in statement of profit & loss account. For KTL, the recoverable amount of the transmission assets as determined under the framework agreement was lower than carrying value as on March 31, 2020, by Rs. 987.84 million and accordingly the Group has recorded an impairment charge for that amount during the year ended March 31, 2020.

As at March 31, 2019, the Group had determined the recoverable amounts of the transmission assets on the basis of the value in use by estimating the future cash flows over the period of the Transmission Services Agreement ('TSA'). For such estimation, management had used certain key assumptions which are as follows:

- Cost of equity:  
As at March 31, 2019- KTL: 13.70% and GPTL: 12.50%
- Cost of debt:  
As at March 31, 2019- KTL & GPTL: 9.00%
- Availability of transmission lines at 99.75% throughout the TSA period;
- Escalable tariff inflation rate:  
As at March 31, 2019- KTL & GPTL: 5.73%
- Normal tax rate:  
As at March 31, 2019 KTL and GPTL: 29.12%
- MAT rate:  
As at March 31, 2019 KTL and GPTL: 21.55%
- Total cost of KTL project Rs. 13,938.00 million and GPTL project: Rs. 10,027.00 million

Based on management evaluation, these assumptions are considered reasonable as at March 31, 2019. The entities have obtained valuation reports from external valuers in order to arrive at the recoverable amounts as at March 31, 2019. The recoverable amount for the transmission assets in KTL was lower than the carrying value as at March 31, 2019 by Rs. 1,226.74 million and accordingly impairment charge of Rs. 1,226.74 million was recorded in the books. The recoverable amount of GPTL was lower than the carrying value as at March 31, 2019 by Rs. 391.05 million and accordingly impairment charge of Rs. 391.05 million was recorded in the books. These assumptions are reassessed on a periodic basis for the purpose of determination of the recoverable amounts of the transmission assets. Any change in key assumptions can have a material effect on the recoverable amounts of the respective transmission asset.

**NOTE 46: EMPLOYEE STOCK APPRECIATION RIGHTS (ESAR)**

**ESAR scheme 2015**

During the year ended March 31, 2016, The Group has 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	March 31, 2021		March 31, 2020		March 31, 2019	
	Numbers	Amount (Rs. in million)	Numbers	Amount (Rs. in million)	Numbers	Amount (Rs. in million)
<b>Opening balance as at the beginning of the year</b>	-	-	-	-	49,48,000	101.48
ESAR granted during the period	-	-	-	-	-	-
ESAR Cancelled	-	-	-	-	-	-
Payment towards ESARs vested	-	-	-	-	(49,48,000)	(101.48)
<b>Balance</b>	-	-	-	-	-	-
Provision for increase in FMV of equity share	-	-	-	-	-	-
<b>Closing balance as at the end of the year</b>	-	-	-	-	-	-

Vesting of ESARs is subject to continued employment with the Group. The ESARs shall be cash settled based on the excess of fair market value (FMV) of equity share of the Group as on the date of vesting over the Stock Appreciation ended Ma Rights ("SAR") price (i.e. the base price defined on the grant date of SAR) specified in the Scheme. During the year ended, under ESAR scheme 2015, Rs. Nil million (March 31, 2020: Rs. Nil million; March 31, 2019: Rs. 101.48 million) SARs have been vested and paid. The FMV is determined by the Committee based on the discounted cash flow valuation and other relevant factors.

**ESAR scheme 2017**

The Group has granted 0.69 million (March 31, 2020: 0.67 million; March 31, 2019: 0.58 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.

Particulars	March 31, 2021		March 31, 2020		March 31, 2019	
	Numbers	Amount (Rs. in million)	Numbers	Amount (Rs. in million)	Numbers	Amount (Rs. in million)
<b>Opening balance as at the beginning of the year</b>	6,97,122	54.36	6,65,425	85.45	5,77,900	19.25
ESAR granted during the period	25,675	1.70	2,20,397	15.65	3,34,025	25.10
ESAR cancelled	(94,325)	(9.09)	(1,88,700)	(18.70)	(2,46,500)	(8.16)
Payment towards ESARs vested	-	-	-	-	-	-
<b>Balance</b>	6,28,472	46.97	6,97,122	82.40	6,65,425	36.19
Accrual for the year and impact of change in FMV of equity share*	-	260.68	-	(28.04)	-	49.26
<b>Closing balance as at the end of the year</b>	6,28,472	307.65	6,97,122	54.36	6,65,425	85.45

\* Including amount capitalised during the year.

Vesting of ESARs is subject to continued employment with the Group. The vesting period of ESARs ended during the year and the Group has paid 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 subsequent to the balance sheet date. The FMV is determined and approved by the Committee and Board of directors based on the valuation and other relevant factors. As at March 31, 2021, excess of FMV over SAR price specified in the ESAR Scheme 2017 is Rs. 423.15 (March 31, 2020: -66.08, March 31, 2019: 127.19) per share. Accordingly in the current year, the Group has recognised an expense of Rs. 196.98 million in the statement of profit and loss account. Comparatively, the Group recognised reversal of expense of Rs. 21.94 million in the statement of profit and loss during the year ended March 31, 2020 and had accrued an expense of Rs. 50.60 million in the statement of profit and loss during the year ended March 31, 2019.

**NOTE 47: LEASE LIABILITY**

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

**Lease liabilities**

Maturity analysis - contractual undiscounted cash flows	March 31, 2021	March 31, 2020	March 31, 2019
Less than one year	36.09	119.26	99.42
One to two years	22.89	72.50	116.11
Two to five years	1.90	2.23	-
More than five years	-	-	-
<b>Total undiscounted lease liabilities at March 31, 2021</b>	<b>60.88</b>	<b>193.99</b>	<b>215.53</b>

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

Particulars	Amount	Amount	Amount
Opening lease liabilities as at April 01	165.46	191.77	263.51
Add: Additions/(deductions)	(10.57)	77.14	-
Add: Interest expense	6.51	17.33	23.39
Less: Payments	(107.42)	(120.78)	(95.13)
<b>As at 31 March 2021</b>	<b>53.98</b>	<b>165.46</b>	<b>191.78</b>
Current	34.31	111.86	82.53
Non-current	19.67	53.60	109.25

The weighted average incremental borrowing rate for discounting lease payments for India: 9.83% p.a. to 11.75% p.a. (March 31, 2020: 9.95% p.a. to 12% p.a.; March 31, 2019: 9.83% p.a. to 12.50% p.a.) and for Brazil: 10.24% p.a. (March 31, 2020: 10.24% p.a.; March 31, 2019: 10.24% p.a.)

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NOTE 48 (A) : STATUTORY GROUP INFORMATION (SHARE IN NET ASSETS)

Name of entity	Net assets, i.e., total assets minus total liabilities (March 31, 2021)		Net assets, i.e., total assets minus total liabilities (March 31, 2020)		Net assets, i.e., total assets minus total liabilities (March 31, 2019)	
	As % of consolidated net assets	(Rs. in million)	As % of consolidated net assets	(Rs. in million)	As % of consolidated net assets	(Rs. in million)
<b>Parent</b>						
Sterlite Power Transmission Limited	-29.58%	(3,245.13)	-2475.47%	(15,110.49)	47.42%	(3,203.82)
<b>Subsidiaries</b>						
<b>- Indian</b>						
Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)*	-	-	-	-	-2.51%	169.28
Sterlite Convergence Limited	0.79%	86.36	30.72%	187.49	-2.88%	194.91
Sterlite Power Grid Ventures Limited^^	-	-	-	-	247.39%	(16,715.85)
Sterlite EdIndia Foundation	0.01%	1.47	0.46%	2.78	-	-
Sterlite Grid 2 Limited	-	-	-	-	42.71%	(2,885.83)
Sterlite Grid 3 Limited	-	-	-	-	-0.55%	37.34
Sterlite Grid 4 Limited	23.41%	2,568.22	-0.04%	(0.25)	-0.01%	0.93
Sterlite Grid 5 Limited	0.01%	1.41	12.82%	78.23	-0.09%	5.92
Sterlite Grid 6 Limited	-0.01%	(0.73)	-0.06%	(0.39)	0.00%	(0.14)
Sterlite Grid 7 Limited	0.00%	(0.14)	-0.02%	(0.11)	0.00%	0.12
Sterlite Grid 8 Limited	(0.00)	(0.14)	-0.02%	(0.13)	-	-
Sterlite Grid 9 Limited	(0.00)	(0.15)	-0.02%	(0.15)	-	-
Sterlite Grid 10 Limited	0.00%	(0.14)	0.05%	0.31	0.00%	0.30
Sterlite Grid 11 Limited	0.00%	(0.15)	-0.02%	(0.12)	0.00%	(0.14)
Sterlite Grid 12 Limited	0.00%	(0.17)	-0.01%	(0.07)	0.00%	0.10
Sterlite Grid 13 Limited	-	-	-0.02%	(0.14)	0.00%	(0.16)
Sterlite Grid 14 Limited	0.00%	(0.34)	-0.02%	(0.15)	0.00%	(0.14)
Sterlite Grid 15 Limited	0.00%	(0.17)	-0.02%	(0.13)	0.00%	(0.15)
Sterlite Grid 16 Limited	0.00%	0.02	0.10%	0.58	-	-
Sterlite Grid 17 Limited	(0.00)	(0.02)	0.10%	0.58	-	-
Sterlite Grid 18 Limited	0.00	0.60	-0.01%	(0.08)	-	-
Sterlite Grid 19 Limited	(0.00)	(0.02)	0.10%	0.58	-	-
Sterlite Grid 20 Limited	0.00%	(0.02)	0.10%	0.59	-0.01%	0.50
Sterlite Grid 21 Limited	0.00%	(0.02)	0.16%	0.99	-0.01%	0.41
Sterlite Grid 22 Limited	0.00%	(0.02)	0.16%	0.99	-0.01%	1.00
Sterlite Grid 23 Limited	0.00%	0.38	0.16%	0.99	-0.01%	1.00
Sterlite Grid 24 Limited	0.00%	0.37	0.16%	0.99	-0.01%	1.00
Sterlite Grid 25 Limited	0.00%	0.37	0.16%	0.99	-0.01%	1.00
Sterlite Grid 26 Limited	0.00%	0.37	0.16%	0.99	-0.01%	1.00
Sterlite Grid 27 Limited	0.00%	0.36	0.16%	0.99	-0.01%	1.00
Sterlite Grid 28 Limited	0.01%	0.85	0.16%	0.99	-	-
Sterlite Grid 29 Limited	-0.02%	(1.95)	0.16%	1.00	-0.01%	1.00
Sterlite Grid 30 Limited (previously known as NRSS XXIS JS Transmission limited)	0.00%	(0.01)	0.02%	0.14	0.00%	0.24
NRSS XXIX Transmission Limited	-	-	-	-	85.96%	(5,807.86)
Lakadia Vadodara Transmission Project Limited	10.30%	1,129.85	-174.78%	(1,066.87)	-	-
East North Interconnection Company Limited	-	-	-	-	-28.00%	1,891.92
One Grid Limited	0.00%	0.10	-	-	-	-
Odisha Generation Phase-II Transmission Limited	-	-	-	-	-38.00%	2,567.81
Gurgaon-Palwal Transmission Limited	-	-	571.27%	3,487.09	-25.82%	1,744.51
Khargone Transmission Limited	40.47%	4,440.90	621.56%	3,794.08	-29.93%	2,022.61
NER-II Transmission Limited	-	-	366.95%	2,239.92	-48.21%	3,257.63
Goa-Tannar Transmission Project Limited	3.86%	423.45	-96.07%	(586.42)	15.12%	(1,021.41)
Udupi Kasargode Transmission Limited	2.94%	322.04	14.37%	87.70	-	-
<b>- Foreign</b>						
Sterlite Brazil Participacoes S.A	9.50%	1042.01	812.67%	4,960.60	-9.94%	671.58
Se Vineyards Power Transmission S.A.	11.80%	1294.80	239.01%	1,458.96	-19.00%	1,284.05
Arcoverde Transmissao De Energia S.A.	-	-	-	-	-21.28%	1,437.95
Sterlite Novo Estado Energia S.A. Brazil	-	-	-	-	-26.37%	1,781.73
Dunas Transmissao de Energia S.A.	2.98%	327.31	41.19%	251.44	-1.45%	98.15
Borborema Transmissao de Energia S.A.	3.12%	342.24	19.65%	119.93	-0.30%	20.49
Sao Francisco Transmissao de Energia S.A.	2.75%	301.79	46.70%	285.07	1.73%	(117.12)
Goyas Transmissao de Energia S.A.	3.04%	333.40	14.09%	86.02	-0.51%	34.13
Mariuba Transmissao de Energia S.A.	3.20%	331.26	25.03%	152.78	-0.87%	58.46
Solaris Transmissao de Energia S.A.	3.26%	357.63	20.37%	124.33	-0.53%	35.59
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)	-	-	-	-	-0.06%	3.78
Castelo Transmissao de Energia S.A	-	-	-	-	-	-
<b>Associates</b>						
<b>- Indian</b>						
Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)*	0.43%	47.14	6.05%	36.92	-	-
Sterlite Interlinks Limited	0.11%	12.59	1.78%	10.89	-	-
NER-II Transmission Limited	7.60%	834.36	-	-	-	-
India Grid Trust	-	-	-	-	-83.89%	5,668.42
<b>Joint Venture</b>						
<b>- Indian</b>						
Sterlite Grid 13 Limited (from March 31, 2021)	-	-	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>10,972.36</b>	<b>100.00%</b>	<b>610.41</b>	<b>100.00%</b>	<b>(6,756.77)</b>

^^ Merged with Sterlite Power Transmission Limited during the financial year ended March 31, 2021. Refer note 49a

\* Includes 14% of the stake classified as asset held for sale (refer note 10)

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NOTE 48 (B): STATUTORY GROUP INFORMATION (SHARE IN PROFIT OR LOSS)

Name of entity	Share in profit or loss (Year ended March 31, 2021)		Share in profit or loss (Year ended March 31, 2020)		Share in profit or loss (Year ended March 31, 2019)	
	As % of profit/loss for the year	(Rs. in million)	As % of profit/loss for the year	(Rs. in million)	As % of profit/loss for the year	(Rs. in million)
<b>Parent</b>						
Sterlite Power Transmission Limited	26.79%	2,331.06	75.11%	7,082.73	30.08%	(1,578.77)
<b>Subsidiaries</b>						
<b>- Indian</b>						
Indgrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)*	-	-	-	-	0.12%	(6.12)
Sterlite Convergence Limited	-0.30%	(25.70)	0.82%	77.29	0.08%	(3.95)
Sterlite Power Grid Ventures Limited^^	-	-	-	-	51.18%	(2,685.93)
Sterlite EdIndia Foundation	-0.24%	(20.52)	-0.07%	(6.58)	-	-
Sterlite Grid 2 Limited^	-	-	-0.68%	(63.90)	6.70%	(350.71)
Sterlite Grid 3 Limited^	-	-	-0.03%	(2.84)	-0.68%	35.42
Sterlite Grid 4 Limited	82.93%	7,215.77	-0.01%	(0.49)	0.01%	(0.43)
Sterlite Grid 5 Limited	-0.06%	(5.50)	-0.06%	(5.78)	0.02%	(0.98)
Sterlite Grid 6 Limited	0.00%	(0.15)	-0.01%	(0.85)	0.03%	(1.36)
Sterlite Grid 7 Limited	0.00%	(0.16)	0.00%	(0.24)	0.01%	(0.65)
Sterlite Grid 8 Limited	0.00%	(0.16)	0.00%	(0.15)	0.01%	(0.67)
Sterlite Grid 9 Limited	0.00%	(0.16)	0.00%	(0.15)	0.01%	(0.67)
Sterlite Grid 10 Limited	0.00%	(0.16)	0.00%	(0.15)	0.01%	(0.67)
Sterlite Grid 11 Limited	0.00%	(0.15)	-0.01%	(0.85)	0.03%	(1.48)
Sterlite Grid 12 Limited	-0.01%	(0.93)	-0.01%	(0.73)	0.00%	(0.26)
Sterlite Grid 13 Limited	-	-	0.00%	(0.15)	0.01%	(0.73)
Sterlite Grid 14 Limited	0.00%	(0.42)	0.00%	(0.20)	0.01%	(0.72)
Sterlite Grid 15 Limited	-0.01%	(0.75)	-0.01%	(0.74)	0.01%	(0.71)
Sterlite Grid 16 Limited	-0.01%	(0.61)	0.00%	(0.01)	0.01%	(0.59)
Sterlite Grid 17 Limited	-0.01%	(0.61)	0.00%	(0.01)	0.01%	(0.59)
Sterlite Grid 18 Limited	0.00%	(0.30)	0.00%	(0.15)	0.01%	(0.59)
Sterlite Grid 19 Limited	-0.01%	(0.61)	0.00%	(0.01)	0.01%	(0.59)
Sterlite Grid 20 Limited	-0.01%	(0.73)	-0.01%	(0.60)	-	-
Sterlite Grid 21 Limited	-0.01%	(0.61)	0.00%	(0.01)	0.01%	(0.59)
Sterlite Grid 22 Limited	-0.01%	(0.61)	-0.01%	(0.60)	-	-
Sterlite Grid 23 Limited	-0.01%	(0.61)	0.00%	(0.01)	-	-
Sterlite Grid 24 Limited	-0.01%	(1.21)	0.00%	(0.01)	-	-
Sterlite Grid 25 Limited	-0.01%	(0.62)	0.00%	(0.01)	-	-
Sterlite Grid 26 Limited	-0.01%	(1.21)	0.00%	(0.01)	-	-
Sterlite Grid 27 Limited	-0.01%	(0.63)	0.00%	(0.01)	-	-
Sterlite Grid 28 Limited	-0.01%	(0.73)	0.00%	(0.02)	-	-
Sterlite Grid 29 Limited	-0.03%	(2.94)	0.00%	(0.01)	-	-
Sterlite Grid 30 Limited (previously known as NRSS XXIS JS Transmission limited)	0.00%	(0.14)	0.00%	(0.11)	0.00%	(0.14)
Lakadia Vadodara Transmission Project Limited	-0.08%	(6.60)	-0.04%	(3.58)	-	-
East North Interconnection Company Limited	-	-	-4.67%	(440.20)	-0.92%	48.35
NRSS XXIX transmission Limited	-	-	0.08%	7.76	-4.88%	255.43
Odisha Generation Phase-II Transmission Limited	-	-	-0.47%	(44.46)	6.59%	(345.30)
Gurgaon-Palwal Transmission Limited	0.37%	32.34	3.89%	366.53	5.35%	(280.02)
Khargone Transmission Limited	1.27%	110.89	-8.34%	(786.67)	17.06%	(893.46)
NER-II Transmission Limited	-0.95%	(82.30)	0.11%	10.16	0.67%	(34.99)
Goa-Tannar Transmission Project Limited	-0.03%	(2.74)	0.00%	0.26	0.00%	(0.17)
Udupi Kasargode Transmission Limited	-0.06%	(5.06)	0.00%	(0.06)	-	-
<b>- Foreign</b>						
Sterlite Brazil Participacoes S.A	-8.26%	(718.62)	21.58%	2,034.51	3.78%	(198.46)
Se Vineyards Power Transmission S.A.	-0.19%	(16.69)	5.17%	487.27	-3.24%	170.15
Arcoverde Transmissao De Energia S.A.	-	-	2.11%	198.50	-6.08%	319.17
Sterlite Novo Estado Energia S.A, Brazil	-	-	3.75%	353.53	-3.47%	181.68
Dunas Transmissao de Energia S.A	0.15%	12.69	-0.26%	(24.46)	0.08%	(4.08)
Bororema Transmissao de Energia S.A.	-0.40%	(35.12)	0.05%	4.46	0.27%	(14.37)
Sao Francisco Transmissao de Energia S.A.	-0.27%	(23.84)	1.74%	164.50	3.49%	(182.88)
Goyas Transmissao de Energia S.A.	-0.19%	(16.61)	-0.01%	(0.65)	0.01%	(0.38)
Mariuba Transmissao de Energia S.A.	-0.17%	(14.79)	0.21%	19.70	-0.10%	5.13
Solaris Transmissao de Energia S.A.	-0.28%	(24.11)	0.02%	2.04	-0.06%	3.01
Pampa Transmissao de Energia S.A. (Formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A)	-	-	-0.02%	(1.71)	0.01%	(0.27)
Castelo Transmissao de Energia S.A.	-	-	-0.01%	(1.05)	-	-
<b>Associates</b>						
<b>- Indian</b>						
Indgrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)*	0.12%	10.22	-0.02%	(2.12)	-	-
Sterlite Interlinks Limited	0.02%	1.69	0.12%	10.85	-	-
India Grid Trust	-	-	-	-	-6.21%	325.99
<b>Total</b>	<b>100.00%</b>	<b>8,701.24</b>	<b>100.00%</b>	<b>9,429.73</b>	<b>100.06%</b>	<b>(5,247.95)</b>

^^ Merged with Sterlite Power Transmission Limited during the financial year ended March 31, 2021. Refer note 49a

\* Includes 14% of the stake classified as asset held for sale (refer note 10)

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

Name of entity	Share in other comprehensive income (Year ended March 31, 2021)		Share in other comprehensive income (Year ended March 31, 2020)		Share in other comprehensive income (Year ended March 31, 2019)	
	As % of OCI for the year	(Rs. in million)	As % of OCI for the year	(Rs. in million)	As % of OCI for the year	(Rs. in million)
<b>Parent</b> Sterlite Power Transmission Limited	142.99%	2,175.41	69.06%	(3,392.58)	87.48%	(835.78)
<b>Subsidiaries</b>						
<b>- Indian</b> Sterlite Power Grid Ventures Limited^^		-		-	-23.11%	220.79
<b>- Foreign</b> Sterlite Brazil Participacoes S.A	-42.99%	(654.05)	30.94%	(1,519.82)	35.63%	(340.42)
<b>Total</b>	<b>100.00%</b>	<b>1,521.36</b>	<b>100.00%</b>	<b>(4,912.40)</b>	<b>100.00%</b>	<b>(955.41)</b>

^^ Merged with Sterlite Power Transmission Limited during the financial year ended March 31, 2021. Refer note 49a

NOTE 49: OTHER NOTES

- (a) The Board of Directors of the Group at its meeting held on May 30, 2018 had approved the Scheme of Amalgamation of Sterlite Power Grid Ventures Limited, a wholly owned subsidiary, with Sterlite Power Transmission Limited with appointed date of April 1, 2017 ("the Scheme"). During the year, the National Company Law Tribunal approved the Scheme vide order dated May 22, 2020 which was received by Sterlite Power Transmission Limited on October 21, 2020 and filed with ROC on November 15, 2020.
- (b) The Board of Directors of the Group in its meeting held on March 22, 2021 approved a Scheme of amalgamation of Sterlite Grid 4 Limited, a wholly owned subsidiary of the Group under the Companies Act, 2013 with the appointed date of April 1, 2020. After obtaining requisite approvals, the Group has filed the Scheme with National Company Law Tribunal ("NCLT") and the same is pending for NCLT approval.
- (c) The Group has entered into a Framework Agreement with AMP Capital Infrastructure Investment No.2 S.A R.L. ("AMP Capital") dated December 28, 2020 ("the Framework Agreement") for investment in the subsidiaries of the Group which are engaged in the business of developing, designing, financing, constructing and maintaining power transmission systems on a 'build own operate and maintain' basis in India wherein the Group and AMP Capital (together referred as investors) each will own 50% of the equity capital of such entities. Both the investors would invest in equal proportions in the form of equity capital, NCDs and other convertible instruments. The returns on sale of the projects post completion would be shared between the two investors in a graded manner in accordance with the Framework Agreement. There is no guaranteed minimum return to AMP Capital under the Framework Agreement.
- Pursuant to the Framework Agreement as above and the Share purchase and Shareholders' agreements dated December 28, 2020 and restated framework agreement dated March 30, 2021 executed among the Company, AMP Capital, Sterlite Grid 13 Limited ("SGL13") and Vapi-II North Lakhimpur Transmission Limited, AMP Capital invested Rs. 3.10 million which is equivalent to 50% of the paid up equity share capital of SGL13 on March 31, 2021 and it has also acquired from the Company, 50% of the NCDs issued by SGL13 to the Company for a consideration of Rs. 1,074.01 million. SGL13 was a wholly owned subsidiary of the Company before the above transaction and it is the holding company of Vapi-II North Lakhimpur Transmission Limited which is the project SPV developing the transmission project in the states of North east, Maharashtra and Gujarat. Accordingly, based on the inter-se rights available to the Group and AMP Capital under the aforesaid agreements and the equal equity shareholdings of both the investors, the investment in SGL13 has been classified as investment in joint venture with effect from March 31, 2021.
- Subsequent to balance sheet date, on April 6, 2021, AMP Capital subscribed 50% of the paid up equity share capital of Sterlite Grid 14 Limited ("SGL14"), Sterlite Grid 18 Limited ("SGL18") and Sterlite Grid 29 Limited ("SGL29") pursuant to the Framework Agreement and the respective Share purchase and Shareholders' agreements dated December 28, 2020 executed among the Company, AMP Capital, SGL14/SGL18/SGL5/SGL29 and their respective project SPVs viz. Udupi Kasargode Transmission Limited / Lakadia-Vadodara Transmission Project Limited / Goa Tamnar Transmission Project Limited. Accordingly, as per the terms of the Agreement and the inter-se rights available to the Group and AMP Capital under the aforesaid agreement, investment in SGL13 has been classified as investment in joint venture with effect from March 31, 2021. AMP Capital also acquired NCDs of Rs. 285.53 million of SGL14, Rs. 1,046.13 million of SGL18 and Rs. 561.90 million of SGL29 from the Company for considerations of Rs. 313.84 million, Rs. 1,093.37 million and Rs. 658.95 million respectively. Accordingly, based on the inter-se rights available to the Group and AMP Capital under the aforesaid agreements and the equal equity shareholdings of both the investors, SGL14/SGL18/SGL29 have become joint ventures for the Group subsequent to the balance sheet date.
- (d) The board of directors of the Company in its meeting held on 10 May 2021 declared an interim dividend of Rs. 5.30 (March 31, 2020: Nil; March 31, 2019: Nil) per share.
- (e) 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 Rs. 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 Rs.250 million in earlier years. During the financial year ended March 31, 2019, 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 Rs. 45.80 million.
- (f) 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 Rs. 404.97 million as per the TSA.
- Based on the assessment, management has recognized loss of Rs. 49.00 million on the net book value of assets destroyed/damaged in the financial year ended March 31, 2019 and no other adjustments have been made in the books in respect of this event in the subsequent years.

NOTE 50 : GOODWILL

The Board of directors of the Sterlite Technologies Limited on May 18, 2015 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ("the Scheme") between Sterlite Technologies Limited ('STL' or 'Demerged Company'), Sterlite Power Transmission Limited ('SPTL' or 'Resulting Company' or 'Company') & their respective shareholders & creditors for the demerger of power products and solutions business (including the investments of STL in power transmission infrastructure subsidiaries i.e. Sterlite Power Grid Ventures Limited and East North Interconnection Company Limited) into the Company with the appointed date of April 1, 2015. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated April 22, 2016 and it became effective from May 23, 2016 (being the date of filing with Registrar of Companies).

As per the Scheme, the difference between total consideration paid to equity shareholders of Sterlite Technologies Limited and net assets transferred from Sterlite Technologies Limited was recognised as Goodwill as at the appointed date i.e. 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 Rs. Nil million (March 31, 2020: Rs. 601.85 million, March 31, 2019: Rs. 600.20 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.

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**NOTE 51: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

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

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

**(a) Market risk**

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 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 March 31, 2021.

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, 2021, March 31, 2020 and March 31, 2019.

**Interest rate risk**

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

The Group is exposed to the interest rate fluctuation in both domestic and foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. At March 31, 2021, 11.90% of the Group's borrowings are at a fixed rate of interest (March 31, 2020: 19.93%, March 31, 2019: 26.75%).

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

**Interest rate sensitivity**

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

(in Rs. million)		
Particulars	Increase/decrease in basis points	Effect on profit before tax / pre-tax equity *
<b>31 March 2021</b>		
Base Rate	+50	(193.37)
Base Rate	-50	193.37
<b>31 March 2020</b>		
Base Rate	+50	(219.45)
Base Rate	-50	219.45
<b>31 March 2019</b>		
Base Rate	+50	(42.28)
Base Rate	-50	42.28

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

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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) and foreign currency borrowings.

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

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 94.36% as at March 31, 2021 , 99.95% as at March 31, 2020 and 99.87% as at 31 March 2019 .

**Foreign currency sensitivity**

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

	(Rs. 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 2021*	+5%	(11.16) / (8.35)	+5%	(0.29) / (0.22)
	-5%	11.16 / 8.35	-5%	0.29 / 0.22
31 March 2020*	+5%	(3.38)/(2.20)	5%	(0.06)/(0.05)
	-5%	3.38/2.20	-5%	0.06/0.05
31 March 2019*	+5%	(0.04)/(0.03)	5%	0.00#/0.00#
	-5%	0.04/0.03	-5%	0.00#/0.00#

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

# Amount below Rs. 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's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to non-listed equity shares at fair value was Rs. 398.60 million (March 31, 2020: Rs 112.45 million, (March 31, 2019: Rs 112.45 million). Refer note 53.

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

Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease)		
			31 March 2021	31 March 2020	31 March 2019
Investment at fair value of India Grid Trust	140.24 per unit	0.50%	1.43	NA	NA
		-0.50%	(1.43)	NA	NA

**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.



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**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-offs for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-offs 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 Rs. Nil million (March 31, 2020: Nil million; March 31, 2019: Rs. 750.43 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 March 31, 2021, March 31, 2020 and March 31, 2019 is the carrying amounts of each class of financial assets except for financial guarantees and derivative financial instruments. The Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 44 and the liquidity table below.

**(c) Liquidity risk**

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(Rs. in million)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
<b>As at March 31, 2021</b>						
Borrowings	2,799.34	2,829.64	2,875.67	8,675.84	10,580.44	27,760.93
Other financial liabilities	-	2,088.42	575.69	-	-	2,664.11
Trade payables	-	-	6,234.40	-	-	6,234.40
Payables for Property, plant and equipment	-	-	7,618.73	93.84	-	7,712.57
Derivatives	-	115.63	-	-	-	115.63
Lease liability	-	12.14	22.17	19.67	-	53.98
	<b>2,799.34</b>	<b>5,045.83</b>	<b>17,326.66</b>	<b>8,789.35</b>	<b>10,580.44</b>	<b>44,541.62</b>
<b>As at March 31, 2020</b>						
Borrowings	11,199.24	2,570.18	15,435.35	3,698.07	35,811.42	68,714.26
Other financial liabilities	-	1,323.39	532.01	-	-	1,855.39
Trade payables	-	-	7,797.83	-	-	7,797.83
Payables for Property, plant and equipment	-	308.16	5,852.89	89.62	-	6,250.67
Derivatives	-	982.49	-	-	-	982.49
Lease liability	-	23.20	88.66	53.60	-	165.46
	<b>11,199.24</b>	<b>5,207.42</b>	<b>29,706.74</b>	<b>3,841.29</b>	<b>35,811.42</b>	<b>85,766.10</b>
<b>As at March 31, 2019</b>						
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
Lease liability	-	18.79	63.73	109.25	-	191.77
	<b>443.58</b>	<b>14,559.57</b>	<b>20,616.12</b>	<b>23,273.62</b>	<b>23,977.08</b>	<b>82,869.96</b>

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**NOTE 52: 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.

Particulars	As at March 31,	As at March 31,	As at March 31,
	2021	2020	2019
	(Rs. In million)	(Rs. In million)	(Rs. In million)
Interest bearing loans and borrowings	27,814.90	69,781.09	62,920.74
Trade payables	6,234.40	7,797.83	8,341.70
Other financial liabilities	10,480.19	8,175.06	11,427.19
Less: cash and short-term deposits and current investments	(9,761.69)	(11,268.63)	(5,620.96)
<b>Net debt (A) *</b>	<b>34,767.80</b>	<b>74,485.35</b>	<b>77,068.67</b>
Equity share capital	122.36	122.36	122.36
Other equity	10,850.01	488.05	(6,879.13)
<b>Total capital (B)</b>	<b>10,972.37</b>	<b>610.41</b>	<b>(6,756.77)</b>
<b>Capital and net debt [C = (A+B)]</b>	<b>45,740.17</b>	<b>75,095.75</b>	<b>70,311.90</b>
<b>Gearing ratio</b>	<b>0.76</b>	<b>0.99</b>	<b>1.10</b>

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

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period specified in note 16 and 17.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021, March 31, 2020 and March 31, 2019.

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NOTE 53: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	(Rs. in million)					
	Carrying value			Fair value		
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
<b>Financial assets</b>						
Investment in units	286.15	8.38	-	286.15	8.38	-
Investment others	112.45	112.45	112.45	112.45	112.45	112.45
Investment in mutual funds	9.07	299.40	802.25	9.07	299.40	802.25
Derivative instruments	1,173.86	278.38	241.24	1,173.86	278.38	241.24
<b>Total</b>	<b>1,581.53</b>	<b>698.61</b>	<b>1,155.94</b>	<b>1,581.53</b>	<b>698.61</b>	<b>1,155.94</b>
<b>Financial liabilities</b>						
Derivative instruments	115.63	982.49	869.18	115.63	982.49	869.18
<b>Total</b>	<b>115.63</b>	<b>982.49</b>	<b>869.18</b>	<b>115.63</b>	<b>982.49</b>	<b>869.18</b>

Fair values of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities and borrowings are considered to approximate their carrying amounts.

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

- ▶ The fair values of the quoted mutual funds are based on price quotations at the reporting date.
- ▶ The fair values of the unquoted equity instruments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- ▶ The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The fair values of commodity futures contracts are based on price quotations on LME at the reporting date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2021, March 31, 2020 and March 31, 2019 are as shown below:

**Description of significant unobservable inputs to valuation:**

**A. FVTOCI assets - Unquoted equity instruments of Sharper Shape Group Inc.**

Valuation technique: Discounted Cash Flow (DCF) method

Sr No.	Significant unobservable inputs	Range	Sensitivity of the input to fair value	Increase/(decrease) in Fair Value of equity shares		
				March 31, 2021	March 31, 2020	March 31, 2019
(i)	Long-term growth rate for cash flows for subsequent years	March 31, 2021: 3% March 31, 2020: 3% March 31, 2019: 3%	2% increase	11.36	6.92	3.51
			2% decrease	(9.33)	(5.69)	(3.51)
(ii)	WACC (pre-tax)	March 31, 2021: 23.40% March 31, 2020: 23.40% March 31, 2019: 22.92%	1% increase	(11.02)	(7.83)	(8.25)
			1% decrease	12.36	8.68	8.25
(iii)	Discount for lack of marketability	March 31, 2021 : 10% March 31, 2020: 10% March 31, 2019: 10%	5% increase	(6.99)	(6.27)	(6.25)
			5% decrease	6.99	6.27	6.25

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NOTE 54: FAIR VALUES HIERACHY

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets/(liabilities) measured at fair value through profit and loss</b>				
<b>Mutual fund investments</b>				
As at 31 March 2021	9.07	9.07	-	-
As at 31 March 2020	299.40	299.40	-	-
As at 31 March 2019	802.25	802.25	-	-
<b>Investment in units</b>				
As at 31 March 2021	286.15	286.15	-	-
As at 31 March 2020	8.38	8.38	-	-
As at 31 March 2019	-	-	-	-
<b>Assets/(liabilities) measured at fair value through other comprehensive income</b>				
<b>Investment in equity instruments</b>				
As at March 31, 2021	112.45	-	-	112.45
As at March 31, 2020	112.45	-	-	112.45
As at 31 March 2019	112.45	-	-	112.45
<b>Derivative assets</b>				
As at March 31, 2021	1,173.86	-	1,173.86	-
As at March 31, 2020	278.38	-	278.38	-
As at March 31, 2019	241.24	-	241.24	-
<b>Derivative liabilities</b>				
As at March 31, 2021	(115.63)	-	(115.63)	-
As at March 31, 2020	(982.49)	-	(982.49)	-
As at March 31, 2019	(869.18)	-	(869.18)	-

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

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NOTE 55: SEGMENT INFORMATION

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

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

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Transfer prices between operating segments are mutually agreed between the segments taking into account the market prices and other relevant factors.

Particulars	March 31, 2021					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
<b>Segment revenue (Gross)</b>						
External customer	16,985.59	3,918.86	19.45	-	-	20,923.91
Inter-segment	12,352.91	-	-	-	(12,352.91)	-
<b>Total Revenue</b>	<b>29,338.50</b>	<b>3,918.86</b>	<b>19.45</b>	<b>-</b>	<b>(12,352.91)</b>	<b>20,923.91</b>
<b>Segment results (PBIT)</b>	<b>5,478.49</b>	<b>17,266.17</b>	<b>-13.85</b>	<b>-</b>	<b>(5,777.50)</b>	<b>16,953.31</b>
Less: Finance cost (net)	2,884.89	2,476.67	12.49	-	(18.50)	5,355.56
<b>Profit/(loss) before tax</b>	<b>2,593.60</b>	<b>14,789.49</b>	<b>(26.34)</b>	<b>-</b>	<b>(5,796.00)</b>	<b>11,597.75</b>
Less: Tax expense	297.13	1,943.13	0.72	-	655.53	2,896.51
<b>Profit/(loss) for the year</b>	<b>2,296.47</b>	<b>12,846.35</b>	<b>(27.06)</b>	<b>-</b>	<b>(6,451.53)</b>	<b>8,701.24</b>
Segment assets	48,254.97	51,866.34	380.37	-	(34,272.73)	66,228.94
Common assets#	-	-	-	1,313.74	-	1,313.74
<b>Total assets</b>	<b>48,254.97</b>	<b>51,866.34</b>	<b>380.37</b>	<b>1,313.74</b>	<b>(34,272.73)</b>	<b>67,542.69</b>
Segment liabilities	41,118.01	48,290.11	405.99	-	(34,268.77)	55,545.33
Common liabilities#	-	-	-	1,024.99	-	1,024.99
<b>Total liabilities</b>	<b>41,118.01</b>	<b>48,290.11</b>	<b>405.99</b>	<b>1,024.99</b>	<b>(34,268.77)</b>	<b>56,570.33</b>
Additions to non-current assets*	31.90	26,542.77	46.25	-	-	26,620.92
Depreciation and amortization	425.67	547.97	10.95	-	-	984.59
Impairment of property, plant and equipment (including capital work in progress)	-	-	-	-	-	-

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

# Common assets and liabilities mainly includes tax asset and liabilities.

Particulars	March 31, 2020					
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	Total
<b>Segment revenue (Gross)</b>						
External customer	18,722.25	11,238.32	82.62	-	-	30,043.19
Inter-segment	1,307.22	-	-	-	(1,307.22)	-
<b>Total Revenue</b>	<b>20,029.47</b>	<b>11,238.32</b>	<b>82.62</b>	<b>-</b>	<b>(1,307.22)</b>	<b>30,043.19</b>
<b>Segment results (PBIT)</b>	<b>(2,936.42)</b>	<b>23,584.32</b>	<b>8.01</b>	<b>-</b>	<b>73.11</b>	<b>20,729.02</b>
Less: Finance cost (net)	2,472.13	4,770.36	2.36	-	101.35	7,346.21
<b>Profit / (Loss) before tax</b>	<b>(5,408.55)</b>	<b>18,813.95</b>	<b>5.65</b>	<b>-</b>	<b>174.46</b>	<b>13,382.81</b>
Less: Tax expense	(1,394.24)	5,303.98	0.58	-	42.77	3,953.08
<b>Profit / (Loss) for the year</b>	<b>(4,014.31)</b>	<b>13,509.98</b>	<b>5.07</b>	<b>-</b>	<b>131.70</b>	<b>9,429.73</b>
Segment assets	42,810.86	73,544.51	388.97	-	(26,762.92)	89,981.42
Common assets#	-	-	-	1,475.77	-	1,475.77
<b>Total assets</b>	<b>42,810.86</b>	<b>73,544.51</b>	<b>388.97</b>	<b>1,475.77</b>	<b>(26,762.92)</b>	<b>91,457.19</b>
Segment liabilities	39,675.98	75,403.76	388.06	-	(26,752.92)	88,714.88
Common liabilities#	-	-	-	2,131.90	-	2,131.90
<b>Total liabilities</b>	<b>39,675.98</b>	<b>75,403.76</b>	<b>388.06</b>	<b>2,131.90</b>	<b>(26,752.92)</b>	<b>90,846.78</b>
Additions to non-current assets*	242.78	12,822.60	85.30	-	-	13,150.68
Depreciation and Amortization	813.06	842.58	4.71	-	80.39	1,740.74
Impairment of property, plant and equipment (including capital work in progress)	-	669.40	-	-	-	669.40

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

# Common assets and liabilities mainly includes tax asset and liabilities.

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Particulars	March 31, 2019					Total
	Power product and solutions	Power transmission grid business	Others	Unallocable	Eliminations	
<b>Segment revenue (Gross)</b>						
External customer	23,128.92	12,234.56	186.58	-	-	35,550.06
Inter-segment	1,340.64	-	-	-	(1,340.64)	-
<b>Total Revenue</b>	<b>24,469.57</b>	<b>12,234.56</b>	<b>186.58</b>	<b>-</b>	<b>(1,340.64)</b>	<b>35,550.06</b>
<b>Segment results (PBIT)</b>	<b>498.41</b>	<b>555.20</b>	<b>18.66</b>	<b>-</b>	<b>(59.33)</b>	<b>1,012.94</b>
Less: Finance cost (net)	2,993.52	2,881.02	-	3.22	(28.11)	5,849.66
<b>Profit/(loss) before tax</b>	<b>(2,495.11)</b>	<b>(2,325.82)</b>	<b>18.66</b>	<b>(3.22)</b>	<b>(31.22)</b>	<b>(4,836.72)</b>
Less: Tax expense	(324.58)	678.24	-	(2.14)	59.71	411.23
<b>Profit/(loss) for the year</b>	<b>(2,170.53)</b>	<b>(3,004.06)</b>	<b>18.66</b>	<b>(1.08)</b>	<b>(90.93)</b>	<b>(5,247.95)</b>
Segment assets	28,627.57	1,20,646.46	464.90	-	(30,618.98)	1,19,119.94
Common assets#	-	-	-	3,551.80	-	3,551.80
<b>Total assets</b>	<b>28,627.57</b>	<b>1,20,646.46</b>	<b>464.90</b>	<b>3,551.80</b>	<b>-30,618.98</b>	<b>1,22,671.74</b>
Segment liabilities	39,100.94	1,19,511.38	438.36	-	(29,944.87)	1,29,105.80
Common liabilities#	-	-	-	322.71	-	322.71
<b>Total liabilities</b>	<b>39,100.94</b>	<b>1,19,511.38</b>	<b>438.36</b>	<b>322.71</b>	<b>-29,944.87</b>	<b>1,29,428.51</b>
Additions to non-current assets*	187.55	5,324.71	-	-	-	5,512.26
Depreciation and amortization	811.93	1,102.13	-	-	121.65	2,035.70
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, right of use asset, concession contract assets and intangible assets.

# Common assets and liabilities mainly includes tax asset and liabilities.

**Geographical Information**

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

Particulars	31 March 2021 (Rs. in million)	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)
<b>(1) Segment revenue - external turnover</b>			
- Within India	11,971.72	19,079.55	23,095.13
- Outside India	8,952.19	10,963.64	12,454.93
<b>Total</b>	<b>20,923.91</b>	<b>30,043.19</b>	<b>35,550.06</b>
The revenue information above is based on the locations of the customers			
<b>(2) Non-current assets*</b>			
- Within India	24,503.89	39,676.36	35,911.94
- Outside India	1,755.65	5,918.17	7,886.65
<b>Total</b>	<b>26,259.54</b>	<b>45,594.53</b>	<b>43,798.59</b>

\*Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, right of use asset, concession contract assets and intangible assets. It excludes assets held for sale of Rs. 6,279.15 million. Refer note 10

**Information about major customers**

For Power transmission grid segment, under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of revenue of Rs. 2,076.60 million (31 March 2020: Rs. 3,300.58 million, 31 March 2019: Rs. 4,606.53 million) from power transmission projects in India is receivable from PGCIL.

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NOTE 56: RELATED PARTY DISCLOSURES

Related party disclosures as required by Ind AS 24, Related Party Disclosures issued by the ICAI and notified under Rules are given below:-

(A) List of Related Parties

(a)	Related parties where control exists	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	<b>(i) Holding company</b>	Twin Star Overseas Limited, Mauritius (Immediate holding company) Volcan Investments Limited, Bahamas (Ultimate holding company)	Twin Star Overseas Limited, Mauritius (Immediate holding company) Volcan Investments Limited, Bahamas (Ultimate holding company)	Twin Star Overseas Limited, Mauritius (Immediate holding company) Volcan Investments Limited, Bahamas (Ultimate holding company)
	<b>(ii) Associate</b>	Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) Sterlite Interlinks Limited  NER-II Transmission Limited (from March 25, 2021)	India Grid Trust (till May 07, 2019)  Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (from July 31, 2019)  Sterlite Interlinks Limited (from May 29, 2019)	India Grid Trust
	<b>(iii) Joint Ventures</b>	Sterlite Grid 13 Limited (from March 31, 2021)	-	-
	<b>(iv) Subsidiaries of associate (till 07 May 2019)</b>	-	Indigrd Limited (formerly known as Sterlite Grid 1 Limited) Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited) Jabalpur Transmission Company Limited Bhopal Dhule Transmission Company Limited Purulia & Kharagpur Transmission Company Limited RAPP Transmission Company Limited Maheshwaram Transmission Limited Patran Transmission Company Limited	Indigrd Limited (formerly known as Sterlite Grid 1 Limited) Jabalpur Transmission Company Limited Bhopal Dhule Transmission Company Limited Purulia & Kharagpur Transmission Company Limited RAPP Transmission Company Limited Maheshwaram Transmission Limited Patran Transmission Company Limited
	<b>(v) Subsidiary of joint venture</b>	Vapi II North Lakhimpur Transmission Limited (from March 31, 2021)	-	-
<b>(b)</b>	<b>Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year</b>			
	<b>(i) Key Management Personnel (KMP)</b>	Mr. Pratik Agarwal (Managing Director) Mr. Anuraag Srivastava (Chief Financial Officer) Mr. Pravin Agarwal (Chairman)	Mr. Pratik Agarwal (Managing Director) Mr. Anuraag Srivastava (Chief Financial Officer) Mr. Pravin Agarwal (Chairman)	Mr. Pratik Agarwal (Managing Director) Mr. Anuraag Srivastava (Chief Financial Officer) Mr. Pravin Agarwal (Chairman)
	<b>(ii) Fellow subsidiaries</b>	Vedanta Limited Fujairah Gold FZE Bharat Aluminium Company Limited Hindustan Zinc Limited Sterlite Technologies Limited Sterlite Power Technologies Private Limited Maharashtra Transmission Communication Infrastructure Limited ESL Steels Limited (formerly known as Electrosteel Steels Limited)	Vedanta Limited Fujairah Gold FZE Bharat Aluminium Company Limited Hindustan Zinc Limited Sterlite Technologies Limited Sterlite Power Technologies Private Limited Maharashtra Transmission Communication Infrastructure Limited Electrosteel Steels Limited Twinstar Technologies Limited	Vedanta Limited Fujairah Gold FZE Bharat Aluminium Company Limited Hindustan Zinc Limited Sterlite Technologies Limited Sterlite Power Technologies Private Limited Maharashtra Transmission Communication Infrastructure Limited Twinstar Technologies Limited
<b>(c)</b>	<b>Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year</b>			
	<b>(i) Key Management Personnel (KMP)</b>	Mr. Ashok Ganesan (Company Secretary) Mr. Arun Todarwal (Director) Ms. Avaantika Kakkar (Director) (till February 01, 2021) Mr. Anoop Sheth (Director) (from July 31, 2020) Ms. Zhao Haixia (Director) Mr. A.R. Narayanswamy (Director)	Mr. Ashok Ganesan (Company Secretary) Mr. Arun Todarwal (Director) Ms. Avaantika Kakkar (Director) Mr. Lalit Tandon (Director) (till May 15, 2019) Ms. Zhao Haixia (Director) (from August 08, 2019) Mr. A.R. Narayanswamy (Director)	Mr. Ashok Ganesan (Company Secretary) Mr. Arun Todarwal (Director) Mr. Lalit Tandon (Director) Ms. Avaantika Kakkar (Director) Mr. A.R. Narayanswamy (Director)
	<b>(ii) Entities in which directors are interested</b>	PTC Cables Private Limited Cyril Amarchand Mangaldas Talwandi Sabo Power Limited	PTC Cables Private Limited Cyril Amarchand Mangaldas Talwandi Sabo Power Limited	

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STERLITE POWER TRANSMISSION LIMITED  
ANNEXURE-VII

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

S. No.	Particulars	(Rs. in million)											
		Associate and joint venture/subsidiaries of associate and joint venture			KMP			Entities in which directors are interested			Fellow subsidiaries		
		March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
	<b>Transactions</b>												
1	Purchase of goods	-	-	-	-	-	-	-	-	-	5,711.24	10,149.31	11,127.25
2	Sale of services	17.79	5.16	-	-	-	-	-	-	-	-	-	-
3	Sale of goods (net of taxes)	-	119.20	6.58	-	-	-	-	-	-	8.39	8.68	30.15
4	Interest income	-	-	-	-	-	-	-	-	-	19.23	21.98	11.05
5	Management fees paid	-	0.50	-	-	-	-	-	-	-	-	-	30.00
6	Reimbursement of expenses paid to related parties	-	-	28.76	-	-	-	-	-	-	-	1.49	6.92
7	Loans and advances given	70.12	-	-	-	-	-	-	-	-	-	-	75.00
8	Reimbursement of expenses recovered from related parties	-	-	-	-	-	-	-	-	-	2.73	0.19	-
9	Purchase of power	-	-	-	-	-	-	-	-	-	26.12	34.14	16.83
10	Rent Expenses	-	-	-	-	-	-	-	-	-	-	1.94	-
11	Remuneration	-	-	-	89.06	69.25	71.21	-	-	-	-	-	-
12	Sitting fees	-	-	-	14.65	8.85	3.70	-	-	-	-	-	-
13	Commission	-	-	-	6.49	-	-	-	-	-	-	-	-
14	Corporate guarantee given	-	-	280.00	-	-	-	-	-	-	-	188.60	-
15	Dividend income	-	176.41	709.20	-	-	-	-	-	-	-	-	-
16	Redemption of NCDs / loans in the SPVs sold	-	115.41	-	-	-	-	-	-	-	-	-	-
17	Management fees income (excluding GST)	5.13	-	-	-	-	-	-	-	-	9.95	-	-
18	Investment in equity shares of related parties	-	0.05	-	-	-	-	-	-	-	-	-	-
19	Loans and advances received	-	6,200.00	-	-	-	-	-	-	1,500.00	-	-	-
20	Loan repaid	6,200.00	-	-	-	-	-	-	-	-	-	-	-
21	Interest expenses	354.33	468.18	-	-	-	-	130.18	103.08	-	136.90	258.64	-
22	Purchase of fixed assets	-	8.00	-	-	-	-	-	-	-	-	-	-
23	Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	3.51	-
24	Services availed	-	-	-	-	-	-	1.30	4.61	-	-	-	-
25	Security deposits	4.00	50.00	-	-	-	-	-	-	-	-	-	-
27	Revenue from EPC contract with customer	-	1.19	-	-	-	-	-	-	-	-	-	-
28	Project management fees received	-	-	33.50	-	-	-	-	-	-	-	-	-
29	Investment management fees received	-	-	110.62	-	-	-	-	-	-	-	-	-
30	Capital advance paid	-	-	2.00	-	-	-	-	-	-	-	-	-
31	Purchase consideration received	-	-	156.72	-	-	-	-	-	-	-	-	-
32	Indemnification as per Share Purchase Agreement	-	-	53.47	-	-	-	-	-	-	-	-	-
	<b>Outstanding balances</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>March 31, 2019</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
1	Loans/advance receivables	-	-	-	-	-	-	-	-	-	302.53	282.84	260.65
2	Short term borrowings (including interest payable)	-	6,200.00	-	-	-	-	1,722.96	1,592.77	-	-	-	-
3	Management fees receivable	4.91	-	-	-	-	-	-	-	-	-	-	-
4	Trade receivables	17.11	46.98	66.40	-	-	-	-	-	-	-	5.25	55.22
5	Trade payables (including operational supplier's credit)	-	-	-	-	-	-	-	-	-	2,161.32	3,090.19	569.81
6	Others receivables	-	35.43	156.72	-	-	-	-	-	-	37.83	23.16	43.13
7	Other payables	-	-	-	-	4.08	-	-	-	-	-	-	-
8	Security deposits	54.00	50.00	-	-	-	-	-	-	-	-	-	-
9	Contract liabilities	-	5.30	-	-	-	-	-	-	-	-	-	-
10	Corporate and bank guarantees given and outstanding	-	500.00	280.00	-	-	-	-	-	-	188.60	188.60	-
11	Advance from customers	4,463.02	-	-	-	-	-	-	-	-	-	-	-
12	Investment in non convertible debentures (NCD) (refer note 5A)	1,007.88	-	-	-	-	-	-	-	-	-	-	-
13	Investment in Associates	-	-	5,044.24	-	-	-	-	-	-	-	-	-
14	Capital advance recoverable	-	-	2.00	-	-	-	-	-	-	-	-	-

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

Particulars	Relationship	March 31, 2021	March 31, 2020	March 31, 2019
<b>1 Purchase of Goods (net of taxes)</b>				
Vedanta Limited	Fellow subsidiary	4,792.49	8,122.29	10,297.27
Bharat Aluminium Company Limited	Fellow subsidiary	507.80	1,631.15	588.06
Hindustan Zinc Limited	Fellow subsidiary	6.11	15.03	13.68
Sterlite Technologies Limited	Fellow subsidiary	161.66	96.92	228.23
ESL Steel Limited	Fellow subsidiary	243.18	189.25	-
Fujairah Gold FZC	Fellow subsidiary	-	94.68	-
<b>2 Sale of services</b>				
Sterlite Interlinks Limited	Associate	17.79	5.16	-
<b>3 Sale of goods (net of taxes)</b>				
Sterlite Interlinks Limited	Associate	-	114.89	-
Jabalpur Transmission Company Limited	Subsidiary of associate	-	4.31	-
Bhopal Dhule Transmission Company Limited	Subsidiary of associate	-	-	6.58
Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	8.39	1.95	-
Sterlite Technologies Limited	Fellow subsidiary	-	2.31	16.38
Vedanta Limited	Fellow subsidiary	-	4.41	-
Hindustan Zinc Limited	Fellow subsidiary	-	-	13.77



**STERLITE POWER TRANSMISSION LIMITED**  
**ANNEXURE-VII**

**Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements**  
**(All amounts in Rs. million unless otherwise stated)**

Particulars	Relationship	March 31, 2021	March 31, 2020	March 31, 2019
<b>4 Interest income</b>				
Sterlite Power Technologies Private Limited	Fellow subsidiary	11.73	9.26	11.05
Sterlite Technologies Limited	Fellow subsidiary	7.50	12.71	-
<b>5 Management fees paid</b>				
Indgrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)	Associate	-	0.50	-
Sterlite Technologies Limited	Fellow subsidiary	-	-	30.00
<b>6 Reimbursement of expenses paid to related parties</b>				
Sterlite Technologies Limited	Fellow subsidiary	-	1.49	6.92
India Grid Trust	Associate	-	-	28.76
<b>7 Loans and advances given</b>				
Sterlite Interlinks Limited	Associate	70.12	-	-
Sterlite Technologies Limited	Fellow subsidiary	-	-	75.00
<b>8 Reimbursement of expenses recovered from related parties</b>				
Sterlite Power Technologies Private Limited	Fellow subsidiary	2.73	0.19	-
<b>9 Purchase of power</b>				
Vedanta Limited	Fellow subsidiary	26.12	34.14	16.83
<b>10 Rent Expenses</b>				
Vedanta Limited	Fellow subsidiary	-	1.94	-
<b>11 Remuneration</b>				
Mr. Anuraag Srivastava	KMP	30.17	21.16	15.97
Mr. Pratik Agarwal	KMP	49.99	41.20	48.69
Mr. Ashok Ganesan	KMP	8.90	6.89	6.55
<b>12 Sitting fees</b>				
Mr. Arun Todarwal	Director	4.55	3.48	1.53
Mr. Lalit Tondon	Director	-	0.35	1.58
Mr. A. R. Narayanswamy	Director	5.00	3.45	-
Ms. Haixia Zhao	Director	3.40	1.58	-
Mr. Anoop Sheth	Director	1.70	-	-
Ms. Avaantika Kakkar	Director	-	-	0.60
<b>13 Commission</b>				
Ms. Haixia Zhao	Director	5.86	-	-
Mr. Anoop Sheth	Director	0.63	-	-
<b>14 Corporate guarantee given</b>				
Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	-	188.60	-
Indgrid Limited (formerly known as Sterlite Grid 1 Limited)	Subsidiary of associate	-	-	280.00
<b>15 Dividend income</b>				
India Grid Trust	Associate	-	176.41	709.20
<b>16 Redemption of NCDs / loans in the SPVs sold</b>				
Indgrid 1 Limited (formerly known as Sterlite Grid 2 Limited)	Subsidiary of associate	-	115.41	-
<b>17 Management fees income (excluding GST)</b>				
IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)	Associate	5.13	-	-
Maharashtra Transmission Communication Infrastructure Limited	Fellow subsidiary	9.95	-	-
<b>18 Investment in equity shares of related parties</b>				
Sterlite Interlinks Limited \$	Associate	-	0.05	-
<b>19 Loans and advances received</b>				
PTC Cables Private Limited	Entity in which director is interested	-	1,500.00	-
Sterlite Interlinks Limited	Associate	-	6,200.00	-
<b>20 Loan repaid</b>				
Sterlite Interlinks Limited	Associate	6,200.00	-	-

**STERLITE POWER TRANSMISSION LIMITED**  
**ANNEXURE-VII**

**Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements**  
**(All amounts in Rs. million unless otherwise stated)**

Particulars	Relationship	March 31, 2021	March 31, 2020	March 31, 2019
<b>21 Interest expenses</b>				
PTC Cables Private Limited	Entity in which director is interested	130.18	103.08	-
Vedanta Limited	Fellow subsidiary	120.16	204.24	-
Bharat Aluminium Company Limited	Fellow subsidiary	16.74	54.40	-
Sterlite Interlinks Limited	Associate	354.33	468.18	-
<b>22 Purchase of fixed assets</b>				
Indgrid Limited (formerly know as Sterlite Grid 1 Limited)	Subsidiary of associate	-	8.00	-
<b>23 Sale of fixed assets</b>				
Sterlite Technologies Limited	Fellow subsidiary	-	3.51	-
<b>24 Services availed</b>				
Cyril Amarchand Mangaldas	Entity in which director is interested	0.45	3.90	-
Talwandi Sabo Power Limited	Entity in which director is interested	0.85	0.71	-
<b>25 Security deposits given</b>				
Sterlite Interlinks Limited	Associate	4.00	50.00	-
<b>26 Revenue from EPC contract with Customer</b>				
Jabalpur Transmission Company Limited	Subsidiary of associate	-	1.19	-
<b>27 Project management fees received</b>				
Bhopal Dhule Transmission Company Limited	Subsidiary of associate	-	-	16.74
Jabalpur Transmission Company Limited	Subsidiary of associate	-	-	8.01
Maheshwaram Transmission Limited	Subsidiary of associate	-	-	3.02
RAPP Transmission Company Limited	Subsidiary of associate	-	-	1.85
Purulia & Kharagpur Transmission Company Limited	Subsidiary of associate	-	-	2.74
Patran Transmission Company Limited	Subsidiary of associate	-	-	1.14
<b>28 Investment management fees received</b>				
Bhopal Dhule Transmission Company Limited	Subsidiary of associate	-	-	41.95
Jabalpur Transmission Company Limited	Subsidiary of associate	-	-	36.05
Maheshwaram Transmission Limited	Subsidiary of associate	-	-	9.42
RAPP Transmission Company Limited	Subsidiary of associate	-	-	8.18
Purulia & Kharagpur Transmission Company Limited	Subsidiary of associate	-	-	12.52
Patran Transmission Company Limited	Subsidiary of associate	-	-	2.50
<b>29 Capital advance paid</b>				
Indgrid Limited (formerly known as Sterlite Grid 1 Limited)	Subsidiary of associate	-	-	2.00
<b>30 Purchase consideration received</b>				
India Grid Trust	Associate	-	-	156.72
<b>31 Indemnification as per Share Purchase Agreement</b>				
India Grid Trust	Associate	-	-	53.47

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

Particulars	March 31, 2021 (Rs. in million)	March 31, 2020 (Rs. in million)	March 31, 2019 (Rs. in million)
Short term employee benefits *	89.06	69.25	71.21
Post employment benefits#	-	-	-
<b>Total</b>	<b>89.06</b>	<b>69.25</b>	<b>71.21</b>

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

§ Share of Sterlite Interlinks Limited are bought from Mr. Pratik Agarwal (Managing Director) at fair value of Rs. 10 per share.

Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

(E) List of Subsidiaries

As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Sterlite Grid 4 Limited	Sterlite Power Grid Ventures Limited (refer note 49)	Sterlite Power Grid Ventures Limited (refer note 49)
Sterlite Grid 5 Limited	Indgrid 1 Limited (formerly known as Sterlite Grid 2 Limited (till 03 June 2019))	Indgrid 1 Limited (formerly known as Sterlite Grid 2 Limited)
Sterlite Grid 6 Limited	Indgrid 2 Limited (formerly known as Sterlite Grid 3 Limited (till 28 June 2019))	Indgrid 2 Limited (formerly known as Sterlite Grid 3 Limited)
Sterlite Grid 7 Limited	Sterlite Grid 4 Limited	Sterlite Grid 4 Limited
Sterlite Grid 8 Limited	Sterlite Grid 5 Limited	Sterlite Grid 5 Limited
Sterlite Grid 9 Limited	Sterlite Grid 6 Limited	Sterlite Grid 6 Limited
Sterlite Grid 10 Limited	Sterlite Grid 7 Limited	Sterlite Grid 7 Limited
Sterlite Grid 11 Limited	Sterlite Grid 8 Limited	Sterlite Grid 8 Limited
Sterlite Grid 12 Limited	Sterlite Grid 9 Limited	Sterlite Grid 9 Limited
Sterlite Grid 13 Limited (till 30 March 2021)	Sterlite Grid 10 Limited	Sterlite Grid 10 Limited
Sterlite Grid 14 Limited	Sterlite Grid 11 Limited	Sterlite Grid 11 Limited
Sterlite Grid 15 Limited	Sterlite Grid 12 Limited	Sterlite Grid 12 Limited
Sterlite Grid 16 Limited	Sterlite Grid 13 Limited	Sterlite Grid 13 Limited
Sterlite Grid 17 Limited	Sterlite Grid 14 Limited	Sterlite Grid 14 Limited
Sterlite Grid 18 Limited	Sterlite Grid 15 Limited	Sterlite Grid 15 Limited
Sterlite Grid 19 Limited	Sterlite Grid 16 Limited	Sterlite Grid 16 Limited
Sterlite Grid 20 Limited	Sterlite Grid 17 Limited	Sterlite Grid 17 Limited
Sterlite Grid 21 Limited	Sterlite Grid 18 Limited	Sterlite Grid 18 Limited
Sterlite Grid 22 Limited	Sterlite Grid 19 Limited	Sterlite Grid 19 Limited
Sterlite Grid 23 Limited	Sterlite Grid 20 Limited	Sterlite Grid 20 Limited
Sterlite Grid 24 Limited	Sterlite Grid 21 Limited	Sterlite Grid 21 Limited
Sterlite Grid 25 Limited	Sterlite Grid 22 Limited	Sterlite Grid 22 Limited
Sterlite Grid 26 Limited	Sterlite Grid 23 Limited	Sterlite Grid 23 Limited
Sterlite Grid 27 Limited	Sterlite Grid 24 Limited	Sterlite Grid 24 Limited
Sterlite Grid 28 Limited	Sterlite Grid 25 Limited	Sterlite Grid 25 Limited
Sterlite Grid 29 Limited	Sterlite Grid 26 Limited	Sterlite Grid 26 Limited
Sterlite Grid 30 Limited (formerly known as NRSS XXIX (JS) Transmission Limited)	Sterlite Grid 27 Limited	Sterlite Grid 27 Limited
Sterlite EdIndia Foundation	Sterlite Grid 28 Limited (from 07 June 2019)	Sterlite Grid 29 Limited
Khargone Transmission Limited	Sterlite Grid 29 Limited	NRSS XXIX (JS) Transmission Limited
NER-II Transmission Limited (till 24 March 2021)	Sterlite Grid 30 Limited (formerly known as NRSS XXIX (JS) Transmission Limited)	Indgrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited )
Sterlite Convergence Limited	Indgrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited (till 30 July 2019))	East-North Interconnection Company Limited
Goa-Tannar Transmission Project Limited	East-North Interconnection Company Limited (till 23 March 2020)	NRSS XXIX Transmission Limited
Udupi Kasargode Transmission Limited	NRSS XXIX Transmission Limited (till 03 June 2019)	Odisha Generation Phase-II Transmission Limited
Vapi II North Lakhimpur Transmission Limited (till 30 March 2021)	Odisha Generation Phase-II Transmission Limited (till 28 June 2019)	Gurgaon-Palwal Transmission Limited
Lakhadia Vadodra Transmission Project Limited	Gurgaon-Palwal Transmission Limited	Khargone Transmission Limited
OneGrid Limited (from 25 September 2020)	Khargone Transmission Limited	NER-II Transmission Limited
Se Vineyards Power Transmission S.A., Brazil	NER-II Transmission Limited	Sterlite Convergence Limited
Sterlite Brazil Participicoes,S.A., Brazil	Sterlite Convergence Limited	Goa-Tannar Transmission Project Limited
Dunas Transmissão de Energia S.A	Goa-Tannar Transmission Project Limited	Se Vineyards Power Transmission S.A., Brazil
Borborema Transmissão de Energia S.A.	Udupi Kasargode Transmission Limited (from 13 September 2019)	Arcoverde Transmissao De Energia S.A., Brazil
São Francisco Transmissão de Energia S.A.	Lakhadia Vadodra Transmission Project Limited (from 26 November 2019)	Sterlite Brazil Participicoes,S.A., Brazil
Goyas Transmissão de Energia S.A.	Sterlite EdIndia Foundation (from 07 August 2019)	Sterlite Novo Estado Energia S.A, Brazil
Marituba Transmissão de Energia S.A.	Se Vineyards Power Transmission S.A., Brazil	Dunas Transmissão de Energia S.A
Solaris Transmissão de Energia S.A.	Arcoverde Transmissao De Energia S.A., Brazil (till 13 March 2020)	Borborema Transmissão de Energia S.A.
Castello Transmissao de Energia S.A.	Sterlite Brazil Participicoes,S.A., Brazil	São Francisco Transmissão de Energia S.A.
Gurgaon-Palwal Transmission Limited (till 28 August 2020)	Sterlite Novo Estado Energia S.A, Brazil (till 03 March 2020)	Goyas Transmissão de Energia S.A.
	Dunas Transmissão de Energia S.A	Marituba Transmissão de Energia S.A.
	Borborema Transmissão de Energia S.A.	Solaris Transmissão de Energia S.A.
	São Francisco Transmissão de Energia S.A.	Pampa Transmissao de Energia S.A. (formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A
	Goyas Transmissão de Energia S.A.	Castello Transmissao de Energia S.A.
	Marituba Transmissão de Energia S.A.	
	Solaris Transmissão de Energia S.A.	
	Pampa Transmissao de Energia S.A. (formerly known as Sterlite Brasil Projetos de Transmissao de Energia S.A (till 10 March 2020)	
	Castello Transmissao de Energia S.A.	

Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements  
(All amounts in Rs. million unless otherwise stated)

(F) The following are the details of the transactions eliminated during the year ended 31 March 2021, 31 March 2020 and 31 March 2019:

i) NRSS XXIX Transmission Limited

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Indgrid 1 Limited (formerly known as Sterlite Grid 2 Limited)	Purchase of capital goods and services (net of indirect taxes)	-	-	1,445.35
		Conversion of loan into equity shares	-	-	177.80
		Loans given	-	-	2,757.62
		Unsecured loans taken	-	-	649.34
		Unsecured loans repaid	-	-	5,336.38
		Dividend paid	-	-	1,001.77
ii)	Sterlite Power Grid Ventures Limited	Management fees expenses (including tax)	-	-	4.72
		Purchase of capital goods and services (net of indirect taxes)	-	-	5,703.92
		Management fees expenses (including tax)	-	3.21	10.96

ii) Odisha Generation Phase II Transmission Limited

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Indgrid 2 Limited (formerly known as Sterlite Grid 3 Limited)	Unsecured loans taken	-	-	1,048.70
		Conversion of loan into shares (including premium)	-	-	94.13
		Management fees expenses (including tax)	-	-	0.03
ii)	Sterlite Power Grid Ventures Limited	Purchase of capital goods and services (excluding indirect taxes)	-	-	192.34
		Management fees expenses (including tax)	-	1.25	2.18

iii) East-North Interconnection Company Limited

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Interest on compulsorily convertible debentures	-	0.01	0.01
		Management fees expenses (including tax)	-	17.39	10.47
		Loan availed	-	509.65	170.50
		Repayment of loan	-	395.00	608.70
		Reimbursement of expenses paid	-	2.60	68.46
		Purchase of goods for property, plant & equipments (including tax)	-	103.96	-
		Availing of services for property, plant & equipments	-	13.51	-
ii)	Sterlite Technologies Limited	Conversion of CCD and CCPS into equity shares (including share premium)	-	1,499.60	-
		Purchase of goods for property, plant & equipments (including tax)	-	0.19	-
		CSR Expenditure	-	2.30	-
		Professional Fees for design consultancy (including tax)	-	118.00	-
iv)	Sterlite Power Transmission Limited	Purchase of Conductor for property, plant & equipments	-	89.48	31.20

iv) Gurgaon-Palwal Transmission Limited

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 4 Limited	Conversion of loan into equity shares (including premium)	-	-	50.06
		Unsecured loans availed	-	237.44	1,005.38
		Unsecured loan repaid	1,941.59	-	-
		Management fees expense	-	-	0.01
		Reimbursement of expenses (paid or payable)	-	2.16	-
ii)	Sterlite Power Grid Ventures Limited	Management fees expense	-	5.31	-
		Purchase of capital goods and services (net of indirect taxes)	-	864.00	4,980.95

v) Khargone Transmission Limited

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 4 Limited	Unsecured loans taken	352.03	713.57	1,303.89
		Management fees expense	-	-	0.01
ii)	Sterlite Power Grid Ventures Limited	Purchase of capital goods and services (net of taxes)	-	427.16	5,357.43
		Reimbursement of expenses (received or receivable)	-	-	1.89
		Management fees expense	-	3.18	-
iii)	Sterlite Power Transmission Limited	Management fees expense	7.69	-	-
		Purchase of capital goods and services (net of taxes)	17.67	-	-

vi) NER II Transmission Limited

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 4 Limited	Unsecured loan taken	1,341.85	105.51	1,950.45
		Conversion of loan into equity shares (including premium)	-	55.00	-
		Management fees expense	-	-	0.01
ii)	Sterlite Power Grid Ventures Limited	Purchase of capital goods and services (excluding taxes)	-	-	7,527.43
		Advance given against purchase of property, plant and equipment	-	460.00	-
		Purchase for property, plant and equipment (excluding of tax)	-	6,261.06	-
		Reimbursement of expenses (paid or payable)	-	-	3.38
iii)	Sterlite Power Transmission Limited	Purchase for property, plant and equipment (excluding of tax)	6,600.29	-	-
		Project management fees	0.27	-	-
iv)	Sterlite Grid 5 Limited	Purchase for property, plant and equipment (excluding of tax)	47.86	-	-
		Advance given against purchase of property, plant and equipment	-	90.37	-
v)	Sterlite Interlinks Limited	Initial license fees (net of tax)	4.50	3.19	-

vii) Goa-Tannar Transmission Project Limited

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 5 Limited	Conversion of loan into equity shares including share premium	-	-	500.12
		Unsecured loans availed (net)	97.91	171.94	333.10
		Management fees expenses (including GST)	-	-	0.12
ii)	Sterlite Power Grid Ventures Limited	Advance given against purchase of property, plant and equipment	-	-	1,733.97
		Purchase of property, plant and equipment (net of taxes)	-	116.25	69.58
		Reimbursement of expenses (paid or payable)	-	-	0.05
iii)	Sterlite Power Transmission Limited	Sale of one equity share of Sterlite EdIndia Foundation	0.00*	-	-
		Purchase of property, plant and equipment (net of taxes)	974.22	-	-

**STERLITE POWER TRANSMISSION LIMITED**  
**ANNEXURE-VII**

**Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements**  
**(All amounts in Rs. million unless otherwise stated)**

**viii) Vapi II-North Lakhimpur Transmission Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 13 Limited	Conversion of loan into equity shares	490.53	-	-
		Unsecured loans availed	2,017.55	-	-
		Conversion of loan into compulsory convertible debentures	510.25	-	-
ii)	Sterlite Power Transmission Limited	Advance given against purchase of property, plant and equipment (including tax)	4,462.99	-	-
		Purchase for property, plant & equipment/ Capital work in progress (excluding tax)	5.64	-	-

**ix) Udipi Kasargode Transmission Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 14 Limited	Unsecured loan taken	509.80	87.26	-
		Conversion of promoter loan into equity shares	147.85	-	-
		Conversion of loan into compulsory convertible debentures	422.22	-	-
ii)	Sterlite Power Transmission Limited	Purchase of property plant and equipment (excluding taxes)	141.00	-	-
		Advance given property plant and equipment (excluding taxes)	430.85	-	-

**x) Lakadia Vadodara Transmission Project Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Grid 18 Limited	Conversion of loan into equity shares including share premium	35.78	379.38	-
		Conversion of loan into compulsory convertible debentures	1,171.68	-	-
		Unsecured loans availed	59.51	1,527.33	-
		Compulsory convertible debentures issued	185.00	-	-
ii)	Sterlite Power Grid Ventures Limited	Advance given against purchase of property, plant and equipment (net of tax)	-	2,317.22	-
		Purchase for property, plant & equipment/ Capital work in progress	-	23.99	-
iii)	Sterlite Power Transmission Limited	Advance given against purchase of property, plant and equipment (excluding tax)	655.53	-	-
		Purchase for property, plant & equipment/ Capital work in progress (excluding tax)	4,682.48	-	-

**xi) Sterlite Grid 16 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.05	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.68	-

**xii) Sterlite Grid 17 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.01	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.68	-

**xiii) Sterlite Grid 18 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	564.66	-	-
		Conversion of CCD's and promoter loan into NCD's	2,092.25	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	1,527.59	-
		Conversion of loan into CCD's	-	1,527.59	-
iii)	Lakadia Vadodara Transmission Project Limited	Management fees income	-	0.02	-
		Unsecured loan given	59.50	1,147.95	-
		Investment into CCD	185.00	-	-
		Conversion of loan into Equity Shares	35.78	-	-
		Conversion of loan into CCD's	1,171.70	-	-

**xiv) Sterlite Grid 19 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.01	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.68	-

**xv) Sterlite Grid 20 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.12	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.69	-

**xvi) Sterlite Grid 21 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Repayment of unsecured loan availed	0.40	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.59	-

**xvii) Sterlite Grid 22 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Repayment of unsecured loan availed	0.40	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.59	-

**xviii) Sterlite Grid 23 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

**xix) Sterlite Grid 24 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.59	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

**xx) Sterlite Grid 25 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

**STERLITE POWER TRANSMISSION LIMITED**  
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**xxi) Sterlite Grid 26 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.59	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

**xxii) Sterlite Grid 27 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

**xxiii) Sterlite Grid 28 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Unsecured loan taken	0.59	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	-

**xxiv) Sterlite Grid 29 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.00*	-

**xxv) Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019		
i)	Sterlite Power Grid Ventures Limited	Subcontracting charges	-	-	1,313.96		
		Unsecured loan taken	-	-	650.04		
		Unsecured loans repaid	-	4,365.03	4,680.01		
		Unsecured loans given	-	-	4,365.03		
		Dividend paid	-	-	2,270.19		
ii)	NRSS XXIX Transmission Limited	Unsecured loans repaid	-	2,757.62	-		
		Interest on loan taken	-	-	177.80		
		Sale of services	-	-	1,445.35		
		Unsecured loan taken	-	-	2,757.62		
		Unsecured loans given	-	-	649.34		
		Repayment of unsecured loans given	-	-	5,336.38		
		Dividend received	-	-	1,001.77		
		Management fees income	-	-	4.00		
		iii)	RAPP Transmission Company Limited	Advance received as per share purchase agreement	-	-	280.89

**xxvi) Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loans taken	-	-	1,048.89
		Unsecured loan repaid	-	2,403.85	-
ii)	Odisha Generation Phase II Transmission Limited	Conversion of loan given to subsidiary into equity share capital of subsidiary	-	-	94.13
		Management fees income	-	-	0.03
		Unsecured loans given	-	-	1,048.69
		Unsecured loan repaid	-	1,811.41	-

**xxvii) Sterlite Grid 4 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loans taken	-	2,855.82	4,260.62
ii)	Sterlite Power Transmission Limited	Unsecured loans taken (net)	2,630.61	-	-
		Unsecured loans repaid	14,811.62	-	-
iii)	Gurgaon-Palwal Transmission Limited	Inter-corporate deposit (ICD) given	678.33	-	-
		Conversion of loan into equity shares (including securities premium)	-	-	50.05
		Unsecured loan given	310.69	237.44	1,005.38
iv)	NER II Transmission Limited	Management fees income	-	-	0.01
		Conversion of loan into equity shares (including securities premium)	-	55.00	-
v)	Khargone Transmission Limited	Unsecured loan given	1,344.94	105.51	1,950.45
		Management fees income	-	-	0.01
		Unsecured loan given	352.03	713.57	1,303.89
		Management fees income	-	-	0.01

**xxviii) Sterlite Grid 5 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Contract expenses (net of taxes)	-	82.15	-
		Unsecured loan taken	-	1,013.45	315.06
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	-128.22	-	-
		Contract expenses (net of taxes)	43.51	-	-
		Revenue from domestic sale of trading goods	237.83	-	-
		Sale of one equity share of Sterlite Edindia Foundation	0.00*	-	-
iii)	Goa-Tamnar Transmission Project Limited	Management fees income	-	-	0.10
		Conversion of loan into equity shares including share premium	-	-	500.12
		Unsecured loan given	97.91	171.94	333.11
iv)	NER II Transmission Limited	Service revenue (net of taxes)	47.86	90.37	-
v)	Sterlite Brazil Participacoes S.A	Dividend income	232.93	82.05	-

**xxix) Sterlite Grid 6 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.60	0.84
ii)	Sterlite Power Transmission Limited	Repayment of unsecured loan availed	0.30	-	-
		Unsecured loan availed	0.11	-	-

**xxx) Sterlite Grid 7 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	0.60
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.13	-	-

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(All amounts in Rs. million unless otherwise stated)

**xxx) Sterlite Grid 8 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	0.50
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.16	-	-

**xxxii) Sterlite Grid 9 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	0.50
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.15	-	-

**xxxiii) Sterlite Grid 10 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	0.80
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.11	-	-
		Repayment of unsecured loan taken	0.25	-	-

**xxxiv) Sterlite Grid 11 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.87	1.07
ii)	Sterlite Power Transmission Limited	Repayment of unsecured loan taken (net)	0.12	-	-

**xxxv) Sterlite Grid 12 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.55	-
ii)	Sterlite Power Transmission Limited	Repayment of unsecured loan taken	0.84	-	-

**xxxvi) Sterlite Grid 14 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	88.02	0.10
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	510.04	-	-
		Sale of one equity share of Sterlite Ed india Foundation	0.00*	-	-
		Subscription of NCD's through conversion of loan	571.06	-	-
iii)	Udupi Kasargode Transmission Limited	Unsecured loan given	509.81	87.26	-
		Investment in equity shares through conversion of loan given	147.85	-	-
		Investment in CCD's through conversion of loan given	422.22	-	-

**xxxvii) Sterlite Grid 15 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.72	0.09
ii)	Sterlite Power Transmission Limited	Unsecured loan taken	0.13	-	-

**xxxviii) Sterlite Grid 30 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.01	-

**xxxix) Sterlite Grid 13 Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Subscription of NCD's through conversion of loan	2,015.76	-	-
		Unsecured loan taken	2,018.04	-	-
ii)	Sterlite Power Grid Ventures Limited	Unsecured loan taken	-	0.12	0.10
iii)	Vapi II-North Lakhimpur Transmission Limited	Unsecured loan given	1,016.77	-	-
		Investment in equity shares through conversion of loan given	490.53	-	-
		Investment in CCD's through conversion of loan given	510.25	-	-

**xxxx) Sterlite EdIndia Foundation**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	CSR Contribution received	-	6.56	-
ii)	East-North Interconnection Company Limited	CSR Contribution received	-	2.30	-
iii)	Sterlite Power Transmission Limited	CSR Contribution received	18.80	-	-
iv)	Gurgaon-Palwal Transmission Limited	CSR Contribution received	1.12	-	-

**xxxxi) Sterlite Investment Managers Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Management fees expenses (excluding goods and service tax)	-	14.91	63.27

**xxxixii) Sterlite Convergence Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Short term borrowings availed	6.00	1.60	50.70
		Contract expenses for construction of network infrastructure	(16.44)	40.64	72.15
		Purchase made for construction of network infrastructure	-	39.84	72.15
		Payment made	-	32.38	-

**STERLITE POWER TRANSMISSION LIMITED**  
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**xxxxiii) Sterlite Power Transmission Limited**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Investment Managers Limited	Loss on forfeiture of investment	-	25.78	-
		Management fees received	-	35.45	63.27
		Reimbursement of expenses recovered from related parties	-	3.03	-
ii)	Sterlite Power Grid Ventures Limited	Repayment of loan received	-	3,430.00	-
		Loan received	-	-	10,390.64
		Repayment of loan received	-	610.00	-
		Sale of project consultancy services	-	150.00	-
		Sale of goods (net of taxes)	-	899.82	1156.49
		Revenue from EPC contracts	-	4.44	-
		Advance received against supplies	-	924.41	145.68
		Management fees received	-	330.90	-
		Reimbursement of expenses paid to related parties	-	28.94	-
		Reimbursement of expenses recovered from related parties	-	-	26.17
iii)	Sterlite Convergence Limited	Loans and advances given	6.00	1.60	50.70
		Revenue from EPC contracts	-	81.17	144.23
		Advance received against supplies	-	30.00	-
iv)	East-North Interconnection Company Limited	Contract asset billed during the year	192.70	-	-
		Sale of project consultancy services	-	100.00	-
		Sale of goods (net of taxes)	-	0.76	26.42
v)	Sterlite Grid 4 Limited	Revenue from EPC contracts	-	69.78	-
		Loans and advances given	2,630.61	-	-
		Repayment of loans and advances given by the Company	14,811.62	-	-
vi)	Sterlite Grid 5 Limited	Loan received	678.33	-	-
		Loans and advances given	105.97	-	-
		Repayment of loans and advances given by the Company	234.19	-	-
vii)	Sterlite Grid 10 Limited	Revenue from EPC contract with Customer	43.51	-	-
		Purchase of goods (net of taxes)	237.83	-	-
		Bank guarantee given	100.00	-	-
viii)	Sterlite Grid 20 Limited	Bank guarantee given	105.00	-	-
		Loans and advances given	2,018.20	-	-
		Conversion of loan into Non- convertible debentures (NCD)	2,015.76	-	-
ix)	Sterlite Grid 13 Limited	Conversion of loan, CCD's and CCPS into equity shares	2.50	-	-
		Bank guarantee given	376.40	-	-
		Loans and advances given	510.04	-	-
x)	Sterlite Grid 14 Limited	Conversion of loan into Non- convertible debentures (NCD)	571.06	-	-
		Loans and advances given	564.76	-	-
		Conversion of loan into Non- convertible debentures (NCD)	2,092.25	-	-
xii)	Sterlite Brazil Participacoes S.A.	Dividend income	1,226.51	-	-
		Performance bank guarantee charge recovered from subsidiary	104.21	-	-
		CSR expenditure	19.20	-	-
xiii)	Sterlite EdIndia Foundation	Revenue from EPC contract with Customer	141.00	-	-
		Advance received against contracts (excluding tax)	430.85	-	-
		Management fees income (excluding GST)	6.52	-	-
xiv)	Udupi Kasargode Transmission Limited	Revenue from EPC contract with Customer	17.67	-	-
		Advance received against contracts (excluding tax)	4,082.39	-	-
		Management fees income (excluding GST)	5.64	-	-
xv)	Khargone Transmission Limited	Revenue from EPC contract with Customer	6,600.29	-	-
		Advance received against contracts (excluding tax)	974.22	-	-
		Management fees income (excluding GST)	(13.79)	-	-
xvi)	NER-II Transmission Limited	Revenue from EPC contract with Customer	4.84	-	-
		Advance received against contracts (excluding tax)	4,682.47	-	-
		Management fees income (excluding GST)	655.53	-	-
xvii)	Vapi II North Lakhimpur Transmission Limited	Revenue from EPC contract with Customer	1.50	-	-
		Advance received against contracts (excluding tax)	-	-	-
		Bank guarantee given	-	-	-

**xxxxiv) Sterlite Brazil Participacoes S.A.**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Dividend paid	1,226.51	-	-
		Bank guarantee charges	104.21	-	-
ii)	Sterlite Power Grid Ventures Limited	Dividend paid	-	432.12	2,270.20
		Dividend paid	232.93	82.05	-

**xxxxv) Arcoverde Transmissao De Ebergia S.A.**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Loans and advance given	-	-	116.70
		Interest income	-	-	22.39

**xxxxvi) Se Vineyards Power Transmission S.A.**

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Grid Ventures Limited	Loans and advance given	-	-	182.14
		Interest income	-	-	32.69



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xxxxvii) Sterlite Power Grid Ventures Limited

Sr. No	Name of Related Party	Nature of Transactions	March 31, 2021	March 31, 2020	March 31, 2019
i)	Sterlite Power Transmission Limited	Loans and advances given	-	-	10,390.64
		Loans and advances repaid	-	610.00	-
		Management fees expenses (excluding GST)	-	330.90	-
		Purchase of goods and services (net of taxes)	-	1,058.42	1,173.48
		Advance given against contracts	-	924.46	-
		Reimbursement of expenses (Received or Receivable)	-	5.74	-
		Reimbursement of expenses (Paid or payable)	-	-	2.23
		Repayment of Redeemable preference shares	-	3,430.00	-
ii)	East-North Interconnection Company Limited	Management fees income (excluding GST)	-	14.74	8.87
		Loans and advances given	-	1,096.68	170.50
		Loans and advances repaid	-	757.54	608.70
		Sales of goods and services (Net of taxes)	-	99.55	-
		Reimbursement of expenses (Received or Receivable)	-	2.60	72.52
		Conversion of CCD'S and CCPS into Equity Shares	-	209.50	-
	Sterlite EdIndia Foundation	CSR Payment	-	6.56	-
	NRSS XXIX Transmission Limited	Management fees income (excluding GST)	-	2.84	9.29
		Sales of goods and services (Net of taxes)	-	-	5,703.92
	Gurgaon Palwal Transmission Limited	Management fees income (excluding GST)	-	4.75	-
		Sales of goods and services (Net of taxes)	-	864.00	4,980.95
	Khargone Transmission Limited	Management fees income (excluding GST)	-	2.79	-
		Sales of goods and services (Net of taxes)	-	427.16	5,357.43
		Reimbursement of expenses (Paid or payable)	-	-	1.89
	Odisha Generation Phase-II Transmission Limited	Management fees income (excluding GST)	-	1.04	1.84
		Sales of goods and services (Net of taxes)	-	-	192.34
	NER-II Transmission Limited	Sales of goods and services (Net of taxes)	-	6,261.06	7,527.43
		Advance received against contracts (excluding tax)	-	460.00	-
	Goa-Tammar Transmission Project Limited	Sales of goods and services (Net of taxes)	-	116.25	69.58
		Advance received against contracts (excluding tax)	-	-	1,733.97
	Lakadia Vadodara Transmission Project Limited	Sales of goods and services (Net of taxes)	-	23.99	-
		Advance received against contracts (excluding tax)	-	2,317.22	-
	Sterlite Brazil Participicos,S.A., Brazil	Dividend income	-	432.12	2,270.20
		Sale of investment	-	-	0.05
	Se Vineyards Power Transmission S.A., Brazil	Loans and advances given	-	-	182.14
		Interest income	-	-	32.69
	Arcoverde Transmissao De Ebergia S.A., Brazil	Loans and advances given	-	-	116.70
		Interest income	-	-	22.39
	Sterlite Novo Estado Energia S.A. Brazil	Performance bank guarantee given	-	-	2,449.44
	Dunas Transmissão de Energia S.A.	Performance bank guarantee given	-	-	1,072.29
	São Francisco Transmissão de Energia S.A.	Performance bank guarantee given	-	-	680.69
	Pampa Transmissão de Energia S.A.	Performance bank guarantee given	-	-	684.38
	Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)	Loans and advances given	-	-	650.04
		Loans and advances repaid	-	-	4,680.01
		Dividend received	-	-	2,270.20
		Repayment of non-convertible debentures by subsidiary	-	115.41	-
		Sales of goods and services (net of taxes)	-	-	1,313.96
		Loan received	-	-	4,365.03
	Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)	Loans and advances given	-	250.10	1,048.90
	Sterlite Grid 4 Limited	Loans and advances given	-	2,855.82	4,260.62
		Bank guarantee given	-	0.50	-
	Sterlite Grid 5 Limited	Loans and advances given	-	1,013.45	315.06
		Sales of goods and services (net of taxes)	-	82.15	-
	Sterlite Grid 6 Limited	Loans and advances given	-	0.60	0.84
		Bank guarantee given	-	-	164.40
	Sterlite Grid 7 Limited	Loans and advances given	-	0.01	0.60
	Sterlite Grid 8 Limited	Loans and advances given	-	0.01	0.50
		Bank guarantee given	-	-	335.00
	Sterlite Grid 9 Limited	Loans and advances given	-	0.01	0.50
		Bank guarantee given	-	-	284.70
	Sterlite Grid 10 Limited	Loans and advances given	-	0.01	0.80
		Bank guarantee given	-	-	357.90
	Sterlite Grid 11 Limited	Loans and advances given	-	0.87	1.07
		Bank guarantee given	-	-	265.90
	Sterlite Grid 12 Limited	Loans and advances given	-	0.55	-
	Sterlite Grid 13 Limited	Loans and advances given	-	0.12	0.10
	Sterlite Grid 14 Limited	Loans and advances given	-	87.92	0.10
		Bank guarantee given	-	261.00	-
	Sterlite Grid 15 Limited	Loans and advances given	-	0.72	0.09
	Sterlite Grid 16 Limited	Loans and advances given	-	0.59	0.09
	Sterlite Grid 17 Limited	Loans and advances given	-	0.59	0.09
	Sterlite Grid 18 Limited	Loans and advances given	-	1,527.50	0.09
		Bank guarantee given	-	472.50	-
	Sterlite Grid 19 Limited	Loans and advances given	-	0.59	0.09
	Sterlite Grid 20 Limited	Loans and advances given	-	0.69	-
	Sterlite Grid 21 Limited	Loans and advances given	-	0.59	-
	Sterlite Grid 22 Limited	Loans and advances given	-	0.59	-
	Sterlite Grid 28 Limited	Loans and advances given	-	0.01	-
	Sterlite Grid 30 Limited	Loans and advances given	-	0.01	-

\* Amount is less than Rs. 0.01 million

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**NOTE 57: IMPACT OF COVID 19 PANDEMIC**

The COVID pandemic is rapidly spreading throughout the world. The Group's plants and offices in India were not operating since March 25, 2020 till mid of April 2020, as a result of the lockdown implemented by the Government of India. However, as electricity is considered as an essential commodity by the Government of India, the operations of the Group relating to manufacturing and supply of components for generation and supply of electricity and other transmissions construction sites resumed in a phased manner since then. In assessing the liquidity position for the next one year and recoverability of Group's assets such as investments, loans, property, plant and equipment, trade receivables, inventory etc. the Group has considered internal and external information up to the date of approval of the Historical Audited Consolidated Financial Statements for the year ended March 31, 2021. The Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till August 2020 and the same was availed by the Group.

Based on assessment performed by the management, the availability of labour force and supply chain for majority of the purchase requirements is evaluated to be less effected. Management believes that it has taken all the possible impact of known events arising from COVID 19 pandemic in the preparation of the Historical Audited Consolidated Financial Statements for the year ended March 31, 2021. Basis above, the management has estimated its future cash flows for the Group which indicates no major change in the financial performance as estimated prior to COVID-19 impact. However, the estimate of the impact of COVID 19 may differ from the same ascertained up to the date of approval of the Historical Audited Consolidated Financial Statements for the year ended March 31, 2021 by the Board of Directors, based on how the COVID 19 situation evolves over the period of time.

As per our report of even date

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

Firm Registration No. 324982E / E300003

Chartered Accountants

-Sd-

**per Paul Alvares**

Partner

Membership Number : 105754

Place: Pune

Date: August 07, 2021

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

-Sd-

**Pravin Agarwal**

Chairman

DIN: 00022096

Place: Pune

Date: August 07, 2021

-Sd-

**Pratik Agarwal**

Managing Director

DIN: 03040062

Place: Mumbai

Date: August 07, 2021

-Sd-

**Anuraag Srivastava**

Chief Financial Officer

Place: Mumbai

Date: August 07, 2021

-Sd-

**Ashok Ganesan**

Company Secretary

Place: New Delhi

Date: August 07, 2021

## OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations and certain other non-GAAP measures are given below:

Particulars	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Basic Earnings per share (in ₹)	142.22	154.13	(85.78)
Diluted Earnings per share (in ₹)	142.22	154.13	(85.78)
Return on net worth (%)	68.42%	234.64%	97.00%
Restated net asset value per equity share (in ₹)	207.85	65.69	(88.43)
EBITDA (₹ in million)	18,317.68	22,770.09	3,233.63
EBITDA Margin	47.99%	44.14%	9.05%
Adjusted EBITDA (₹ in million)	17,932.15	24,056.28	4,596.29
Adjusted EBITDA Margin	46.98%	46.64%	12.87%

**Notes:**

- (a). Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- (b). Return on Net Worth Ratio: Restated profit/(loss) for the year of the Company divided by Net Worth of the Company at the end of the year.
- (c). Net asset value per Equity share is calculated as Restated net worth at the end of the year divided by the total outstanding number of shares.
- (d). Net asset value per equity share is calculated by dividing restated net worth by the number of Equity Shares outstanding as at the end of the year
- (e). EBITDA is calculated as restated profit/(loss) for the year plus total depreciation & amortisation expense, finance costs, and tax expenses
- (f). EBITDA Margin is the percentage of EBITDA divided by total income.
- (g). Adjusted EBITDA is calculated as restated profit/(loss) for the year plus total depreciation & amortisation expense, impairment expense, finance costs, finance income, share of profit of associates & joint venture, exceptional items and tax expenses
- (h). Adjusted EBITDA Margin is the percentage of adjusted EBITDA divided by total income.
- (i). "Net Worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Consolidated Summary Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, attributable to the owners of the Company.

### Reconciliation of non – GAAP measures

Reconciliation for the following non – GAAP measures included in this Draft Red Herring Prospectus, are given below:

#### 1) Reconciliation of net worth

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Equity share capital	122.36	122.36	122.36
Other equity			
i. Securities premium	4,536.80	4,536.80	4,536.80
ii. Retained earnings	4,378.88	(5,626.61)	(10,407.06)
iii. Other reserves			
Debenture Redemption Reserve	200.00	-	98.88
Capital Redemption Reserve	36.02	1,543.67	0.02
Legal Reserve	172.13	172.13	11.94
Special Unearned Income Reserve	3,270.44	3,270.44	226.90
<b>(iv) Net Worth (iv=i+ii+iii)</b>	<b>12,716.63</b>	<b>4,018.79</b>	<b>(5,410.16)</b>

#### 2) Reconciliation of return on net worth

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Net worth (₹ in million)	12,716.63	4,018.79	(5,410.16)
(ii) Restated profit/(loss) for the year (₹ in million)	8,701.24	9,429.73	(5,247.95)
<b>(iii) Return on Net Worth (iii=i/ii)</b>	<b>68.42%</b>	<b>234.64%</b>	<b>97.00%</b>

#### 3) Reconciliation of net asset value per equity share

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Net worth (₹ in million)	12,716.63	4,018.79	(5,410.16)
(ii) Number of equity shares outstanding (Nos. million)	61.18	61.18	61.18
<b>(iii) Net Asset value per equity share (iii=i/ii) (₹ in million)</b>	<b>207.85</b>	<b>65.69</b>	<b>(88.43)</b>

#### 4) Reconciliation of restated profit/(loss) for the year to EBITDA

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Restated profit/(loss) for the year	8,701.24	9,429.73	(5,247.95)
(ii) Depreciation and amortisation expense	984.59	1,740.74	2,035.70
(iii) Finance costs	5,735.34	7,646.54	6,034.65
(iv) Income tax expense	2,896.51	3,953.08	411.23
<b>(v) EBITDA (i+ii+iii+iv)</b>	<b>18,317.68</b>	<b>22,770.09</b>	<b>3,233.63</b>

#### 5) Reconciliation of EBITDA Margin

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) EBITDA (₹ in million)	18,317.68	22,770.09	3,233.63
(ii) Total income (₹ in million)	38,169.59	51,583.16	35,714.60
<b>(iii) EBITDA Margin (iii=i/ii)</b>	<b>47.99%</b>	<b>44.14%</b>	<b>9.05%</b>

#### 6) Reconciliation of restated profit/(loss) for the year to adjusted EBITDA

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Restated profit/(loss) for the year	8,701.24	9,429.73	(5,247.95)
(ii) Depreciation and amortisation expense	984.59	1,740.74	2,035.70
(iii) Impairment of property, plant and equipment (including capital work in progress)	-	669.40	1,873.65
(iv) Finance costs	5,735.34	7,646.54	6,034.65
(v) Finance income	(379.78)	(300.34)	(185.00)
(vi) Share of profit of associates and joint venture	(5.75)	(8.74)	(325.99)
(vii) Exceptional item	-	925.87	-
(viii) Income tax expense	2,896.51	3,953.08	411.23
<b>(ix) Adjusted EBITDA (i+ii+iii+iv+v+vi+vii+viii)</b>	<b>17,932.15</b>	<b>24,056.28</b>	<b>4,596.29</b>

#### 7) Reconciliation of adjusted EBITDA Margin

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Adjusted EBITDA (₹ in million)	17,932.15	24,056.28	4,596.29
(ii) Total income (₹ in million)	38,169.59	51,583.16	35,714.60
<b>(iii) Adjusted EBITDA Margin (iii=i/ii)</b>	<b>46.98%</b>	<b>46.64%</b>	<b>12.87%</b>

#### 8) Reconciliation of Non-current borrowings to Total Equity

Particulars	As at March 31, 2021
(i) Total non-current borrowings (₹ in million)	19,275.95
(ii) Total equity (₹ in million)	10,972.36
<b>(iii) Non-current borrowings (i) / Total equity (ii)</b>	<b>1.76</b>

#### 9) Reconciliation of Total Borrowings to Total Equity

Particulars	As at March 31, 2021
(i) Total borrowings (₹ in million)	27,814.90
(ii) Total equity (₹ in million)	10,972.36
<b>(iii) Total borrowings (i) / Total equity (ii)</b>	<b>2.53</b>

#### 10) Reconciliation of cost of goods sold

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Cost of raw material and components consumed	8,075.52	10,360.19	13,271.57
(ii) Construction material and contract expense	4,437.61	9,061.15	11,104.87
(iii) Purchase of traded goods	591.19	1,896.40	137.38
(iv) Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	1,280.05	(1,514.94)	(264.15)
<b>(v) Cost of goods sold (i+ii+iii+iv)</b>	<b>14,384.36</b>	<b>19,802.81</b>	<b>24,249.67</b>

## Standalone Financials of our Company and Material Subsidiaries

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019 are available at [www.sterlitepower.com](http://www.sterlitepower.com) (“**Company Standalone Financial Statements**”). Further, the audited standalone financial statements of the following Material Subsidiaries identified in accordance with the requirements of the SEBI ICDR Regulations, as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019 and the reports thereon (“**Material Subsidiaries Standalone Financial Statements**”, together with the Company Standalone Financial Statements, the “**Standalone Financial Statements**”) are also available at [www.sterlitepower.com](http://www.sterlitepower.com):

- The audited standalone financial statements of Sterlite Grid 4 Limited, as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019;
- The audited standalone financial statements of Sterlite Brazil Participacoes S.A, as at and for the years ended December 31, 2020, December 31, 2019, and December 31, 2018;
- The audited standalone financial statements of Se Vineyards Power Transmission S.A, as at and for the years ended December 31, 2020, December 31, 2019, and December 31, 2018;
- The audited standalone financial statements of Gurgaon- Palwal Transmission Limited, as at and for the years ended March 31, 2020, and March 31, 2019;
- The audited standalone financial statements of NER II Transmission Limited, as at and for the years ended March 31, 2020, and March 31, 2019;
- The audited standalone financial statements of Goa – Tamnar Transmission Project Limited, as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019;
- The audited standalone financial statements of Lakadia-Vadodara Transmission Project Limited, as at and for the years ended March 31, 2021 and March 31, 2020;
- The audited standalone financial statements of Dunas Transmissão De Energia S.A, as at and for the years ended December 31, 2020, December 31, 2019, and December 31, 2018;
- The audited standalone financial statements of São Francisco Transmissão De Energia S.A, as at and for the years ended December 31, 2020, December 31, 2019, and December 31, 2018; and
- The audited standalone financial statements of Arcoverde Transmissão De Energia S.A., as at and for the year ended December 31, 2018.

Our Company is providing a link to this website solely to comply with the requirements specified under the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Investor Group**”) and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain. None of the Investor Group or any of its advisors, nor the Lead Managers, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

## Non- material Divestment

The statement of receipt of consideration for non-material divestments by our Company in Sterlite Grid 14 Limited, Sterlite Grid 18 Limited & Sterlite Grid 29 Limited (referred as the “**Divested Subsidiaries**”) and receipt of consideration for non-material divestments by Sterlite Brazil Participacoes S.A in Dunas Transmissao De Energeia S.A. (the “**Step Down Subsidiary**”) is as follows:

Sr. No.	Particulars	Nature of Relationship as at March 31, 2021	Date of Consideration Received	Currency	Consideration Received in ₹ million
1.	SGL14	Subsidiary	Please see Note (2)	INR	Please see Note (2)
2.	SGL18	Subsidiary		INR	
3.	SGL29	Subsidiary		INR	
4.	Dunas Transmissao De Energeia S.A	Subsidiary	June 2, 2021	BRL	9.45

Notes:

(1) Divestments in the Subsidiaries and the Step-down subsidiary mentioned above does not contribute 20% or more of net worth, turnover and profit before tax of the Company based on the consolidated financial statements for the year ended March 31, 2021.

(2) The Company has entered into a Framework Agreement with AMP Capital Infrastructure Investment No.2 S.A R.L. ('AMP Capital') dated December 28, 2020 ('the Framework Agreement') and Restated framework agreement dated March 30, 2021 for investment in the Divested Subsidiaries. On April 6, 2021, pursuant to the Restated framework agreement and the respective Share purchase and Shareholders' agreements dated December 28, 2020 executed among the Company, AMP Capital, SGL14/SGL18/SGL5/SGL29 and their respective underlying project SPVs viz. Udupi Kasargode Transmission Limited / Lakadia-Vadodara Transmission Project Limited / Goa Tamnar Transmission Project Limited, AMP Capital subscribed 50% of the paid up equity share capital of ₹ 0.6 million, ₹ 0.6 million and ₹ 1.1 million of SGL14, SGL18 and SGL29 respectively. The dilution in SGL14, SGL18 and SGL29 was pursuant to a fresh issuance of equity shares to AMP Capital. Therefore, the Company has not received any consideration for divestment in the paid up equity capital of the Divested Subsidiaries.

(3) Sterlite Brazil Participacoes S.A has sold its stake in Dunas Transmissao De Energeia S.A on June 2, 2021 pursuant to the Share Purchase agreement dated November 09, 2020 with Cymi Construcoes Participacoes S.A.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 read with the SEBI ICDR Regulations, for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019, and as reported in the Restated Consolidated Summary Statements, please see the section entitled “*Restated Consolidated Summary Statements – Note 56: Related Party Disclosures*” on page 385.

## FINANCIAL INDEBTEDNESS

Our Company, Subsidiaries and the Investee SPVs avail loans and issue debentures in the ordinary course of business for the purposes of meeting working capital requirements and business requirements. Pursuant to the provisions of the Companies Act, 2013, our Board is authorised to borrow such monies which together with the money already borrowed does not exceed the paid-up share capital and free reserves of our Company. Our Shareholders have, pursuant to their resolution, dated December 31, 2020, approved the borrowing powers up to ₹ 30,000 million.

The following table sets forth the details of the aggregate outstanding borrowings of our Company, Subsidiaries and the Investee SPVs as of March 31, 2021:

(₹ in million)

Category of borrowing	Sanctioned amount as on March 31, 2021	Outstanding amount as on March 31, 2021*
<b>Secured (A)</b>	71,321.13	50,686.88
Term loans	37,816.36	20,611.18
Non-convertible debentures <sup>(2) (3)</sup>	5,244.78	5,244.78
Working capital facilities	28,260.00	24,830.93
- Fund based	3,560.00	3,210.06
- Non-fund based <sup>(4) (5)</sup>	24,700.00	21,620.87
<b>Unsecured<sup>(6) (B)</sup></b>	1,918.73	1,918.73
<b>Total (A +B)</b>	<b>73,239.86</b>	<b>52,605.61</b>

\* As certified by KNPS and Associates, Chartered Accountants pursuant to their certificate dated August 16, 2021.

Notes:

- (1) Outstanding amount does not include interest accrued on borrowings.
- (2) Non-convertible debentures does not include effective interest rate adjustment and restatement impacts of Ind AS.
- (3) Non-convertible debentures also includes debentures issued by the Company's Brazilian subsidiary - SE Vineyards Transmissão de Energia S.A to the extent of INR 3,244.78 million, which is categorized as 'Held for Sale' in the Company's consolidated restated financial statements
- (4) Non-fund based working capital facilities include the Company's performance based bank guarantees issued to its customers. This does not form part of the bank guarantee reported as contingent liability by the Company in its restated consolidated summary statements.
- (5) The outstanding amount for the non-fund based working capital facilities also includes letters of credit which are reported by the Company as trade payables in the restated consolidated summary statements and the letters of credit against which bills have not been presented by vendors to banks.
- (6) Unsecured borrowings include loan from related party and unsecured suppliers credit consisting of financing of payables to MSME and other vendors with banks. There is no sanction amount for these items and the amount outstanding is considered equivalent to sanctioned amount.

### Principal terms of the outstanding secured borrowings availed by our Company, Subsidiaries and the Investee SPVs:

A summary of the principal terms of our borrowings are as set out below. The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

1. **Interest:** The interest rate for our working capital borrowings typically ranges between 7.55% and 13.35% and is tied to a base rate/ MCLR as specified by the lenders with a reset option and subject to prevailing money market conditions. The interest rates for the term loan facilities typically ranges from 8.00% per annum to 13.50% per annum and is tied to a base rate/ MCLR as specified by the lenders with a reset option. The interest rate for our non-convertible debentures is currently 10.25%. The base rate/ MCLR may vary for each facility and each lender. Further, additional interest rates and default interest rates have been stipulated on the occurrence of default in terms of payment of any dues or breach of certain terms and conditions.
2. **Tenor:** Our working capital facilities typically mature after 1 year while our term loans typically are required to be repaid as per an amortisation schedule. The tenor of our non-convertible debentures is 3 years.
3. **Security:** Our borrowings, where applicable, are typically secured by first or second *pari-passu* charge on, as applicable:
  - (a) current assets of the Company, Subsidiaries and Investee SPVs including stock, book debts and receivables;
  - (b) immovable fixed assets of the Company, Subsidiaries and Investee SPVs;
  - (c) movable assets of the Company, Subsidiaries and Investee SPVs; or
  - (d) a pledge over the shares of certain of our Subsidiaries and Investee SPVs.
4. **Pre-payment:** We have the option to pre-pay the lenders, subject to payment of pre-payment charges at such rate as may be stipulated by the lenders which typically range from 1% to 2%. Further, the loans in certain instances may be pre-paid without any pre-payment charges being applicable, subject to fulfilment of conditions including prior notice being provided to the lenders.



5. **Repayment:** Other than some of the working capital facilities, which are repayable on demand, we are required to repay our borrowings in such instalments as stipulated in the repayment schedules under the relevant documentation.
6. **Restrictive covenants:** The borrowing arrangements entered into by us require the relevant lender's prior written consent or require us to make intimations to the relevant lender, as applicable, for carrying out certain actions, including:
  - (a) formulation or effect any scheme of amalgamation or merger or reconstruction or reconstitution;
  - (b) effecting any change in the shareholding composition or capital structure of our Subsidiaries and Investee SPVs;
  - (c) any transfer of the controlling interest or the change in management set up;
  - (d) undertaking of guarantee obligations on behalf of any other person;
  - (e) undertaking of any material change in business;
  - (f) permitting creation of security interest on the assets secured with the existing lenders;
  - (g) amendment of the constitutional documents of the relevant entities in a manner that would be detrimental to interest of the lenders;
  - (h) undertaking of any long term contractual obligation which is prejudicial to the lenders or enter into any profit sharing, management, partnership, royalty agreements;
  - (i) availing of any additional facilities or borrowings, other than the permitted indebtedness as set out in the relevant documentation;
  - (j) declaration of dividend for any year subject to certain conditions; and
  - (k) transfer or dilution the shareholding of the promoters'/ directors of the Company.
7. **Events of default:** The terms of our borrowings contain standard events of default, including:
  - (a) failure and inability to pay amounts on the due date;
  - (b) failure in performance of any covenant, condition or agreement;
  - (c) misrepresentation or provision of incorrect or misleading information;
  - (d) cessation or change in business;
  - (e) change in control of our Company, Subsidiaries or the Investee SPVs without the approval of the lenders;
  - (f) upon occurrence of any event that may have a material adverse effect; and
  - (g) inadequacy of the security charged in favor of the lenders.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.
8. **Consequences of occurrence of events of default:** Upon the occurrence of an event of default, the lenders are entitled to, amongst other things:
  - (a) cease the commitment of disbursing the undrawn facility and the outstanding amounts will be immediately rendered due and payable;
  - (b) enforce their security over the secured assets;
  - (c) review the management set up or organisation of our Company, Subsidiaries and Investee SPVs and appoint nominee directors on the board of the relevant borrower;
  - (d) convert the outstanding facility into equity of the relevant borrower in accordance with regulatory guidelines; and

(e) exercise such other right, power or remedy as permitted under applicable law.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by us. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, each of us or our Subsidiaries or Investee SPVs may, from time to time, enter into re-financing arrangements and draw down funds thereunder, prior to the filing of the Red Herring Prospectus.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2021, derived from our Restated Consolidated Summary Statements, and as adjusted for the Issue. This table should be read in conjunction with the sections entitled "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 36, 295 and 405, respectively.

(In ₹ million)

Particulars	Pre-Issue as at March 31, 2021	As adjusted for the proposed Issue*
<b>Total Borrowings</b>		
Total short term borrowings	7,798.55	[●]
Total current maturities	740.40	[●]
Total non-current borrowings (A)	19,275.95	[●]
<b>Total Borrowings (B)</b>	<b>27,814.90</b>	[●]
<b>Total Equity</b>		
Equity share capital	122.36	[●]
Total other equity <sup>#</sup>	10,850.00	[●]
<b>Total Equity (C)</b>	<b>10,972.36</b>	[●]
<b>Ratio: Non-current borrowings (A) / Total Equity (C)</b>	<b>1.76</b>	[●]
<b>Ratio: Total Borrowings (B) / Total Equity (C)</b>	<b>2.53</b>	[●]

\*The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Investors should read the following discussion in conjunction with our Restated Consolidated Summary Statements as of and for Financial Years ended March 31, 2021, 2020 and 2019, including the related annexures.*

*Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal or to "FY" are to the 12-month period ended March 31 of that year.*

*This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 19 and 36, respectively.*

*In this section, unless otherwise indicated or the context otherwise requires, a reference to "we", "us" or "our" is a reference to the Group, including our Subsidiaries (on a consolidated basis).*

*The industry-related information contained in this section is derived from the CRISIL Report and the Fitch Report.*

### Overview

We are a leading private sector power transmission infrastructure developer and solutions provider, operating in India and Brazil. According to CRISIL Research, we are the largest private player in terms of project portfolio under the inter-state TBCB route, with a market share of 26% of transmission projects awarded through the TBCB route. Further, according to data from the Brazilian Electricity Regulatory Authority ("ANEEL"), we have a 13% market share of the transmission projects auctioned by ANEEL in the period January 2017-June 2021.

We commenced operations in 2006 as the power products and transmission grid business division of Sterlite Technologies Limited. The business division was demerged and transferred to our Company in 2016. We expanded internationally by commencing operations in Brazil in 2017.

We develop integrated power transmission infrastructure and provide solution services through two business units: Global Infrastructure and Solutions. Our Global Infrastructure business unit has a global focus, with operations currently in India and Brazil. Our Solutions business unit consists of the products sub-unit, which manufactures and supplies a wide range of products including high performance power conductors, optical ground wire ("OPGW") and extra-high voltage ("EHV") cables; and the Master System Integration ("MSI") sub-unit, which provides bespoke solutions for the upgrade, uprate and fiberization of existing transmission infrastructure projects. In addition, we also operate the Convergence business unit, which leverages existing power utility infrastructure for telecommunications purposes by building optical fibre infrastructure on top of existing utilities networks. While the contribution of the Convergence business unit to our overall business is currently minor, we believe it provides us an opportunity for future growth.

Our Global Infrastructure business unit bids for, designs, constructs, owns and operates power transmission assets. As part of our business model, we have monetised a number of operational/partially operational projects in the past, which has provided us a means of capital rotation. Our ability to monetise our operational projects allows us to generate growth capital and helps in our endeavour to keep our balance sheet asset-light. As of the date of this Draft Red Herring Prospectus, we have completed 10 power transmission projects in India and one in Brazil, which we have sold. We have also sold three projects in Brazil that were in various stages of development. Further, we currently have 11 projects in various stages of construction and development (five in India and six in Brazil). As of March 31, 2021, our current and sold projects comprised 25 projects, covering approximately 13,700 circuit km ("ckm") of transmission lines. Our 10 completed projects and five ongoing projects in India span 9,246 ckm with a total capital expenditure of Rs 244,860 million (US\$3.34 billion). Further, our four sold projects and six ongoing projects in Brazil span 4,416 ckm with a total capital expenditure of Rs 100,691 million (US\$ 1.37 billion).

As of the date of this Draft Red Herring Prospectus, one of our ongoing projects in Brazil (Vineyards) and one of our ongoing projects in India (KTL) are partially operational. In India, operational or partially operational projects primarily earn availability based revenue pursuant to long-term (35 year) transmission services agreements ("TSAs") and tariff orders passed by Central Electricity Regulatory Commission ("CERC") in accordance with the Electricity Act, 2003. Further, in Brazil, operational projects primarily earn availability revenue pursuant to 30 year concessions awarded by ANEEL.

For the projects that we sell, we recognize the net gain on the sale as part of our other income. As of March 31, 2021, we have sold ten completed projects in India to IndiGrid (which is India's first listed power sector infrastructure investment trust and is sponsored by us) for a total value of Rs 145,056 million and four projects in various stages of development in Brazil to marquee developers and investors for a total value of US\$127 million. In FY2019, FY2020 and FY2021, the net gain on sale of power transmission assets amounted to 0.44%, 39.81% and 40.34% of our total income. In FY2021, we also received an additional consideration of Rs 1,047.29 million from India Grid Trust on sale of certain power transmission assets. The additional consideration pertains to earn-outs on account of CERC claims for increase in tariffs due to change in law, income tax refunds

and VAT refunds. Going forward, we expect to continue to implement our strategy of monetizing our projects on an opportunistic basis.

As part of our Solutions business unit, our products sub-unit manufactures and supplies a portfolio of overhead and underground products, including high power conductors, extra-high voltage ("EHV") cables and optical ground wire ("OPGW"). We export our products internationally. According to CRISIL Research, we had the second largest market share (approximately 21%) for power conductors in Fiscal Year 2020. Further, our MSI sub-unit is a provider of specialty contracting services, delivering bespoke solutions for the upgrade and uprate of brownfield transmission infrastructure projects. We also offer EHV turnkey services including cable laying and substation development.

As part of our approach to business operations, we seek to lead the way in the adoption of best practices in the power transmission industry. We also endeavour to seamlessly integrate technology and innovation across the lifecycle of our projects, which provides a significant competitive advantage and allows us to complete complicated and time-critical projects. In the pre-construction phase of our transmission projects, we leverage satellite technologies such as light detection and radiation ("LIDAR"), and our in-house developed geographic information system ("GIS") based technology called Trans-Analyst (currently in pilot mode) for extensive route mapping and survey, which allows to take data based decisions and reduce the overall timelines of our project execution. During the construction phase, we regularly use aerial technologies such as heli-crane, helicopters, drones and robotic interventions, which allow us to limit the damage to the environment while maintaining workforce safety. Further, we have also invested in a global start-up (Sharper Shape) which leverages image/data analytics for the inspection and preventive maintenance of transmission assets. Through these innovations and technology interventions, we are focused on solving the complex energy delivery challenges at the intersection of time, space and capital. For further details on our technology initiatives, please see " – *Technology Initiatives*" below.

We have received a number of global and national accolades. For further information, see "*Our Business*" on page 185.

From Fiscals 2019 to 2021, our total income and EBITDA grew at a CAGR of 3.38% and 97.52%, respectively.

### **Significant Factors Affecting our Results of Operations**

Our results of operations and financial condition have been and, we believe, will continue to be affected by a number of important factors, including the following:

#### ***Growth in global infrastructure business, driven by an increase in power consumption and growth in renewable energy sources***

Macroeconomic development in India and Brazil, as in most developing economies, is closely linked to the development of the power industry in these markets. Power is required to support economic growth, and economic growth drives demand for power, which affects demand for power transmission. The power transmissions industry in India has high growth potential. The demand for electricity in densely-populated Indian cities is expected to continue to rise as a result of end-use electrification. End-use electrification refers to the shift towards using electricity instead of gas or other fuels for end-use applications such as heating, cooking and transportation (electric vehicles). Our vast experience and market leadership position will allow us to capitalize on industry trends and fundamental growth drivers in the Indian power transmission sector. CRISIL Research expects an addition of approximately 15-17 GW in wind capacity in India, entailing an investment of approximately ₹ 1 trillion over Fiscals 2021 to 2025. Further, in the solar segment, CRISIL Research expects the capacity addition to be much higher, at approximately 55-57 GW over Fiscals 2021 to 2025. India has also committed to increase the share of renewable energy to its total energy generation to 40% by Fiscal 2030, as part of the Paris climate deal. The country also has a target of setting up 450 GW of renewable energy by 2030. We are well-positioned to benefit from this increased deployment of renewable energy going forward. As India shifts to cleaner sources of energy, there will be an increased need for a robust transmissions grid to connect the centres of renewable energy generation, which are mainly concentrated in the West and South, to demand centres in the North.

In relation to Brazil, for projects auctioned by ANEEL between January 2017 and June 2021, according to data from ANEEL, we have a market share of 13%. Fitch Solutions expects that Brazil's power sector is set to see robust growth over the coming decade, in which they forecast total electricity capacity addition to increase from 181.6 GW as of the end of 2020 to 238.5 GW in 2030. We are well placed to benefit from this expected increase in capacity, based on our track record of executing strategic projects in Brazil. For more details, see "*Our Business – Competitive Strengths*" on page 188.

Significant slow-downs in economic growth could have a deleterious impact on power consumption and could result in shifts of government policy away from power transmission projects, which could affect our business and results of operations. To that extent, the performance of the power industry and the power transmission industry could be influenced by the general economic conditions prevalent in India and Brazil. Strong economic growth and continued increases in GDP are likely to result in increased demand for our projects and products, thereby positively impacting our financial condition and results of operations. Conversely, a slowdown in the Indian or Brazilian economy could adversely affect our business.

### ***Sources of income across business lines***

We generate total income from the following sources (a) revenue from our Solutions business, (b) revenue from our concession assets, which are in Brazil, (c) revenue from operating power transmission lines in India, which we earn for the period an asset is held after construction till the date of sale, and (d) net gains we generate from the sale to third parties of power transmission assets that we have constructed. Net gains on the sale of asset is generated in the quarter in which asset is sold.

Since late 2019, the outbreak of COVID-19 has resulted in a global health crisis and triggered a global economic downturn and contraction. The various restrictive measures implemented by the Government of India caused a slowdown in economic growth during much of Fiscal 2021. Our plants and offices in India ceased operations from March 25, 2020 to mid-April 2020, while we continued to incur fixed and semi-variable costs during that period. COVID-19 also made it more difficult for players in our industry (including our third-party contractors) to recruit labour. We faced situation of work stoppage at our transmission line, restriction in movement of goods, delay in permits and approvals. The government also postponed or delayed their tenders for power transmission projects, including construction projects and upgrade/uprate projects. As a result, our revenue from our Solutions business and revenue from concession assets for Fiscal 2021 were adversely impacted. Currently, all of our facilities are operating and we are proceeding with the construction of our power transmission projects according to schedule but if the COVID-19 pandemic continues or worsens, we could be required to implement restrictive measures at any of our facilities or some of our projects could be delayed, which could have a deleterious effect on our business and results of operations.

### ***Our asset monetization strategy driving profit on the sale of assets***

We have sold our stake in various projects under various stages of development. As of the date of this Draft Red Herring Prospectus, we have completed 10 power transmission projects in India and one in Brazil, which we have sold. Further, we have sold three more projects in Brazil under various stages of development. Further, we currently have 11 projects in various stages of construction and development (five in India and six in Brazil).

The sale of assets was made either to IndiGrid or to marquee third parties in Brazil. We recognize the net gain on the sale of these power transmission assets as part of our other income. In FY2019, FY2020 and FY2021, the net gain on the sale of power transmission assets amounted to 0.44%, 39.81% and 40.34%, respectively, of our total income. Going forward, we expect to continue to implement our strategy of monetizing our completed projects on an economically beneficial.

Our ability to sell our completed power transmission projects, and the level of gains we may be able to achieve on these sales, is dependent on a number of factors, including our ability to complete the construction of our projects on time and on budget, regulatory changes, general economic conditions in India and Brazil, the level of tariffs we were able to achieve during the tender process for these projects, and the availability of willing purchasers for these projects. When we tender for projects, we propose a tariff over the life of the project (which is subject to adjustment in certain circumstances) to the customer, which is essential for the expected return on investment for the project. In the context of the sale of the completed projects, we expect that favorable conditions for these sales in terms of availability of buyer and lower interest rate will result in higher levels of gains, which will increase our profits for the relevant period, while unfavorable conditions will result in lower levels of gains or in our deciding not to sell the assets at that time. Our total income and our profit for any particular period can fluctuate significantly as a result of the levels of sales of projects that we undertake during that period.

### ***Demand and supply for our conductors and power cables***

We sell our conductors and power cables to engineering, procurement and construction companies both in India and internationally. As energy production and transmission has grown over the years, with growing economic activity in emerging markets and generally stable macroeconomic conditions in developed markets, demand for transmission products and components has also been strong. We expect continued growth in demand, both in India and globally for transmission equipment and components, but to the extent demand decreases, either because of a deterioration in macroeconomic conditions or because of lack of government support for additional transmission projects or for any other reason, or if supply of transmission product and components increases, there could be downward pressure on prices and our revenues and sales volumes could suffer. Our MSI business revenue is mainly from State Transco, for upgrades and uprates of transmission products. If there is a delay because governments do not have the budget for these works or for any other reasons, our MSI business could suffer. There are several other component manufacturers in the transmission products market, and competition for customers and orders is strong, which has historically limited our pricing and margins. If we can maintain our competitive position, we expect demand for our products to remain strong; conversely, if we are unable to do so, we may lose market share. Similarly, we believe there are strong barriers to entry in this industry, including technical expertise, customer and government relations and capital-intensity, but if there were to be new entrants into the market, supply of equipment and components could increase and demand for our products specifically could decline.

### ***Cost and availability of raw materials and components for our solutions business***

Our cost of raw materials and components constitutes a significant portion of our overall expenses. For Fiscals 2021, 2020 and 2019, cost of raw material and components consumed and construction material expenses amounted to 47.08%, 52.09% and

59.63%, respectively, of our total expenses. As we continue to grow our operations, we expect that we will need to procure additional volumes of raw materials and components and construction materials.

In our Solutions business, the primary raw materials and components we use are aluminium for our conductors, steel for MSI and copper and PVC Compounds for cables. We also use aluminium, components and steel as materials for our projects business. The prices of copper and aluminium are linked to the prices on the London Metal Exchange, and the price of PVC Compounds depends largely on the price of crude oil, each of which is generally quoted in US Dollars. Accordingly, the prices we pay for these raw materials can fluctuate due to volatility in the commodity markets or in foreign currency exchange rates. Similarly, the price we pay for domestic steel can fluctuate due to volatility in Indian steel prices, though those are quoted in Indian Rupees.

In our products business, most of our customer contracts are fixed-price contracts, with back-to-back arrangements relating to the price of materials and components. Variable price orders are generally amendable for fluctuations in the price of materials and components. We also purchase forward-contracts to hedge our exposure to changes in materials and components. As a result, we believe that our business is generally covered against fluctuations in materials and components, and our margins are not affected by material changes in the prices of materials and components.

We also believe that we have appropriate arrangements in place for the volumes of materials and components that we need to manufacture our products and construct our transmission projects. However, the prices and availability of these raw materials and components are subject to global supply and demand, as well as global shipping and logistics dynamics. It is possible that we could be exposed to global shortages of materials or delays in the delivery of materials. In addition, increases in the prices of materials or components, while not affecting our margins, could increase the prices of our products and services in the market, which could lead to a decrease in overall demand for these products and services.

### ***Project and product mix and margins***

Our projects in our Global Infrastructure business are of varying complexity levels. We are able to command higher margins on difficult and complex projects as compared to projects which are less complex. We continually seek to bid for projects in difficult terrain and technical complexity to find the correct balance between high-margin projects and growth.

We produce a wide range of conductors, power cables and related products in our Solutions business. Our product portfolio includes premium high performance conductors and conventional conductors. Our value added premium products sell at higher prices and margins. Sales of these premium products depend largely on our reputation, brand and our ability to create markets for our upgrade and uprate products. For the conventional conductors, we rely more on our reputation, technical expertise and financial soundness to market and sell to our customers. We also seek to be competitive on price. As such, our margins tend to be lower and our profits for these products depends on our ability to effectively manage our expenses, leverage economies of scale and secure large order volumes.

Our portfolio of conductors has changed over time from being entirely conventional conductors to being primarily high-performance conductors. Similarly, in our cables business, we are increasingly moving from medium-voltage cables to extra-high-voltage cables and increasingly toward export products, which tend to have slightly higher margins than products for the domestic Indian market. The specialised nature of our MSI business, allows us to generate healthy margins.

### **Critical Accounting Policies**

#### ***Basis of Consolidation***

The Restated Consolidated Summary Statements derived from Historical Audited Consolidated Financial Statements of the Group, its associates and joint venture as at March 31, 2019, March 31, 2020 and March 31, 2021. 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 Restated Consolidated Summary Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Summary 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 Restated Consolidated Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Restated Consolidated Summary 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.

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



### ***Summary of significant accounting policies***

The following is the summary of significant accounting policies applied by the Group in preparing its Restated Consolidated Summary Statements:

#### **Business Combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, we elect 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.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements we have entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Noncurrent 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 we acquire a business, we assess 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 remeasured 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, we re-assess whether we have 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 our 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, we report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

#### *Business Combination under Common control*

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C to Ind AS 103 and are accounted for using the pooling-of-interest method as follows:

- The assets and liabilities of the combining entities are reflected at the carrying amounts recorded in the parent entity's Restated Consolidated Summary Statements with the exception of certain income tax and deferred tax assets.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. The only adjustments are made to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

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

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

Further, as required by the Guidance Note, in case of merger (including common control mergers) and similar transactions, we accounted for such transactions in the Restated Consolidated Summary Statements derived from Historical Audited Consolidated Financial Statements.

#### **Investment in associates and joint ventures**

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

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

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

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

If an entity's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of our net investment in the associate or joint ventures), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that we have incurred

legal or constructive obligations or made payments on behalf of the associate. If the associate or joint ventures subsequently reports profits, the entity resumes recognising our share of those profits only after our share of the profits equals the share of losses not recognised.

The aggregate of our share of profit or loss of an associate or joint venture is shown on the face of the statement of profit and loss.

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

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

Upon loss of significant influence over the associate or joint venture, we measure and recognise any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### **Current versus non-current classification**

We present 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 12 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

We classify all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. We have identified 12 months as its operating cycle.

### **Foreign currencies**

Our Restated Consolidated Summary Statements are presented in INR, which is also our parent Company's functional currency. For each entity, we determine the functional currency and items included in the financial statements of each entity are measured using that functional currency. We use 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 our entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, we use 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., Restated Consolidated Summary 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 our 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.

#### **Fair value measurement**

We measure financial instruments such as mutual funds and derivatives at fair value at each balance sheet date.

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

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

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

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.

We use 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 Restated Consolidated Summary 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 Restated Consolidated Summary Statements on a recurring basis, we determine 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 our 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, we have 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.

### **Revenue recognition**

#### *Revenue from contract with customers*

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

#### *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. We are required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. Our 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 our performance as we 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 engineering, procurement and construction contracts for power transmission lines and installation of power transmission products, the performance obligation is satisfied progressively over the construction period. Our progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Payment is due as per the achievement of contractual milestones.

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

Where the profits from the contract cannot be estimated reliably, revenue is recognised equalling to expense incurred to the extent that it is probable that the expense will be recovered.

### *Revenue from construction of concession assets*

We construct 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 because the concession agreement does not transfer to the concessionaire the right to control the use of public services infrastructure. We only have the right to operate the infrastructure for the provision of public services on behalf of the Granting Authority, as provided in the contract. Thus, under the terms of the concession agreement, the operator only acts as a service provider. These arrangements are accounted for under Appendix D to Ind AS 115 Service Concession Arrangements. Such arrangements give rise to contract assets till the transmission services are rendered. The contract asset refers to our right to the consideration as a result of the investments made in the construction of transmission line infrastructure.

Our performance obligation with respect to construction of service concession assets is satisfied progressively over the construction period. Our progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs. When we provide 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, we used a model that calculates the cost of financing the customer (in this case, the Concession Grantor). The discount rates represent a market rate that considers the risks and premiums specific to the service concession transmission asset. The discount rates are fixed over the concession period and reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer.

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

### *Remuneration of concession assets*

Remuneration from service concession arrangement comprise of interest income recognised using the discount rate that reflects the economic volatility on the future cash flows from the service concession infrastructure. The discount rate is represented by a market rate that considers the risks and premiums specific to the service concession transmission asset.

### *Rendering of other services*

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

**Contract modifications:** Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to approval before billings can be issued and the amounts relating to the additional work can be collected. We do 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, we estimate the amount of consideration to which we 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 we perform 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 our 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).

**Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before we transfer 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 we perform under the contract.

### *Project management and Investment management services*

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

### *Dividend*

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

### *Interest Income*

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

### *License Fees*

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

### **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 we receive 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.

### **Taxation**

#### *Current income tax*

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

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

#### *Deferred tax*

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

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

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

temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

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

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

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

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

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

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

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

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

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

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

#### **Non-current assets held for sale**

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

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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

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

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),



- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

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.

**Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the plant and equipment are required to be replaced at intervals, we depreciate 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)	
<b>Asset Category</b>	<b>Useful Life considered</b>	<b>Useful life (Schedule II)</b>
Buildings (Factory/Office)	30/60 Years	30/60 Years
Plant and Machinery	2 – 20 Years*	Continuous process plant – 25 Years – 15 Years
Substations	25 – 35 Years*	40 Years
Furniture and fixtures	3 – 10 Years*	10 Years
Power Transmission Lines	25 – 35 Years*	40 Years
Data processing equipment	3 – 6 Years*	Service and networks – 6 Years and desktops and laptop etc – 3 Years
Office equipment	2 – 5 Years*	5 Years
Electric fittings	4 – 20 Years*	10 Years
Vehicles	3 – 5 Years*	8 Years
Leasehold improvements	Lease period <sup>^</sup>	Lease period

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

<sup>^</sup> Leasehold improvements are depreciated over the useful life of the asset or the lease period whichever is lower.

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **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.

We do not have any intangible assets with indefinite useful life.

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

Software are amortised on a straight-line basis over a period of five to six years. Goodwill on consolidation is being amortised on a straight-line basis over a period of five years as per the Court Order.

Right of way (“**ROW**”) is amortised on straight line basis over the period of 21 years as per of contract with the authority.

### **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.

### **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*

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

#### *i) Right-of-use assets*

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

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

If ownership of the leased asset transfers to us at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in " – Impairment of non-financial assets".

## *ii) Lease Liabilities*

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

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

Our lease liabilities are included in Interest-bearing loans and borrowings.

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

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

## *Group as lessor*

Leases in which we do 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.

## **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.

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

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

We assess, 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, we estimate 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.

We based our impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of our 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, we extrapolate 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, we estimate 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.

### **Provisions**

Provisions are recognised when we have 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 we expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

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

#### *Onerous contracts*

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

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

### **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. We have no obligation, other than the contribution payable to the provident fund. We recognize 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.

We have 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 our Group level.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. We recognise 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. We measure the expected cost of such absences as the additional amount that we expect to pay as a result of the unused entitlement that has accumulated at the reporting date.

We treat 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.

We present 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 we have 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 our Group level.

#### **Employee Stock Appreciation Rights Scheme**

Our employees \ 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 our equity shares 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.

#### **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 we commit 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 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.

#### *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. We do 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, we 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'). We have 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, we may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. We make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If we decide 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, we 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 our balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- We have 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) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or has entered into a passthrough arrangement, we evaluates if and to what extent we have retained the risks and rewards of ownership. When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognise the transferred asset to the extent of our continuing involvement. In that case, we also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have 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 we could be required to repay.

#### *Impairment of financial assets*

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

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

We follow ‘simplified approach’ for recognition of impairment loss allowance on:

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

The application of simplified approach does not require us 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, we determine 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 us in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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

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

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

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

For assessing increase in credit risk and impairment loss, we combine 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.

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

Majority of our financial assets which are not reflected at fair value pertain to Loans to related parties and Trade and other receivables. Considering the nature of business, we do 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, we do 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.

Our 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 we have entered into that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

##### *Loans and borrowings*

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

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

This category generally applies to borrowings.

##### *Derecognition*

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

##### *Embedded derivatives*

An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative 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, we do not separate embedded derivatives. Rather, we apply the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### *Reclassification of financial assets*

We determine 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 our operations. Such changes are evident to external parties. A change in the business model occurs when we either begin or cease to perform an activity that is significant to its operations. If we reclassify 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. We do 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:

<b>Original classification</b>	<b>Revised Classification</b>	<b>Accounting Treatment</b>
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 or loss at the reclassification date.

#### *Offsetting of financial instruments*

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

#### **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 our cash management.

#### **Cash dividend distribution to equity holders of the Group**

The Group recognises a liability to make cash distributions to our equity holders when the distribution is authorised, and the distribution is no longer at our discretion. 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

#### **Derivative financial instruments and hedge accounting**

##### *Initial recognition and subsequent measurement*

We use 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, we formally designate and document the hedge relationship to which we wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes our 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.

We have not classified any hedge as Fair Value hedge or hedge of net investment in foreign operation. Cash flow hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

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

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

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

### **Earnings per share**

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

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

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

## Revenue and Expenses

We report our revenue and expenditures in the manner and on the bases described below.

### *Revenue and Total Income*

*Total Income.* Our total income consists of (i) revenue from operations and (ii) other income.

*Revenue from operations.* Revenue from operations consists of revenue from contracts with customers, and other operating revenue.

- (i) Revenue from contracts with customers consists of:
- revenue from our Solutions business, being the aggregate of the following:
    - revenue from sale of conductors and power cables; we sell conductors, power cables and aluminium rods and other related products to third-party customers in both India and outside of India, primarily in Europe and South America, as part of our Solutions business;
    - revenue from engineering, procurement and construction contracts; these contracts relate to third-party brownfield engineering, procurement and construction projects in India for which we perform engineering, procurement and construction services as part of our MSI business under our Solutions business unit; and
    - revenue from sale of traded goods; this revenue is ancillary to our core business and relates to products that we purchase from third parties for direct onward sale to customers; we conduct this business only in India;
  - revenue from concession assets, being the aggregate of the following:
    - revenue from construction of concession assets, which relate to the construction of service concession assets, pursuant to which we construct power transmission lines in Brazil on behalf of third-party customers. Construction of transmission assets typically begins after all construction approvals and permits are received. We have made significant efforts during Fiscal 2021 to obtain the relevant permits and approvals, which we expect will drive construction revenue in FY2022;
    - remuneration of concession assets, which consists of interest income in Brazil that is recognized at the market interest rate that reflects the economic volatility on the future cash flow from the service concession infrastructure; and
    - revenue from operation and maintenance of concession assets;
  - revenue from power transmission services; we earn this revenue from operating power transmission lines in India, for the period an asset is held after construction till the date of sale; and
  - other sources of revenue which consist of revenue from project consultancy projects and revenue from network infrastructure.
- (ii) Other operating revenue consists largely of scrap sales and management services.

*Other Income.* Other income consists primarily of the net gains we generate from the sale of power transmission assets that we have constructed to third parties. These gains can fluctuate from period to period, depending on the timing of these sales and the size of the assets. The buyers of the assets pay the discounted-cash-flow value on future tariffs and tariff increases. Other income also includes other items which are related to our investment in the IndiGrid, including: (i) income generated from our investment in IndiGrid (which is the distribution or similar payments we receive from IndiGrid as a unitholder); (ii) profit on the sale of our investment in units of IndiGrid and (iii) consideration received from IndiGrid on the sale of investments in earlier years (which consists of earn-outs resulting from claims for increases in tariffs due to changes in law, income tax refunds and VAT refunds, all related to sales by the Group of our power transmission projects in earlier years to IndiGrid.

### *Expenses*

*Cost of goods sold.* Cost of goods sold (being the aggregate of Cost of raw material and components consumed, construction material and contract expense, purchase of traded goods, and decrease/(increase) in inventories of finished goods, work-in-progress, and traded goods) consists of:

- *Cost of raw material and components consumed.* Cost of raw material and components consumed consists of the costs we incur toward the purchase and consumption of all the raw materials and components that we require for our manufacturing operations. We calculate cost of raw material and components consumed by adding the purchases we make during a financial year to the inventory balance at the beginning of that financial year and subtracting the inventory balance at the end of that financial year;
- *Construction material and contract expense.* Construction material and contract expense consists of the construction material we purchase for the construction of MSI and subcontracting charges that we incur in connection with these projects. These expenses can fluctuate from year to year, depending on the timing of construction and state of completion of our projects;
- *Purchase of traded goods.* Purchase of traded goods consists primarily of purchases of goods for the purpose of resale to customers, such as aluminium rods; and
- *Decrease/(increase) in inventories of finished goods, work-in-progress, and traded goods.* For each financial year, we compare the value of our inventory of finished goods, work-in progress and traded goods at the beginning of the year with their value at the end of the year and record the resulting decrease or increase on our statement of profit and loss.

*Employee benefits expense.* Employee benefits expense consists primarily of salaries, wages and bonuses for our employees. In addition, employee benefits expense also includes our contributions to the provident fund and superannuation fund; employees stock appreciation rights expense; gratuity expense; and staff welfare expenses.

*Other expenses.* Other expenses consist primarily of legal and professional fees, carriage outwards, consumption of packing materials, sales commissions, service expenses and labour charges, travelling and conveyance, and provisions for onerous contracts. In addition, in FY2021, our other expenses include write-downs related to assets held for sale (which can fluctuate from year to year, depending on the assets).

*Reversal of impairment of investment.* Reversal of impairment of investment relates to an impairment on our investment in units of IndiGrid that was recorded in earlier years, due to a decline in the market of the units, but were able to reverse in FY2021, due to a subsequent increase in the market value of the units.

#### ***Depreciation and amortisation expense***

Depreciation and amortisation expense consists primarily of depreciation charges relating to tangible assets, primarily our power transmission lines and plant and machinery. In FY2019 and 2020, depreciation and amortisation expenses also included amortisation of goodwill, relating to the merger of the power products and solution business of Sterlite Technologies Limited pursuant to the Demerger Scheme. As per the Demerger Scheme, an amount of ₹ 2,379.79 million, being the difference between total consideration paid to equity shareholders of STL and net assets transferred from STL was recognised as goodwill as at the appointed date (i.e. April 1, 2015). This goodwill is being amortised over a period of five years as required under the Demerger Scheme.

#### ***Impairment expense***

Impairment expense consists of impairment of property, plant and equipment (including capital work in progress).

#### ***Finance costs***

Finance costs consist primarily of interest on financial liabilities measured at amortised cost, such as our bank loans. Finance costs also include bill discounting/ factoring charges, bank charges, and other interest charges, interest on lease liabilities, bank charges, and exchange difference to the extent considered as an adjustment to borrowing costs.

#### ***Finance income***

Finance income consist mainly primarily of interest income on bank deposits, interest income on loans to related parties, and dividends or fair value gains on investments measured at fair value through profit or loss.

### **Our Results of Operations**

The following table sets forth selected financial data from our Restated Consolidated Summary Statements, in absolute terms and as a percentage of total income for such years:

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	(in ₹ million)	(% of Total Income)	(in ₹ million)	(% of Total Income)	(in ₹ million)	(% of Total Income)
<b>Income:</b>						
Revenue from operations	20,923.91	54.82	30,043.19	58.24	35,550.06	99.54
Other income	17,245.68	45.18	21,539.97	41.76	164.54	0.46
<b>Total Income</b>	<b>38,169.59</b>	<b>100.00</b>	<b>51,583.16</b>	<b>100.00</b>	<b>35,714.60</b>	<b>100.00</b>
<b>Expenses:</b>						
Cost of raw material and components consumed	8,075.52	21.16	10,360.19	20.08	13,271.57	37.16
Construction material and contract expense	4,437.61	11.63	9,061.15	17.57	11,104.87	31.09
Purchase of traded goods	591.19	1.55	1,896.40	3.68	137.38	0.38
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	1,280.05	3.35	(1,514.94)	(2.94)	(264.15)	(0.74)
Employee benefits expense	2,301.34	6.03	2,445.68	4.74	1,654.85	4.63
Depreciation and amortisation expense	984.59	2.58	1,740.74	3.37	2,035.70	5.70
Impairment of property, plant and equipment (including capital work in progress)	-	-	669.40	1.30	1,873.65	5.25
Finance costs	5,735.34	15.03	7,646.54	14.82	6,034.65	16.90
Finance income	(379.78)	(0.99)	(300.34)	(0.58)	(185.00)	(0.52)
Other expenses	4,506.71	11.81	5,278.40	10.23	5,213.79	14.60
Reversal of impairment of investment	(954.98)	(2.50)	-	-	-	-
<b>Total expenses</b>	<b>26,577.59</b>	<b>69.63</b>	<b>37,283.22</b>	<b>72.28</b>	<b>40,877.31</b>	<b>114.46</b>
<b>Restated profit/(loss) before share of profit of associates and joint venture, tax expense and exceptional items</b>	<b>11,592.00</b>	<b>30.37</b>	<b>14,299.94</b>	<b>27.72</b>	<b>(5,162.71)</b>	<b>(14.46)</b>
<b>Share of profit of associates and joint venture</b>	<b>5.75</b>	<b>0.02</b>	<b>8.74</b>	<b>0.02</b>	<b>325.99</b>	<b>0.91</b>
<b>Restated profit/(loss) before exceptional items and tax</b>	<b>11,597.75</b>	<b>30.38</b>	<b>14,308.68</b>	<b>27.74</b>	<b>(4,836.72)</b>	<b>(13.54)</b>
<b>Exceptional item</b>	<b>-</b>	<b>-</b>	<b>925.87</b>	<b>1.79</b>	<b>-</b>	<b>-</b>
<b>Restated profit/(loss) before tax</b>	<b>11,597.75</b>	<b>30.38</b>	<b>13,382.81</b>	<b>25.94</b>	<b>(4,836.72)</b>	<b>(13.54)</b>
<b>Tax expense:</b>						
Current tax	2,789.22	7.31	2,157.44	4.18	1,198.92	3.36
Less: MAT credit entitlement	-	-	-	-	(154.23)	(0.43)
Adjustment of tax relating to earlier periods	75.71	0.20	(684.11)	(1.33)	(21.50)	(0.06)
Deferred tax charge/(credit)	31.58	0.08	2,479.75	4.81	(611.96)	(1.71)
<b>Income tax expense</b>	<b>2,896.51</b>	<b>7.59</b>	<b>3,953.08</b>	<b>7.66</b>	<b>411.23</b>	<b>1.15</b>
<b>Restated profit/(loss) for the year</b>	<b>8,701.24</b>	<b>22.80</b>	<b>9,429.73</b>	<b>18.28</b>	<b>(5,247.95)</b>	<b>(14.69)</b>

### *Fiscal 2021 compared to Fiscal 2020*

#### *Total Income*

Our total income of ₹ 38,169.59 million for Fiscal 2021 comprised of revenue from operations of ₹ 20,923.91 million and other income of ₹ 17,245.68 million. Our total income for Fiscal 2021 decreased by 26.00% from ₹ 51,583.16 million to ₹ 38,169.59 million for Fiscal 2021, largely due to a significant decrease in other income and decrease in revenue from operations.

*Revenue from operations.* Our revenue from operations decreased by 30.35% from ₹ 30,043.19 million for Fiscal 2020 to ₹ 20,923.91 million for Fiscal 2021, primarily due to the following:

- Revenue from our Solutions business (being the aggregate of revenue from sale of conductors and power cables, revenue from engineering, procurement and construction contracts and revenue from sale of traded goods) decreased

by 10.57% from ₹ 18679.97 million for Fiscal 2020 to ₹ 16705.03 million for Fiscal 2021 primarily due to a decrease in revenue from (a) engineering, procurement and construction contracts from ₹ 5,031.53 million for Fiscal 2020 to ₹ 3,909.48 million for Fiscal 2021 primarily due to restrictions and lockdowns in some states due to COVID-19, and (b) sale of traded goods from ₹ 1,923.76 million for Fiscal 2020 to ₹ 588.80 million for Fiscal 2021. The decrease in revenue was partially offset by an increase in revenue from the sale of conductors and power cables from ₹ 11,724.68 million for Fiscal 2020 to ₹ 12,206.75 million for Fiscal 2021, primarily due to higher share of export revenues, as exported products tend to be of higher value and higher margin;

- revenue from concession assets (being the aggregate of revenue from construction of concession assets, remuneration of concession assets, and revenue from operation & maintenance of concession assets ) decreased by 76.50% from ₹ 7793.36 million for Fiscal 2020 to ₹ 1831.65 million for Fiscal 2021 primarily due to (a) the fact that revenue for FY2020 included revenue from operating assets (recorded from date of commissioning till the date of sale of assets), which were subsequently sold and such revenue was accordingly not recorded in FY 2021, and (b) slower progress of works in FY2021, largely driven by the impact of COVID-19; and
- revenue from power transmission services decreased by 37.08% from ₹ 3,300.58 million for Fiscal 2020 to ₹ 2,076.60 million for Fiscal 2021, primarily due to the fact that we sold three projects that we had been operating in Fiscal 2020 and therefore did not recognize any revenue from power transmission services from these projects in Fiscal 2021 and only operated one partial transmission line in Fiscal 2021.

*Other income.* Our other income of ₹ 17,245.68 million for Fiscal 2021 was from the sale of our 74% stake in NER and the sale of GPTL. In addition, during Fiscal 2021, we recorded a profit of ₹ 1,047.29 million, which is related to consideration received from India Grid Trust on sale of certain power transmission assets. The additional consideration pertains to earn-outs on account of CERC claims for increase in tariffs due to change in law, income tax refunds and VAT refunds. During Fiscal 2020, our other income of ₹ 21,539.97 million was generated from the sale of NRSS, OGPTL, ENICL, Pampa, Arco Verde and Nova Estado.

#### *Expenses*

*Total expenses.* Our total expenses decreased by 28.71% from ₹ 37,283.22 million for Fiscal 2020 to ₹ 26,577.59 million for Fiscal 2021 primarily due to improved product mix in our Solutions business, lower employee benefit expenses, other expenses and reversal of impairment of investments in IndiGrid units.

*Cost of goods sold.* Our cost of goods sold (being the aggregate of cost of raw material and components consumed, construction material and contract expense, purchase of traded goods, and decrease/(increase) in inventories of finished goods, work-in-progress, and traded goods) decreased by 27.36% from ₹ 19,802.81 million for Fiscal 2020 to ₹ 14,384.36 million for Fiscal 2021 primarily in our Solutions business unit primarily due to changes in product mix for our conductors and power cables business, lower purchase of traded goods and slower project progress in our MSI business.

In particular, our construction material and contract expense decreased by 51.03% from ₹ 9,061.15 million for Fiscal 2020 to ₹ 4,437.61 million for Fiscal 2021 primarily due to the decrease in contract expense for the construction of concession assets which decreased by 73.39% from ₹ 5320.43 million for Fiscal 2020 to ₹ 1416.03 million for Fiscal 2021. The decrease in contract expense for the construction of concession assets was primarily due to (a) the fact that the expenses for Fiscal 2020 included expenses for operations of operating assets (recorded from date of commissioning till the date of sale of assets) of ₹ 1948.01 million and such assets were subsequently sold in Fiscal 2020, and (b) slower progress of works in FY2021, largely driven by the impact of COVID-19. The decrease in our construction material and contract expense was partially offset by a 30.82% increase in contract expense in relation to the operating assets in India from ₹ 220.99 million for Fiscal 2020 to ₹ 152.87 million for Fiscal 2021.

*Employee benefits expense.* Our employee benefits expense decreased by 5.90% from ₹ 2,445.68 million for Fiscal 2020 to ₹ 2,301.34 million for Fiscal 2021, primarily due to average lower headcount in Fiscal 2021.

*Other expenses.* Our other expenses decreased by 14.62% from ₹ 5,278.40 million for Fiscal 2020 to ₹ 4,506.71 million for Fiscal 2021, primarily due to decreases in sales commissions and consumption of packing materials, resulting from lower sales volumes in our Solutions business as well as lower traveling and conveyance expenses due to travel limitations in Fiscal 2021 related to COVID-19. In addition, legal and professional expense increased in Fiscal 2021, primarily due to the one-time consulting fees of ₹ 650.9 million.

*Reversal of impairment of investment.* We recognized a reversal of impairment of investment in Fiscal 2021 amounting to ₹ 954.98 million, which related to our investment in units of IndiGrid, for which we had previously recorded an impairment due to a drop in market value of the units. We did not record any reversal of impairment of investment in Fiscal 2020.

*Depreciation and amortisation expense.* Our depreciation and amortisation expense decreased by 43.44% from ₹ 1,740.74 million for Fiscal 2020 to ₹ 984.59 million for Fiscal 2021, primarily because we recorded amortisation of goodwill amounting to ₹ 601.85 million in Fiscal 2020, related to the scheme of arrangement pursuant to which the power products and solutions

business was demerged into the Company. The goodwill relating to merger of power products and solution business of Sterlite Technologies Limited pursuant to the Scheme between Sterlite Technologies Limited and Sterlite Power Transmission Limited was amortised over five years, with Fiscal 2020 being the final year of amortisation.

*Impairment of property, plant and equipment (including capital work in progress).* Our impairment of property, plant and equipment (including capital work in progress) decreased from ₹ 669.40 million for Fiscal 2020 to nil for Fiscal 2021, as we recorded an impairment expense in Fiscal 2020 for property plant and equipment (including capital work-in-progress) relating to two projects in India.

*Finance costs.* Our finance costs decreased by 24.99% from ₹ 7,646.54 million for Fiscal 2020 to ₹ 5,735.34 million for Fiscal 2021, primarily due to due to scheduled repayment of loans and loan repayments related to assets sold.

*Finance income.* Our finance income increased by 26.45% from ₹ 300.34 million for Fiscal 2020 to ₹ 379.78 million for Fiscal 2021, primarily due to higher fair value gain on investments.

*Restated profit before share of profit of associates and joint venture, tax expense and exceptional items.*

As a result of the foregoing, our restated profit before share of profit of associates and joint venture, tax expense and exceptional items decreased by 18.94% from ₹ 14,299.94 million for Fiscal 2020 to ₹ 11,592.00 million for Fiscal 2021.

*Share of profit of associates and joint venture.*

Our share of profit of associates and joint venture decreased by 34.21% from ₹ 8.74 million for Fiscal 2020 to ₹ 5.75 million for Fiscal 2021.

*Exceptional item.*

We recorded an exceptional item of ₹ 925.87 million in Fiscal 2020, which arose from losses from the cancellation of cash flow hedges that we had entered into as part of contracts between the Company and transmission project entities in Brazil for the supply of conductors. These contracts were cancelled when we sold our investments in these Brazilian transmission project entities; that sale was considered a non-recurring event. We did not record an exceptional item in Fiscal 2021.

*Restated profit/(loss) before tax.*

As a result of the foregoing, our restated profit/(loss) before tax decreased by 13.34% from ₹ 13,382.81 million for Fiscal 2020 to ₹ 11,597.75 million for Fiscal 2021.

*Income tax expense.*

Our overall income tax expense decreased by 26.73% from ₹ 3,953.08 million in Fiscal 2020 to ₹ 2,896.51 million in Fiscal 2021. This is primarily on account of lower deferred tax in Fiscal 2021, as compared to Fiscal 2020.

*Restated profit/(loss) for the year*

As a result of the foregoing, we recorded a restated profit for the year of ₹ 8,701.24 million for Fiscal 2021, compared to a restated profit for the year of ₹ 9,429.73 million for Fiscal 2020.

### ***Fiscal 2020 compared to Fiscal 2019***

*Total Income*

Our total income increased by 44.43% to ₹ 51,583.16 million for Fiscal 2020 from ₹ 35,714.60 million for Fiscal 2019, primarily due to a significant increase in other income that was only partially offset by a decrease in revenue from operations.

*Revenue from operations.* Our revenue from operations decreased by 15.49% from ₹ 35,550.06 million for Fiscal 2019 to ₹ 30,043.19 million for Fiscal 2020, primarily due to the following:

- revenue from our Solutions business (being the aggregate of revenue from sale of conductors and power cables, revenue from engineering, procurement and construction contracts and revenue from sale of traded goods) decreased by 20.07% from ₹ 23,370.04 million for Fiscal 2019 to ₹ 18,679.97 million for Fiscal 2020 primarily due to (a) a decrease in revenue from sale of conductors and power cables from ₹ 16,021.39 million for Fiscal 2019 to ₹ 11,724.68 million for Fiscal 2020, primarily due to lower sales volumes, and (b) a decrease in revenue from engineering, procurement and construction contracts from ₹ 7,176.96 million for Fiscal 2019 to ₹ 5,031.53 million for Fiscal 2020, primarily due to lower revenues in MSI business and due to the closure of our plants and offices in India from March 25, 2020 to mid-April 2020 due to COVID-19. The decrease in revenue was partially offset by an increase in revenue from sale of

traded goods from ₹ 171.69 million for Fiscal 2019 to ₹ 1,923.76 million for Fiscal 2020, as we sold more materials in Fiscal 2020 to raise cash and as part of synergies with our projects business; and

- revenue from power transmission services decreased by 28.35% from ₹ 4,606.53 million for Fiscal 2019 to ₹ 3,300.58 million for Fiscal 2020, primarily due to the decrease in operating revenues from NRSS which we sold in Fiscal 2020.

The decrease in revenue from operations was partially offset by a 7.89% increase in revenue from concession assets (being aggregate of revenue from construction of concession assets, remuneration of concession assets, and revenue from operation & maintenance of concession assets) from ₹ 7223.18 million for Fiscal 2019 to ₹ 7793.36 million for Fiscal 2020 primarily due to the fact that revenue for Fiscal 2020 included revenue from certain operating assets, which were only commissioned after Fiscal 2019.

*Other income.* Our other income increased significantly to ₹ 21,539.97 million for Fiscal 2020 from ₹ 164.54 million for Fiscal 2019, primarily due to a net gain on sale of power transmission assets amounting to ₹ 20,535.16 million in Fiscal 2020, compared to ₹ 156.72 million in Fiscal 2019, as we sold NRSS, OGPTL, ENICL, Pampa, Arco verde and Nova Estado in Fiscal 2020 but did not sell any projects in Fiscal 2019.

### *Expenses*

*Total expenses.* Our total expenses decreased by 8.79% from ₹ 40,877.31 million for Fiscal 2019 to ₹ 37,283.22 million for Fiscal 2020 primarily due to lower cost of goods sold in our Solutions business and lower contract expenses, which was partially offset by investments made in our manpower towards technology, research and development, design and engineering, and bidding and innovation skills in India, and building our employees' functional and leadership capabilities to support our Global Infrastructure business in Brazil and our MSI business.

*Cost of goods sold.* Our cost of goods sold (being the aggregate of Cost of raw material and components consumed, Construction material and contract expense, Purchase of traded goods and Decrease/(increase) in inventories of finished goods, work-in-progress, and traded goods) decreased by 18.34% from ₹ 24,249.67 million for Fiscal 2019 to ₹ 19,802.81 million for Fiscal 2020 primarily in our Solutions business unit primarily due to lower sales of conductors and power cables, and slower project progress in our MSI business. In particular, (a) our construction material and contract expense decreased by 18.4% from ₹ 11,104.87 million for Fiscal 2019 to ₹ 9061.15 million for Fiscal 2020 primarily due to the decrease in contract expense for construction of concession assets by 9.93% from ₹ 5,907.26 million for Fiscal 2019 to ₹ 5,320.43 million for Fiscal 2020 primarily due to lower contract expense in Arco verde, and (b) our contract expense for operation of operating assets in India decreased by 58.54% from ₹ 533.05 million for Fiscal 2019 to ₹ 220.99 million for Fiscal 2020 primarily due to lower operating expense incurred in the operation of NRSS which was sold in Fiscal 2020.

*Employee benefits expense.* Our employee benefits expense increased by 47.79 % from ₹ 1,654.85 million for Fiscal 2019 to ₹ 2,445.68 million for Fiscal 2020, primarily due to investments made in manpower towards technology, research and development, design and engineering, and bidding and innovation skills in India, and building our employees' functional and leadership capabilities to support our Global Infrastructure business in Brazil and our MSI business.

*Other expenses.* Our other expenses increased by 1.24 % from ₹ 5,213.79 million for Fiscal 2019 to ₹ 5,278.40 million for Fiscal 2020, primarily due to increases in provisions for onerous contracts relating to some of our projects in India, legal and professional fees relating to the provision of strategy consulting services, sales commissions and insurance, which were partially offset by decreases in service expenses and labour charges. During Fiscal 2019, we also made a provision for diminution in value of investment in IndiGrid.

*Depreciation and amortisation expense.* Our depreciation and amortisation expense decreased by 14.49% from ₹ 2,035.70 million for Fiscal 2019 to ₹ 1,740.74 million for Fiscal 2020, primarily due to lower depreciation of tangible assets due to lower levels of property, plant and equipment as we sold more assets in Fiscal 2020.

*Impairment of property, plant and equipment (including capital work in progress) expense.* Our impairment of property, plant and equipment (including capital work in progress) expense decreased by 64.27% from ₹ 1,873.65 million for Fiscal 2019 to ₹ 669.40 million for Fiscal 2020, primarily due to the fact that we recorded higher impairment of property, plant and equipment (including capital work-in-progress) in Fiscal 2019, relating to the KTL and GPTL projects in India, and that we recorded an impairment of property, plant and equipment classified as asset held for sale in Fiscal 2019, relating to OGPTL, but not in Fiscal 2020.

*Finance costs.* Our finance costs increased by 26.71% from ₹ 6,034.65 million for Fiscal 2019 to ₹ 7,646.54 million for Fiscal 2020, primarily due to higher borrowings and bank charges.

*Finance income.* Our finance income increased by 62.35% from ₹ 185.00 million for Fiscal 2019 to ₹ 300.34 million for Fiscal 2020, primarily due to higher interest income on bank deposits due to higher levels of deposits.



*Restated profit/(loss) before share of profit of associates and joint venture, tax expense and exceptional items.*

As a result of the foregoing, our *restated profit/(loss) before share of profit of associates and joint venture, tax expense and exceptional items* increased from a loss of ₹ 5,162.71 million for Fiscal 2019 to a profit of ₹ 14,299.94 million for Fiscal 2020.

*Share of profit of associates and joint venture.*

Our share of profit of associates and joint venture decreased by 97.32 % from ₹ 325.99 million for Fiscal 2019 to ₹ 8.74 million for Fiscal 2020, as we sold a stake in IndiGrid.

*Exceptional item.*

We recorded an exceptional item of ₹ 925.87 million in Fiscal 2020, which arose from losses from the cancellation of cash flow hedges that we had entered into as part of contracts between us and transmission project entities in Brazil for the supply of conductors. These contracts were cancelled when we sold our investments in these Brazilian transmission project entities; that sale was considered a non-recurring event. We did not record an exceptional item in Fiscal 2019.

*Restated profit/(loss) before tax.*

As a result of the foregoing, our restated profit/(loss) before tax increased by 376.69% from a restated loss for the year of ₹ 4,836.72 million for Fiscal 2019 to a restated profit for the year of ₹ 13,382.81 million for Fiscal 2020.

*Income tax expense.*

Our overall income tax expense increased by 861.28% from ₹ 411.23 million in Fiscal 2019 to ₹ 3,953.08 million in Fiscal 2020. This is primarily on account of an increase in deferred tax and current tax in Fiscal 2020, as compared to Fiscal 2019.

*Restated profit/(loss) for the year*

As a result of the foregoing, we recorded a restated profit for the year of ₹ 9,429.73 million for Fiscal 2020, compared to a restated loss for the year of ₹ 5,247.95 million for Fiscal 2019.

## **Cash Flows**

The following table sets forth our cash flows for the years indicated:

<b>Particulars</b>	<i>(in ₹ million)</i>		
	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>	<b>Fiscal 2019</b>
Net cash flow from/(used in) operating activities	5,533.08	(7,270.77)	(6,207.82)
Net cash flow from/(used in) investing activities	20,335.12	2,850.00	(20,362.52)
Net cash flow from/(used) in financing activities	(21,041.53)	8,111.37	30,029.10
Net increase in cash and cash equivalents	4,826.67	3,690.60	3,458.76

### ***Cash flow from/(used in) Operating Activities***

Net cash flow from operating activities was ₹ 5,533.08 million for Fiscal 2021. Our restated profit before tax was ₹ 11,597.75 million for Fiscal 2021, which was adjusted downward primarily for (i) net gain on sale of power transmission assets amounting to ₹ 15,397.27 million (which we recognize in our cash flows from investing activities); (ii) consideration received from India Grid Trust on sale of investments in earlier years amounting to ₹ 1,047.29 million; and (iii) a reversal of an impairment of investment amounting to ₹ 954.98 million. These downward adjustments were partially offset by upward adjustments primarily for (i) finance costs amounting to ₹ 5,735.34 million; and (ii) depreciation and amortisation expense amounting to ₹ 984.59 million. These adjustments resulted in an operating profit before working capital as follows: cash increases primarily from (i) an increase in other liabilities amounting to ₹ 8,707.89 million resulting from receipts of advance against engineering, procurement and construction contracts with associates companies and borrowings against asset held for sale classified as short term, (ii) an increase in other financial liabilities amounting to ₹ 2,232.50 million, was offset against an increase in other financial assets amounting to ₹ 1,729.04 million primarily due to movement in mark to market adjustment on account of hedge position., and (iii) a decrease in other assets amounting to ₹ 1,468.62 million resulting from a decrease in advances from customers in India and Brazil. These increases were partially offset by cash decreases from (i) an increase in trade receivables amounting to ₹ 1,906.08 million primarily due to a larger amount of inventory held up in store since the end of Fiscal 2020, a delay in billing arising from the lockdowns due to COVID-19, receivables from NER which was an associate company as of 31 March 2021 and a subsidiary as of 31 March 2020, and (ii) a decrease in trade payables amounting to ₹ 1,527.07 million primarily due to a delay in payments in Fiscal 2020 arising from the lockdowns due to COVID-19.

Net cash flow used in operating activities was ₹ 7,270.77 million for Fiscal 2020. restated profit before tax was ₹ 13,382.81 million for Fiscal 2020, which was adjusted downward primarily for (i) net gain on sale of power transmission assets amounting to ₹ 20,535.16 million (which we recognize in our cash flows from investing activities); and (ii) income on investment in India

Grid Trust amounting to ₹ 957.82 million (which we recognize in our cash flows from investing activities). These downward adjustments were partially offset by upward adjustments primarily for (i) finance costs amounting to ₹ 7,646.54 million; and (ii) depreciation and amortisation expense amounting to ₹ 1,740.74 million. These adjustments resulted in an operating profit before working capital changes of ₹ 2,005.16 million. This operating profit before working capital changes was adjusted further by movements in working capital as follows: cash decreases primarily from (i) an increase in other assets amounting to ₹ 6,319.52 million on account of an increase in concession assets in Brazil, and (ii) an increase in inventories amounting to ₹ 1,896.00 million primarily due to lower sales in Solutions business in March 2020 due to the impact of COVID-19.

Net cash flow used in operating activities was ₹ 6,207.82 million for Fiscal 2019. In Fiscal 2019, we recorded a restated loss before tax amounting to ₹ 4,836.72 million, which was adjusted upward primarily for (i) finance costs amounting to ₹ 6,034.65 million; (ii) depreciation and amortization expense amounting to ₹ 2,035.70 million; and (iii) an impairment of property, plant and equipment (including capital work in progress) amounting to ₹ 1,873.65 million. The downward adjustment in Fiscal 2019 for net gain on sale of power transmission assets amounted to only ₹ 156.72 million, as we did not sell any power transmission assets during Fiscal 2019.

#### **Cash flow from/(used in) Investing Activities**

Net cash flow from investing activities amounted to ₹ 20,335.12 million for Fiscal 2021, consisting primarily of proceeds from the sale of power transmission assets amounting to ₹ 25,071.08 million, proceeds from the sale of units in India Grid Trust amounting to ₹ 8,299.09 million and net investments in bank deposits amounting to ₹ 3,906.29 million. These amounts were partially offset by cash used in investing activities consisting primarily of purchase of property, plant and equipment including capital work in progress and capital advance amounting to ₹ 17,104.17 million for our power transmission projects and investment in a joint venture amounting to ₹ 1,010.48 million.

Net cash flow from investing activities amounted to ₹ 2,850.00 million for Fiscal 2020, consisting primarily of proceeds from the sale of power transmission assets amounting to ₹ 24,283.08 million. This amount was partially offset by cash used in investing activities consisting primarily of purchase of property, plant and equipment, including capital work-in-progress and capital advances amounting to ₹ 12,192.83 million for our power transmission projects, net investments in bank deposits amounting to ₹ 7,468.62 million and investments in units of India Grid Trust amounting to ₹ 2,289.77 million.

Net cash flow used in investing activities amounted to ₹ 20,362.52 million for Fiscal 2019, consisting primarily of purchase of property, plant and equipment including capital work-in-progress and capital advances amounting to ₹ 19,220.98 million and cash flow from purchase of investments, net amounting to ₹ 1,594.65 million.

#### **Cash flow from/(used in) Financing Activities**

Net cash flow used in financing activities was ₹ 21,041.53 million for Fiscal 2021, consisting primarily of repayments of long-term borrowings of ₹ 37,446.15 million relating to our bank loans, finance costs of ₹ 8,556.96 million and the repayment of advances from Sterlite Interlinks Limited of ₹ 6,200.00 million, which were partially offset by proceeds from long-term borrowings of ₹ 31,120.37 million.

Net cash flow from financing activities was ₹ 8,111.37 million for Fiscal 2020, consisting primarily of proceeds from long-term borrowings of ₹ 26,846.78 million to fund our operations and proceeds from an advance from Sterlite Interlinks Limited of ₹ 6,200.00 million, which were partially offset by repayments of long-term borrowings of ₹ 12,543.43 million, finance costs of ₹ 8,740.69 million and repayments of short-term borrowings of ₹ 3,530.51 million.

Net cash flow from financing activities was ₹ 30,029.10 million for Fiscal 2019, consisting primarily of proceeds from long-term borrowings of ₹ 71,368.45 million to fund our operations and proceeds from short-term borrowings of ₹ 2,043.69 million, which were partially offset by repayments of long-term borrowings of ₹ 34,293.40 million and finance costs of ₹ 8,994.51 million.

#### **Financial Indebtedness**

The following table sets forth our financial indebtedness as of March 31, 2021:

(in ₹ million)

Particulars	As of March 31, 2021
<b>Total Long-term borrowings</b>	
Secured borrowings	19,256.28
Unsecured borrowings	19.67
<b>Total non-current borrowings</b>	<b>19,275.95</b>
<b>Total current maturities</b>	<b>740.40</b>
<b>Short-term borrowings</b>	
Secured borrowings	5,829.82
Unsecured borrowings	1,918.73

Particulars	As of March 31, 2021
<b>Total short-term borrowings</b>	<b>7,798.55</b>
<b>Total borrowings</b>	<b>27,814.90</b>

### Contractual Obligations and Commitments

The following table sets for the maturity profile of our contractual obligations as of March 31, 2021:

(in ₹ million)

Contractual obligations	Payments due by period				
	Total	Less than 3 months	3 months -12 months	1 – 5 years	More than 5 years
Borrowings	27,760.93	5,628.98	2,875.67	8,675.84	10,580.44
Other financial liabilities	2,664.11	2,088.42	575.69	-	-
Trade payables	6,234.40	0.00	6,234.40	0.00	0.00
Payables for Property, plant and equipment	7,712.57	0.00	7,618.73	93.84	0.00
Derivatives	115.63	115.63	0.00	0.00	0.00
Lease liability	53.98	12.14	22.17	19.67	0.00
<b>Total</b>	<b>44,541.62</b>	<b>7,845.18</b>	<b>17,326.66</b>	<b>8,789.35</b>	<b>10,580.44</b>

### Capital Expenditures

For Fiscal 2021, we made capital expenditures amounting to ₹ 26,572.72 million, all for transmission lines and sub-stations in relation to our power transmission projects.

For Fiscal 2020, we made capital expenditures amounting to ₹ 16,487.11 million, all for transmission lines and sub-stations in relation to our power transmission projects.

For Fiscal 2019, we made capital expenditures amounting to ₹ 22,257.25 million, all for transmission lines and sub-stations in relation to our power transmission projects.

### Contingent Liabilities (as per Ind AS 37)

We have incurred, and expect to continue to incur on occasion, various contingent liabilities, relating primarily to tax, bank guarantees and corporate guarantees, as well as certain indemnities given to IndiGrid.

The following table sets out the contingent liabilities as per Ind AS 37 as of March 31, 2021, 2020 and 2019:

Particulars	31 March 2021 (₹ in million)	March 31, 2020 (₹ in million)	March 31, 2019 (₹ In million)
<b>1 Disputed liabilities in appeal</b>			
a) Excise duty	76.40	76.40	127.18
b) Value added Tax (VAT) and Central sales tax (refer to note i below)	294.06	219.34	123.84
c) Service tax	-	-	3.24
<b>2 Bank guarantees given</b>			
- On behalf of India Grid Trust ('IGT')	25.00	25.00	-
- To India Grid Trust ('IGT') for various claim with respect to sale of investments (refer note ii and iii below)	1,000.00	-	-
<b>3 Corporate guarantees given:</b>			
- To India Grid Trust ('IGT') for claim under arbitration with respect to sale of ENICL (refer note ii below)	-	1,000.00	-
- Given on behalf of its related party revenue contract executed	188.60	188.60	-
- To Sterlite Grid 1 Limited (subsidiary of India Grid Trust ('IGT')) against indemnification as per share purchase agreement	-	-	280.00
- To India Grid Trust ('IGT') for clearance of items mentioned in the share purchase agreement with respect to sale of ENICL	350.00	350.00	-
- On behalf of its subsidiary for issuance of non-convertible debentures during the year	2,000.00	-	-

Further, pursuant to share purchase agreement with India Grid Trust, the Group is to indemnify India Grid Trust for entry tax demand of ₹ 252.31 million (March 31, 2020 ₹ 234.49 million, March 31, 2019 ₹ 410.20 million) sales tax demands of ₹ 43.88

million (March 31, 2020: ₹ 11.30 million, March 31, 2019: ₹ 104.34 million), custom duty demands of ₹ Nil (March 31, 2020: 12.78 million; 31, 2019 ₹ Nil million) and income tax act ₹ 27.90 million (March 31, 2020: 27.16 million; 31, 2019 ₹ Nil million) in relation to the Companies sold to the trust.

- (i) The above Value Added Tax, Central Sales Tax and Entry Tax demand (along with the applicable interest, wherever levied) pertains to the following matters.
- (a) Central Sales Tax demand of ₹16.80 million (March 31, 2020 of ₹ 16.80 million, March 31, 2019 of ₹ 27.64 million) raised under the Delhi VAT Act, 2004 on account of non-submission of the declaration forms C pending to be received from the customers for the Assessment Year 2014-15.
- (b) Value Added Tax, Central Sales Tax and Entry Tax demand of ₹ 14.31 million (March 31, 2020: ₹ 19.10 million, March 31, 2019: ₹ 9.60 million) raised under the Madhya Pradesh VAT Act, 2002 on account of non-submission of the declaration forms EI/EII and Form 3 pending to be received / submitted for the Assessment Year 2015-16. The Group has deposited an amount of ₹ 4.77 million (March 31, 2020: 4.70 million) while preferring the appeal in this matter.
- (c) Central Sales Tax demand of ₹ 5.53 million (March 31, 2020 ₹ 5.53 million, March 31, 2019: ₹ 4.39 million) raised under the West Bengal VAT Act, 2003 on account of non-submission of the declaration forms C pending to be received / submitted for the Assessment Year 2014-15. The Group has deposited an amount of ₹ 0.56 million (March 31, 2020: ₹ 0.47 million) while preferring the appeal in this matter.
- (d) Central Sales Tax demand of ₹ Nil million (March 31, 2020 ₹ 0.19 million) pertains to the demand raised under the Rajasthan VAT Act, 2003 on account of non-submission of the declaration forms EII pending to be received from the suppliers for the Assessment Year 2015-16
- (e) VAT demand of ₹ 30.95 million (March 31, 2020: ₹ 6.88 million) pertains to Telangana VAT Act, 2003 on account on non-discharge of VAT liability by sub- contractor for the period December 2015 to June 2017. Central Sales Tax demand of ₹ 0.68 million on account of non-availability of E-1 form for the period 2017-18.
- (f) Central Sales Tax demand of ₹ 185.81 million (March 31, 2020: 95.24 million) pertains to the demand raised under the Jharkhand VAT Act, 2005 on account of non-submission of the C form and EII forms pending to be received from the suppliers for the Assessment Year 2015-16 and Assessment year 2016-17.
- (g) Central Sales Tax demand of ₹ 0.88 million pertains to the demand raised under the Odisha VAT Act, 2004 on account of non-submission of the E1 declaration forms pending to be received from the suppliers for the Assessment Year 2016-17 and 2017-18. The Group has deposited an amount of ₹ 0.10 million while preferring the appeal in this matter.
- (h) Value Added Tax demand of ₹ 12.78 million (March 31, 2020: ₹ 14.16 million, March 31, 2019: ₹ 14.20 million) raised under the Uttarakhand Vat Act, 2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13, 2014-15 and 2015-16.
- (i) Value Added Tax demand of ₹ 12.64 million (March 31, 2020: ₹ 15.52 million, March 31, 2020: ₹ 36.70 million) raised under the Orissa Value Added Tax Act, 2004 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year October-15 - March-16, April-16 - June-16 and April-14 - September-15.
- (j) Value Added Tax demand of ₹ 14.36 million (March 31, 2020: ₹ 50.99 million, March 31, 2019: ₹ 32.00 million) raised under the Dadra & Nagar Haveli Value Added Tax Act, 2005 on account of non-submission of the C Form pending to be received / submitted for the Assessment Year 2012-13, 2013-14 and 2015-16. The Group is contesting the demand by way of preferring appeals to the higher tax authorities and the management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of the operations.
- (ii) During the previous year, one of the vendors involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited ('ENICL') in relation to turnkey construction contract executed by in earlier years which is pending before Arbitral Tribunal. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.
- (iii) Fixed deposits have been lien marked against the same.

It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

### **Off-Balance Sheet Commitments and Arrangements**

Except as disclosed in this Draft Red Herring Prospectus, we do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

### **Related-Party Transactions**

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Related Party Transactions*" on page 400.

### **Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to various types of market risks during the normal course of business, which we summarise below.

Our financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance our operations. Our principal financial assets include investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from our operations. We also hold FVTOCI investments and enter into derivative transactions.

We are exposed to market risk, credit risk and liquidity risk. Our 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. We review and agree policies for managing each of these risks, which we summarise below.

Our risk management policies 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. Our management has overall responsibility for the establishment and oversight of our risk management framework.

#### ***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.

#### ***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.

We are exposed to the interest rate fluctuation in both domestic and foreign currency borrowing. We manage our interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. At March 31, 2021, 11.90% of our borrowings are at a fixed rate of interest (March 31, 2020: 19.93%, March 31, 2019: 26.75%). Further, the Group does not record borrowings at fair value through profit and loss.

#### ***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. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a foreign currency) and foreign currency borrowings.

We have 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, we negotiate 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, we have hedged the exposure of 94.36% as at March 31, 2021, 99.95% as at March 31, 2020 and 99.87% as at 31 March 2019.

### *Commodity price risk*

The Group is affected by the price volatility of certain commodities. Our 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, we enter into various purchase contracts for aluminium and copper on the London Metal Exchange. The prices in these purchase contracts are linked to the price on the London Metal Exchange. We have developed and enacted a risk management strategy regarding commodity price risk and its mitigation. Based on a one-month forecast of the required copper and aluminium supply, we hedge the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

### *Equity price risk*

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

### **Credit Risk**

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

### *Trade receivables*

We manage customer credit risk through each business unit subject to our 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.

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

### **Liquidity Risk**

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

We manage our liquidity risk on the basis of expected maturity dates of our financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. Our other payables are with short-term durations. The carrying amounts are assumed to be reasonable approximation of fair value.

For the purpose of our capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of our capital management is to ensure that we maintain a strong credit rating and healthy capital ratios in order to support our business and maximise shareholder value. We manage our capital structure and make adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. We monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Our policy is to keep the gearing ratio optimum. We include within net debt, interest-bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations. In order to achieve this overall objective, our capital management, amongst other things, aims to ensure that the Group meets the financial covenants attached to its interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lender to immediately call loans and borrowings.

### **Seasonality of Business**

Our business is not subject to material seasonal variations.

### **Unusual or Infrequent Events or Transactions**

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

### **Known Trends or Uncertainties**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “– *Significant Factors Affecting our Results of Operations*” on page 406 and the uncertainties described in “*Risk Factors*” on page 36. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

### **Future Relationship between Cost and Revenue**

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 185 and 405, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

### **New Products or Business Segments**

Other than as disclosed in this section and in “*Our Business*” on page 185 there are no new products or business segments that have or that we expect to have a material impact on our business prospects, results of operations or financial condition.

### **Competitive Conditions**

We operate in a competitive environment. Please refer to “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 36, 121 and 185, respectively, for further information on our industry and competition.

### **Significant developments subsequent to March 31, 2021**

Except as disclosed above, and in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, in a consolidated manner or (iv) material civil litigation, in each case involving our Company, Subsidiaries Promoters or our Directors (collectively, the “**Relevant Parties**”). Further, there are no disciplinary actions including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Financial Years including outstanding action.*

*In relation to (iv) above, our Board in its meeting held on August 7, 2021, has considered and adopted a policy of materiality for identification of material civil litigation involving the Relevant Parties (“**Materiality Policy**”). In terms of the Materiality Policy, any outstanding civil litigation involving the Relevant Parties (apart from the Corporate Promoter) which exceed the amount of ₹ 87.01 million (being 1% of the total profit after tax as per the Restated Consolidated Summary Statements of the Company for the Financial Year 2021) have been considered material. Further, any outstanding civil litigation involving the Corporate Promoter which exceed the amount of ₹ 8.33 million (being 1% of the total income of the Corporate Promoter for the Financial Year 2021) have been considered material.*

*Accordingly, disclosures of the following types of civil litigation involving the Relevant Parties have been considered material and accordingly disclosed, as applicable, (a) where the aggregate amount involved in such individual civil litigation exceeds the relevant monetary threshold disclosed above, individually; (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed ₹ 87.01 million; (c) which may not meet the monetary threshold or where the monetary liability is non-quantifiable, but where the outcome could materially and/ or adversely affect the business, operations, performance, prospects or financial position or reputation of the Company.*

*Except as disclosed in this section, there are no outstanding legal proceedings involving our Group Companies, the outcome of which could have a material impact on the Company or the Issue.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 692.66 million, which is 5.00% of the total trade payables of our Company as on March 31, 2021, as per the latest Restated Consolidated Summary Statements of our Company included in this Draft Red Herring Prospectus, shall be considered as ‘material’. Accordingly, any outstanding dues exceeding ₹ 572.15 million have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise (“**MSME**”), the disclosure is based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended.*

*It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.*

*We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.*

#### **I. Litigation involving our Company**

##### **Litigation against our Company**

###### *Material civil proceedings*

A plaint was filed by KLM International (the “**Plaintiff**”) before the Court of District Judge, West District, Tis Hazari Court, Delhi (the “**Court**”) against Sterlite Technologies Limited, our Company, Anil Agarwal, Pratik Pravin Agarwal and another (the “**Defendants**”) for, amongst others, recovery of ₹ 13.58 million as commission along with pendente lite and future interest at 12% per annum, in relation to the supply of 850 kms of aluminium conductor by the Defendants to a third party. Subsequently, the Defendants (being, Sterlite Technologies Limited and our Company) filed (i) an application for removal of their names from the plaint under Order 1 Rule 10 of the Code of Civil Procedure, 1908 (“**CPC**”), and (ii) an application before the Court for rejecting the plaint under Order VII Rule 11 of the Code of Civil Procedure, 1908, or return the plaint under Order VII Rule 10 of the Code of Civil Procedure, 1908. Our Company has filed a written statement along with a counter claim in response to the plaint filed by the Plaintiff. The matter is currently pending



### *Criminal proceedings*

A first information report was filed by Raj Kumar Jaiswal (the “**Vendor**”) with the Lucknow Commissionerate against certain employees of our Company under Sections 406, 420, 504, 427 and 323 of the IPC alleging that the Company misappropriated certain amount deposited by the Vendor in relation to an agreement entered in to between STL and the Vendor for lifting of aluminium dross from a factory situated at Haridwar, and proceedings were initiated before the Chief Judicial Magistrate, Lucknow. Subsequently, petitions were filed by our employees before the High Court of judicature at Allahabad, Lucknow Bench (“**High Court**”) for quashing the proceedings before the Chief Judicial Magistrate, Lucknow and for quashing the summoning order dated July 16, 2018 passed by the Chief Judicial Magistrate, Lucknow. The High Court has stated that the applications filed require consideration and that no coercive action measures will be taken against the applicants by the lower court in these cases, until further orders. The matter is currently pending.

### *Litigation by our Company*

#### *Material Civil Claims*

Pursuant to certain purchase orders placed by Pan India Infraprojects Private Limited (“**Pan India**”) for the purchase of ACSS aluminium conductors and OPGW Cables from our Company and a liquidation application filed before the National Company Law Tribunal against Pan India Infraprojects Private Limited (“**Pan India**”) under the Insolvency and Bankruptcy Code, 2016 and the corresponding public announcement dated July 25, 2020, our Company has raised a claim of approximately ₹ 124.17 million against Pan India for certain cancellation costs and dues towards the non-issuance of C form owed by Pan India to our Company. The matter is currently pending.

#### *Actions before regulatory and statutory authorities*

Our Company has filed a petition (“**Petition**”) before the CERC and against, amongst others, Madhya Pradesh Power Management Company and various other LTTCs for prior intimation for undertaking the activity of licensing over the vacant spaces of transmission towers, sub- stations, unutilized OPGW to various entities eligible under the telecom regulatory framework in terms of the Electricity Act and CERC (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 (“**Revenue Sharing Regulations**”). Our Company has prayed, among others, for the following: (i) admit and allow the petition giving prior intimation to CERC for utilizing transmission assets for carrying on the proposed business model as described in the petition (“**Other Business**”) (ii) approval of the CERC for sharing 10% of the revenue generated from the Other Business with LTTCs with a liberty to approach CERC in future, in case 10% revenue share is not viable and (iii) CERC’s approval for our Company to use this business model and revenue sharing mechanism for all projects that it acquires in the future through the tariff based competitive bidding process. Our Company has in its petition submitted that the business model undertaken by, amongst others, certain of its Investee SPVs, for optimum utilization of assets does not squarely fall under the category of ‘telecom business’ as defined under the Revenue Sharing Regulations.

Thereafter, certain LTTCs including Gujarat Urja Vikas Nigam Ltd., Madhya Pradesh Power Management Company, Uttar Pradesh Power Corporation Limited and certain Rajasthan DISCOMS have submitted and prayed, amongst other things, that (i) the revenue from the Other Business be shared in the ratio of 50:50 with the LTTCs with appropriate reductions in the transmission charges; and (ii) there should be no financial implication as a result of this additional business and our Company is required to indemnify the LTTCs for all financial or legal implications including any tax liability that arises from this business. Our Company has filed appropriate rejoinders to the replies from the LTTCs, stating, amongst others, that the requirement under the Revenue Sharing Regulations is to only share 10% of revenue for telecommunication business and considering that this is a unique business which results in lesser revenue than telecom business, 50% revenue cannot be shared and the business would need to complete at least a 2 year business cycle to understand the overhead costs and other expenses. Further, the Electricity Act and Revenue Sharing Regulations do not require our Company to provide a blanket indemnity to LTTCs and Revenue Sharing Regulations specifically provide for an indemnity only if the transmission licensee creates a subsidiary to undertake this ‘Other Business’, which is not the case here. The matter is currently pending.

## **II. Litigation involving our Directors**

### *Litigation against our Directors*

#### *Material civil proceedings*

Please see the section entitled “*Outstanding Litigation and Material Developments – Litigation against our Company – Material civil proceedings*” on page 442.

### **III. Litigation involving our Promoters**

#### ***Litigation filed against our Promoters***

##### *Material civil proceedings*

Please see the section entitled “*Outstanding Litigation and Material Developments – Litigation against our Company – Material civil proceedings*” on page 442.

### **IV. Litigation involving our Subsidiaries**

#### ***Litigation filed against our Subsidiaries***

Certain persons (“**Petitioners**”) have filed separate labour cases before various labour courts, against our Subsidiaries located in Brazil and certain others (“**Respondents**”) in relation to the receipt of funds arising from the provision of work. These matters are currently pending.

##### *Litigation filed by our Subsidiaries*

#### **SGL20**

##### *Material civil proceedings*

SGL20 filed a writ petition before the High Court of Delhi (“**High Court**”) against PFC Consulting Limited (“**PFC**”) and UP Power Transmission Corporation Limited (“**Respondents**”) challenging the order dated May 18, 2021 passed by PFC rejecting the bid submitted by SGL20 for a tender to select a transmission service provider on the grounds that SGL20 and IndiGrid 1 Limited & Techno Electric and Engineering Company Ltd. Consortium (“**IGL Consortium**”), being another bidder, had a conflict of interest (“**Rejection Order**”). SGL20 has submitted before that High Court, that, amongst other things, there was no conflict of interest between SGL20 and the IGL Consortium and that the IGL Consortium had withdrawn its bid on May 18, 2021 prior to the issuance of the Rejection Order. Accordingly, SGL20 has prayed for, amongst other things: (i) the issuance of a writ of certiorari or any other appropriate writ, order or direction, quashing the Rejection order; (ii) issuance of a direction to PFC to allow SGL20 to participate in the bidding process. The matter is currently pending.

### **V. Other matters where the outcome could materially and/or adversely affect the business, operations, performance, prospects or financial position or reputation of the Company**

- (i) Simplex Infrastructure Limited (“**Claimant**”) filed a statement of claims dated July 10, 2019 against ENICL (“**Respondent**”), before the honourable arbitral tribunal comprising of honourable Justice (retd.) K.G. Balakrishnan, presiding arbitrator, honourable Justice (retd.) Vijender Jain, co-arbitrator, honourable Justice (retd.) R.S. Sodhi, co-arbitrator, pursuant to an umbrella agreement dated November 25, 2010 and three split contracts, namely a supply contract, civil works contract, and erection contract, each dated August 23, 2010 entered into between the Claimant and the Respondent, alleging, among other things, recovery of certain amounts due to the Claimant, in relation to (i) short payments, (ii) additional work done by the Claimant in relation to the ENICL project, (iii) time and cost overruns, (iv) amounts arising out of certain tax liabilities, and (v) refunds of certain security deposits and bonus. The Claimant has claimed an amount of approximately ₹ 2,150.92 million as compensation. The Respondent has filed its reply and submitted a counter claim of approximately ₹ 2,040 million. In accordance with the share purchase agreement dated March 23, 2020, entered into between our Company, the Axis Trustee Services Limited (on behalf of, and acting in its capacity as the trustee to IndiGrid), IndiGrid Investment Managers Limited and ENICL, our Company has agreed to indemnify the ENICL, for certain identified losses and accordingly, an adverse outcome may affect the financial position of our Company. The matter is currently pending.
- (ii) Five separate public interest litigations have been filed by Goa Foundation and Federation of Rainbow Warriors, respectively, against GTTPL and others, before the High Court of Bombay, in relation to amongst others, (i) challenging the conversion of certain land for the purpose of construction of an electrical substation and related infrastructure, including certain residences, by GTTPL; (ii) challenging the approval granted by the CEA under Sections 164 and 68 of the Electricity Act to GTTPL, for alignment of a transmission line in the state of Goa, which directly affects forests, wildlife and trees in the ecological sensitive areas of Western Ghats; (iii) challenging the forest clearance approvals (Stage I and Stage II) granted to GTTPL, pursuant to the CEA approval, for erection of transmission lines through parts of Goa; and (iv) seeking reliefs against the forest clearance approvals (Stage I and Stage II) and wild life approval granted to GTTPL, by the Deputy Inspector, General of Forest (Central), MoEF, for diversion of certain forest land in North Goa, for construction of a transmission line by GTTPL, on the grounds of lack of feasibility to the environment and the biodiversity impact. In relation to one of the public interest litigations filed by Goa Foundation, GTTPL has filed an interlocutory application dated August 16, 2021 before the Supreme Court of

India seeking clarifications in relation to its order passed by the Supreme Court dated February 4, 2015 whereby the Supreme Court of India had instructed the forest authorities in Goa against issuing a 'no-objection certificate' for conversion of any plot that has natural vegetation with tree canopy density in excess of 0.1 and an area above one hectare (2.5 acres). These matters are currently pending.

- (iii) Certain persons ("**Petitioners**") have filed separate cases before various courts, against KTL and certain of our Investee SPVs ("**Respondents**"), alleging amongst others, (i) breach of right of way by the Respondents over the Petitioners land, (ii) damage caused to the Petitioners land, crops and others due to the construction or laying of high voltage transmission lines by the Respondents, and (iii) inadequate compensation paid to the Petitioners in respect of these lands. The Petitioners, by way of these cases have claimed certain compensation from the Respondents. These matters are currently pending before various courts.

## **VI. Litigation involving our Group Companies**

### **Vedanta Limited ("Vedanta")**

- (i) Vedanta Limited ("**Vedanta**") has received an adjudication order dated May 19, 2021 from SEBI imposing a penalty under SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, SEBI (Buyback of Securities) Regulations, 1998 and the SEBI Act, 1992 on erstwhile Cairn India Limited (which got merged with Vedanta Limited by way of an NCLT order dated March 23, 2017 and effective April 11, 2017) and other noticees. SEBI has imposed total penalty of approximately ₹ 52.50 million Cairn India Ltd (since merged with Vedanta) and approximately ₹ 1.50 million each on the three noticees mentioned in the order. Vedanta has challenged this order before SAT and has received a stay on this SEBI order, with a deposit of approximately ₹ 25 million made by Vedanta. The matter is currently pending for hearing.
- (ii) By way of the order dated April 19, 2001 from SEBI ("**Order**"), Sterlite Industries Limited (now, Vedanta Limited), through its Directors, was prohibited from accessing the capital market for a period of 2 years from the date of passing of the said Order. On an appeal, the Securities and Appellate Tribunal, on October 22, 2001, set aside the impugned Order dated April 19, 2001 in the absence of sufficient material evidence. The appeal against the same is still pending. In the same matter prosecution was launched against the 3 directors of the company Anil Agarwal, Tarun Jain and Shashikant which has been stayed by the Hon'ble High Court of Bombay.
- (iii) Vedanta Limited received an order from the Securities and Appellate Tribunal dated 19 July 2019, wherein SEBI was directed to reconsider the complaint by Cairn UK Holdings Limited against Vedanta Limited dated April 13, 2017 in relation to violation of the provisions of the Companies Act, 2013 and the SEBI Listing Regulations due to the alleged non-payment of dividend to Cairn UK Holdings Limited and pass appropriate orders. The matter is currently pending with SEBI.

### **Sterlite Technologies Limited ("STL")**

A suit was filed before the City Civil Court at Calcutta alleging that the shares held by the plaintiff in Sterlite Industries Limited (now Vedanta Limited) were wrongfully transferred in the name of Sarita Patwari (the family member of the Plaintiff). The suit was filed for entering name of the plaintiff in the Register of Members and to claim all the corporate action benefits from the year 1997-1998. The issue in question related mainly to Vedanta Limited and our group company, STL was made a party to this suit as a consequence of demerger from Vedanta Limited.

### **ESL Steel Limited ("ESL")**

- (iv) BSE vide its mail dated August 31, 2018 and NSE vide its letter dated June 15, 2018 had imposed penalty on ESL for alleged non-compliance of Regulation 33 of the SEBI Listing Regulations, for non-submission of its audited financial results for the quarter/year ending March 31, 2018 and un-audited financial results for the quarter ended June 30, 2018. ESL had applied to SEBI on May 23, 2018, seeking an exemption from providing audited financial results, within the stipulated time period, but the same was rejected by SEBI vide their letter dated June 25, 2018. Thereafter, ESL vide its letter dated July 12, 2018 had requested for extension of time for compliance with Regulation 33 of the SEBI Listing Regulations, 2015, which was rejected by SEBI by way of its letter dated August 1, 2018.

ESL thereafter sent a letter dated September 6, 2018 to SEBI seeking waiver of penalty for which SEBI by way of its letter dated October 31, 2018 asked ESL to approach the Stock Exchanges. Further, its reply to BSE and NSE dated September 13, 2018, ESL stated that the non-compliance was due to a insolvency proceedings going on ESL under the Insolvency and Bankruptcy Code, 2016 and that ESL had filed the financial accounts on August 29, 2018 and paid the penalty under protest of approximately ₹ 11.44 million each. Further, ESL, by way of its letter dated January 1, 2019 has made applications to the Stock Exchanges requesting for waiver of penalty which is under active consideration. Post payment of penalty, BSE has refunded approximately ₹ 1.56 million to ESL and NSE has refunded approximately ₹ 5.26 million to ESL. ESL has also have sought personal hearing in this regard with the Stock Exchange officials. There is no further update in this matter.

- (v) In response to the appeal filed by ESL challenging the order of SEBI dated March 31, 2016, the Securities Appellate Tribunal *vide* its order dated November 14, 2019 (the “**Order**”) has upheld the order of SEBI and has imposed a penalty of ₹ 5 million on ESL and asked to make the payment within 30 days of the Order for alleged violation of Regulation 57(1) and Regulation 57(2)(a)(ii) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009.

By way of a letter dated December 17, 2019, ESL had made an application to SEBI requesting SEBI to not initiate recovery proceedings to recover the penalty, mentioning that the liability of penalty of ₹ 5 million is not payable by ESL to SEBI in terms of the approved ESL Resolution Plan read with Section 31(1) and Section 238 of the Insolvency and Bankruptcy Code, 2016. As on the date of the Draft Red Herring Prospectus, no reply from SEBI has been received and the matter is pending. ESL has not made payment of penalty of ₹ 5 million to SEBI.

### **IndiGrid Limited**

IGL has 1 indirect tax matter amounting to approximately ₹ 17.99 million.

### **Bhopal Dhule Transmission Company Limited**

#### *Regulatory matters*

- (vi) PGCIL filed a tariff petition before the CERC for determination of tariff due to it for the period where BDTCL’s assets were not operational (the “**Interim Period**”). Through an order dated September 20, 2017 (“**First CERC Order**”), CERC directed BDTCL to pay the transmission charges to PGCIL for the Interim Period. BDTCL subsequently filed a review petition before CERC against the First CERC Order, which was dismissed by the CERC through an order dated July 23, 2018 (“**Second CERC Order**”). BDTCL has filed an appeal before APTEL against the First CERC Order and Second CERC Order. The estimated amount involved in this matter is ₹ 46 million. The matter is currently pending before APTEL.
- (vii) CERC passed an order dated June 25, 2018 pursuant to petition number 216/MP/2016 filed by BDTCL against CERC and others (“**First CERC Order**”), allowing change in law and force majeure events. Thereafter, BDTCL filed a consequential petition, claiming monetary relief resulting from the change in law pursuant to the CERC Order. CERC *vide* its order dated April 24, 2019 (“**Second CERC Order**”), rejected the relief and subsequential carrying cost. Aggrieved by the Second CERC Order, BDTCL filed an appeal before APTEL on June 4, 2019 to claim the amount of interest during construction and subsequential carrying cost. APTEL by way of its order dated October 20, 2020 allowed the appeal filed by BDTCL. The estimated amount involved in this matter is ₹ 840.01 million. Additionally, BDTCL has also filed a caveat before the Supreme Court of India on October 27, 2020, requesting a prior notice to BDTCL before any further action is taken in the present case and that a civil appeal may be filed against the APTEL Order in which BDTCL was the appellant.
- (viii) CERC passed an order dated June 25, 2018 (“**First CERC Order**”) pursuant to the petition number 216/MP/2016 filed by BDTCL, allowing certain force majeure and change in law event reliefs to BDTCL, directing transmission charges of DV line from February 9, 2015 to June 13, 2015 to be borne by PGCIL. Aggrieved by the CERC Order, PGCIL filed a review petition before CERC. However, the review petition was dismissed by CERC *vide* order dated April 15, 2019 (“**Second CERC Order**”). Aggrieved by the Second CERC Order, PGCIL filed an appeal before APTEL on June 24, 2019. The estimated amount involved in this matter is ₹ 130 million. BDTCL has filed its reply. The matter is currently pending before APTEL.

#### *Civil matters*

Certain persons (“**Petitioners**”) have filed separate cases before various courts, against BDTCL and certain others (“**Respondents**”), alleging amongst others, (i) breach of right of way by the Respondents over the Petitioners land, (ii) damage caused to the Petitioners land, crops and others due to the construction or laying of high voltage transmission lines by the Respondents, and (iii) inadequate compensation paid to the Petitioners in respect of these lands. The Petitioners, by way of these cases have claimed certain compensation from the Respondents. These matters are currently pending before various courts.

#### *Tax matters*

BDTCL has 1 direct tax matter amounting to approximately ₹ 27.90 million and 6 direct tax matters amounting to 179.96 million.

### **Jabalpur Transmission Company Limited**

#### *Civil matters*

Certain persons (“**Petitioners**”) have filed separate cases before various courts, against JTCL and certain others (“**Respondents**”), alleging amongst others, (i) breach of right of way by the Respondents over the Petitioners land, (ii) damage caused due to the construction or laying of high voltage transmission lines by the Respondents, (iii) land being utilised by the Respondents without acquiring it in accordance with law, and (iv) inadequate compensation paid for cutting of trees in order to lay transmission lines by the Respondents. The Petitioners, by way of these cases have claimed certain compensation from the Respondents. The Respondents have filed their reply with respect of these cases. These matters are currently pending at various stages of adjudication.

#### *Tax matters*

JTCL has 9 indirect tax matters amounting to approximately ₹ 261.98 million.

### **NER II Transmission Limited**

#### *Regulatory matters*

- (i) SPGVL has filed a petition (“**Petition**”) before CERC for licensing transmission towers, sub- stations, unutilized OPGW of NER under the Electricity Act and CERC (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 (“**Sharing Regulations**”). SPGVL has prayed, among others, for the following: (i) intimate CERC for utilizing transmission assets for carrying on ‘other business’ (“**Other Business**) (ii) approval of the CERC for sharing 10% of the revenue generated from the Other Business with LTTCs and (iii) CERC’s approval for SPGVL to use this business model for all the SPVs that it acquires in the future through bidding process. SPGVL has in its petition submitted that the business model undertaken by NER for optimum utilization of assets does not squarely fall under the category of ‘telecom business’ as defined under the Sharing Regulations. Thereafter, GUVNL by way of its letter dated August 28, 2020 (“**GUVNL reply**”), submitted, amongst others, that the revenue from the Other Business be shared in the ratio of 50:50 with the LTTCs with appropriate reductions in the transmission charges. Further, GUVNL has stated that there should be no financial implication as a result of this additional business and SPGVL is required to indemnify the LTTCs for all financial or legal implications including any tax liability that arises from this business.

Thereafter, SPGVL filed a rejoinder dated September 10, 2020 to the GUVNL reply, stating, amongst others, that the requirement under the Sharing Regulations is to only share 10% of revenue for telecommunication business and considering that this is a unique business which results in lesser revenue than telecom business, 50% revenue cannot be shared and the business would need to complete at least a 2 year business cycle to understand the overhead costs and other expenses. Further, the Electricity Act and Sharing Regulations do not require SPGVL to provide a blanket indemnity to LTTCs and Sharing Regulations specifically provide for an indemnity only if the transmission licensee creates a subsidiary to undertake this ‘Other Business’, which is not the case here. Additionally, UPPCL has also filed a reply, challenging the Petition, to which SPGVL has responded. The matter is currently pending.

- (ii) NER filed a petition before the CERC on April 24, 2021 under Sections 61, 63 and 79 of the Electricity Act, 2003 read with the statutory framework and Article 11 and Article 12 of the Transmission Service Agreement dated December 27, 2016 executed between NER and its LTTCs for *inter alia*, claiming compensation due to changes in law and seeking an extension to the scheduled commissioning date of the relevant elements of the project on account of force majeure events. The estimated amount involved in this matter is ₹ 1270 million. The matter is pending before the CERC.

#### *Civil matters*

- (i) Certain persons (“**Plaintiffs**”) have filed separate cases against NER (“**Respondent**”) before the District Court at Unakoti, Tripura, under Section 8 of the Indian Telegraph Act, 1885, seeking amongst others, compensation for damage suffered by the Plaintiffs on account of (i) cutting of trees on their property; (ii) a part of the property being rendered un-utilisable; and (iii) damage caused to the property without any assessment or inquiry by the concerned revenue department. In certain of these cases, a higher compensation has been demanded by the Plaintiffs from the Respondent. The Respondent has filed its reply and also paid certain compensation with respect to these cases. These matters are currently pending.
- (ii) Md. Taj Uddin Barbhuiya (“**Plaintiff**”) filed a suit against the Executive director, PGCIL, the Manager/Construction Head, NER (“**Defendants**”), before the Court of Munsiff No. 3 at Silchar Cachar (“**Court**”), in relation to, amongst others, declaration of right, title and interest over a parcel of land and seeking a permanent/temporary injunction against the Defendants from drawing a high voltage line. An application under Order 39 Rule 1 of the CPC was filed by the Plaintiff for seeking temporary injunction against the Defendants from drawing the high voltage line (“**Interim Application**”). By way of an order dated December 23, 2020, the Court granted the temporary injunction and directed the Defendants to not draw the said high voltage line (“**Interim Relief**”). NER filed an objection thereby challenging the maintainability of the Interim Application. The Court, by way of an order dated January 6, 2021, continued the

Interim Relief until further orders. Further, the Court by way of an order dated January 22, 2021, vacated the ad-Interim Relief. Thereafter, the Plaintiff filed an application under Order 26 Rule 9 of the CPC for seeking appointment of an ‘advocate commissioner’ to survey the distance between the proposed drawing of the high voltage line until The Plaintiff’s land. The Plaintiff has filed an appeal before the Civil Judge No.1, Silchar, Cachar, challenging the order dated January 22, 2021 whereby the ad-interim relief was vacated by the Court of Munsiff No. 3 at Silchar Cachar. The matter is currently pending.

- (iii) Basulal Das and another (“**Plaintiffs**”) filed a suit against NER (“**Defendant**”) before the Court of Civil Judge, Silchar, for seeking a declaration that the (i) Plaintiffs are occupancy tenants of certain parcel of land (“**Suit Land**”); (ii) Defendants have no right, title, interest or possession over any portion of the Suit Land; (iii) Defendants are trespassers over the Suit land; (iv) the Plaintiffs are entitled to get compensation amounting to ₹ 3.02 million; and (v) temporary and permanent injunctions against the Defendants. Summons have been issued to NER and NER has filed its written statement. Additionally, certain FIRs have also been filed by the Plaintiffs in relation to this matter. The matter is currently pending. For further details in relation to the FIRs, please see the section entitled “*Legal Proceedings – NER II Transmission Limited – Criminal matters*” on page 447.

*Criminal matters*

- (i) An FIR was filed by NER, on August 10, 2019, against Harilal Das and Babul Chakrabarty, under Sections 341, 325, 385, 506 and 341 of the IPC, registered with the Silchar Police Station, in relation to the manhandling of Rajneesh Pandey, one of the employees of NER, at Srikona. The said FIR was filed pursuant to a letter dated August 11, 2019, sent by NER to the Officer in Charge, Silchar Sadar Police Station, complaining of mental and physical harassment of Rajneesh Pandey. The matter is currently pending.
- (ii) An FIR was filed by NER, on May 4, 2020, against Jakir Hussain Laskar, under Section 341 and 385 of the IPC, registered with the Silchar Police Station, for obstructing construction of a transmission line under the NER project and demanding higher right of way compensation, beyond what is prescribed under the applicable guidelines (“**Cause of action**”). The said FIR was filed pursuant to a letter dated May 5, 2020, sent by NER to the Officer in Charge, Borkhola Police Station, in relation to the Cause of action. The matter is currently pending.
- (iii) An FIR was filed by NER on May 12, 2020, against Shaidul Islam Hq. Mozumder, under Sections 120-B and 384 of the IPC, registered with the Borkhola Police Station, in relation to creating obstructions while commencing construction of certain towers and demanding higher compensation beyond what is prescribed under the applicable guidelines (“**Cause of action**”). The said FIR was filed pursuant to a letter dated May 12, 2020 written by NER to the Officer in Charge, Borkhola Police Station, in relation to the Cause of action. The matter is currently pending.
- (iv) An FIR was filed by Bashu Lal Das (“**Complainant**”) on August 12, 2020 against certain employees of SPGVL (“**Accused**”) under Sections 447, 427, 406, 294, 501, 506, 34 of the IPC, registered with the Silchar Police Station. As per the FIR, an agreement was made between the Complainant, the Accused and NER for an amount of ₹ 0.6 million for the use of the Complainant’s land for transporting certain raw materials through JCB and trucks. Further, it was alleged, amongst others, by the Complainant that the Accused failed to undertake the repair of the land, crops and vegetables and trespassed on the land. The matter is currently pending.
- (v) An FIR was filed by Manish Mishra, on behalf of NER, against Basu Lal Das, Kajal Das, and certain others, under Sections 341, 385, 506, 341 of the IPC, registered with the Silchar Police Station, for obstructing work undertaken on a project and demanding high right of way compensation, beyond what is prescribed by the guidelines under Section 10 of the Indian Telegraph Act, 1885 and guidelines issued by the Government of Assam. The matter is currently pending.
- (vi) A complaint dated April 6, 2019 (“**Complaint**”) was filed with the Senior Superintendent of Police, West Tripura, Agartala for reporting an incident against that Bittu Dev Barma, Kajal Dev Barma, Uttam Debbarma and certain others (“**Accused**”) for stoppage of work, in relation to construction of certain sub-station, as a part of the NER project. On April 19, 2019, a notice was issued to one of the accused, Uttam Debbarma and he was directed to appear before the Sub-Inspector of Police, Ranir Bazar Police Station within seven days of receipt of that notice. Further, an FIR was filed by Captain Vivek Sachar under sections 448, 342, 384, 506 34 of the IPC against the Accused, pursuant to the Complaint. A notice dated September 19, 2019 under Section 41A(1) of the CrPC was issued by the police station against the Accused. The matter is currently pending.
- (vii) An FIR was filed by Santosh Kumar, on behalf of NER, on October 27, 2020, against Shaibur Rahman Laskar, Azad Hussain Laskar, Iftakar Alom Lakskar and others, under Sections 420, 384 and 353 of the IPC, alleging that the accused are obstructing construction of a transmission line under the NER project (“**Cause of action**”). The said FIR was filed pursuant to a letter dated October 24, 2020 sent by NER to the Officer in Charge, Borkhola Police Station, in relation to the Cause of action. The matter is currently pending.

- (viii) An FIR was filed by Ratan Gupta, on behalf of NER, on December 26, 2020, against Wahida Akhtar Barbhuiya, Rashid Ahmed Barbhuiya, alleging, amongst others, that the Accused are demanding higher compensation beyond what is prescribed under the applicable guidelines (“Cause of action”). The said FIR was filed pursuant to a letter dated December 25, 2020 filed by NER to the Officer in Charge, Borkhola Police Station, in relation to the Cause of action. The matter is currently pending.
- (ix) An FIR was filed by Rajneesh Pandey, on behalf of NER, on December 27, 2020, under sections 341, 294, 385, 506, 34 of the IPC, against Aklim Raja Barbhuiya, Aftab Uddin Barbhuiya, Taj Uddin Barbhuiya (“Accused”) alleging, amongst others, that the Accused had obstructed the work undertaken on a project and demanded higher right of way compensation beyond what is prescribed under the applicable guidelines, without any basis (“Cause of action”). The said FIR was filed pursuant to a letter dated December 25, 2020 filed by NER to the Officer in Charge, Srikona Police Outpost, Silchar, in relation to the Cause of action. The matter is currently pending.
- (x) An FIR was filed by Basulal Das (“Complainant”), on February 1, 2021, against Sterlite Manager, Amit Singh, Ashok Rauth, Sunil Kumar and certain others (“Accused”), under sections 147, 447, 294, 427, 188 and 506 of the IPC, registered with the Silchar Police Station, alleging amongst others, certain unauthorised work undertaken by the Accused on the land of the Complainant, thereby causing damage to such land. The matter is currently pending

#### *Notices*

Various persons (“Aggrieved persons”) have sent 14 legal notices to NER, in several districts including Tripura, Mouja Purba, and Silchar, seeking, amongst others, (i) satisfactory compensation for standing trees and crops and for installing towers and structures by NER; (ii) satisfactory compensation for felling of trees, including rubber trees pursuant to the Indian Telegraph act, 1885; (iii) compensation for damage caused to the Aggrieved Persons land by NER; and (iv) restraining NER from drawing or transmitting electricity lines over the Aggrieved Persons land and demanding compensation for shifting their land or house, as applicable. Aggrieved persons have claimed higher compensation in some of these cases. NER has sent its reply and is at various stages of discussions with the Aggrieved persons. Additionally, in the past, certain sub-contractors appointed by NER for the NER project, have also received notices in relation to non-payment of dues on time. These notices are currently pending.

#### **Purulia & Kharagpur Transmission Company Limited (“PKTCL”)**

##### *Regulatory matters*

CERC, vide its orders dated April 3, 2018 and April 26, 2018 (“CERC Orders”), pursuant to the petition number 110/MP/2016 filed by PKTCL, had approved extension of the commercial operation date of ‘PR Line’ by a period of 274 days and ‘KC Line’ by a period of 42 days from their respective scheduled commercial operation dates. Further, CERC directed that transmission charges of the KC Line, from May 20, 2017 till June 18, 2017, shall be payable by PGCIL. Aggrieved by the CERC Orders, PGCIL filed a review petition before CERC. The review petition was dismissed by CERC by way of its order dated April 23, 2019. Aggrieved by the dismissal, PGCIL filed an appeal before APTEL against the payment of transmission charges, to which PKTCL has filed its reply. Additionally, on January 3, 2020, PGCIL has also filed a rejoinder to PKTCL’s response filed earlier. The estimated amount involved in this matter is ₹ 50 million. The matter is currently pending before APTEL.

##### *Tax matters*

PKTCL has 1 indirect tax matter amounting to approximately ₹ 5.70 million.

#### **Patran Transmission Company Limited**

Pursuant to CERC’s order dated January 4, 2017 (the “CERC Order”), Punjab State Power Corporation Limited (“PSPCL”) had been held liable to pay transmission charges of the PTCL Project from scheduled commercial operation date, November 11, 2016 until commissioning of downstream system by PSPCL. PSPCL completed commissioning of downstream system on May 18, 2015 after substantial delay. PSPCL failed to pay liquidated dues of ₹ 113.67 million. Further, PSPCL has defaulted in making payment of ₹ 102.51 million as per notification no L-1/42/2010 passed by CERC dated September 28, 2010. Accordingly, PTCL issued a “notice for regulation of power supply” dated July 6, 2017 to PSPCL for regulation of power supply unless dues are cleared by PSPCL by July 13, 2017. PSPCL filed an appeal before the Appellate Tribunal for Electricity (“Tribunal”) challenging the CERC Order. The Tribunal dismissed the appeal through its order dated March 27, 2018 (the “APTEL Order”). PSPCL has subsequently filed an appeal before the Supreme Court of India against the APTEL Order. The estimated amount in this matter is ₹ 130 million. The matter is currently pending before the Supreme Court.

## RAPP Transmission Company Limited

### Regulatory matters

RTCL filed a petition dated March 11, 2016 under Section 79(1)(f) read with Section 79(1)(c) of the Electricity Act, 2003 before the CERC seeking payment of monthly transmission charges for the period starting from December 26, 2015 under the RTCL TSAs and the revenue sharing agreement and the order dated July 15, 2015 issued by the Ministry of Power, Government of India entitled “Policy for Incentivizing Early Commissioning of Transmission Projects” under which RTCL has prayed that it is entitled to the payment of monthly transmission charges from the actual date of commercial operation, December 26, 2015, which is in advance of the scheduled commercial operation date of February 2016. CERC, by its order dated September 21, 2016 (the “**Impugned Order**”), required Nuclear Power Corporation of India Limited (“**NPCIL**”) to pay the transmission charges from March 1, 2016 till the bays are commissioned. NPCIL filed an interim application before APTEL dated November 4, 2016 (the “**Interim Application**”) praying that the Impugned Order be stayed, since it is in violation of the principles of natural justice. Through an order passed on January 18, 2019 (the “**Order**”), APTEL has dismissed the Interim Application. APTEL has also given liberty to RTCL to regulate the power supply of NPCIL if NPCIL fails to make the payment within 30 days of the Order. RTCL has accordingly sent letters to NPCIL for the disbursement of the withheld amounts along with applicable charges. NPCIL has filed an appeal before the Supreme Court of India against the Order and RTCL has filed the counter affidavit on August 27, 2019. The estimated amount involved in this matter is ₹ 280 million. The matter is currently pending before the Supreme Court.

### Tax matters

RTCL has 2 indirect tax matters amounting to approximately ₹ 13.31 million

## VII. Taxation matters

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Subsidiaries, Promoters and Directors:

Nature of case	Number of cases	Amount involved* (in ₹ million unless otherwise stated)
<b>Our Company</b>		
Direct Tax	2	2.48
Indirect Tax	23	891.36
<b>Our Subsidiaries</b>		
Direct Tax	3	BRL 2.32 million
Indirect Tax	Nil	NA
<b>Our Promoters</b>		
Direct Tax	Nil	NA
Indirect Tax	Nil	NA
<b>Our Directors</b>		
Direct Tax	Nil	NA
Indirect Tax	Nil	NA

\*To the extent quantifiable

## Outstanding dues to creditors

Our Board, in its meeting held on August 7, 2021 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of the materiality policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as on March 31, 2021 was outstanding, were considered ‘material’ creditors. As per the Restated Consolidated Summary Statements, our total trade payables as on March 31, 2021, was ₹ 6,234.40 million and payables for property, plant and equipment was ₹ 7,618.73 million. Accordingly, creditors to whom outstanding dues exceed ₹ 692.66 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as on March 31, 2021 by our Company are set out below:

Type of Creditors	Number of Creditors	Amount (in ₹ million)
Micro, small and medium enterprises	232	522.16
Material creditors	4	4,771.36
Other creditors	1127	8,559.61
<b>Total</b>	<b>1363</b>	<b>13,853.13</b>

Note: The above Trade Payables includes operational supplier’s credit availed in Indian Rupees at an interest rate of 7.50%- 8.00% and is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current asset of our Company.



The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at [www.sterlitepower.com](http://www.sterlitepower.com). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

### **Material Developments**

Other than as stated in the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 405, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our business or results of operations or, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities required to be obtained by us and our material Subsidiaries (in accordance with Paragraph 11(I)(A)(ii) of Schedule VI of the SEBI ICDR Regulations, as on date of this Draft Red Herring Prospectus and being SGL4, Sterlite Brazil, Vineyards, and São Francisco which are considered material and necessary for the purpose of undertaking our business activities and operations (“**Material Approvals**”). In view of the approvals listed below, our Company can undertake this Issue and its business activities, as applicable. In addition, certain of our Material Approvals may have lapsed or expired or may lapse in their normal course and our Company either directly or indirectly has either already made applications to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal applications in accordance with applicable requirements and procedures. Unless otherwise stated, Material Approvals as set out below, are valid as on date of this Draft Red Herring Prospectus.

For details of risk associated with not obtaining or delay in obtaining the requisite approvals, please see the section entitled “Risk Factors” on page 36. For further details in connection with the regulatory and legal framework within which we operate, please see the section entitled “Key Regulations and Policies in India and Brazil” on page 212.

### **I. Incorporation Details**

For details of the certificates of incorporation issued in relation to our Company and our material Subsidiaries, please see the sections entitled “History and Certain Corporate Matters” and “Our Subsidiaries and Joint Ventures” on pages 227 and 237 respectively.

### **II. Approvals in relation to the Issue**

For details in relation to the approvals and authorisations obtained by our Company in relation to the Issue, please see the sections entitled “The Issue” and “Other Regulatory and Statutory Disclosures” on pages 74 and 453, respectively.

### **III. Material Approvals in relation to our business operations**

We require various approvals for carrying on our business operations. The requirement for such approvals for a particular project undertaken by us may vary based on factors such as the legal requirement in the state in which the project is being undertaken, the size of the projects undertaken and the type of project. Further, as the obligation to obtain such approvals arises at various stages in our projects and related assets, applications are filed and the necessary approvals are obtained at the appropriate stage. The Material Approvals that we have obtained include the following:

#### *A. Material Approvals in relation to our business operations in India*

1. Approvals issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act, as applicable;
2. Approvals issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act, as applicable;
3. Approvals issued by amongst others, the Power Telecommunication Co-ordination Committee, railway authorities, the National Highways Authority of India, state highway authorities and Power Grid Corporation of India Limited in relation to the crossing of the transmission lines, as applicable;
4. Aviation clearances from the Airport Authority of India, as applicable;
5. No objection certificates from the Ministry of Defence, Government of India, as applicable;
6. Approvals issued by the petroleum and explosives safety organisation;
7. Licenses issued under the Legal Metrology Act, 2009; and
8. Environmental clearances such as forest clearances, wildlife approvals, tree cutting permissions and other permits issued by authorities such as, amongst others, the Ministry of Environment, Forest and Climate Change, forest departments of relevant States of India.

#### *B. Material Approvals in relation to the business operations of our material Subsidiaries in Brazil*

1. Environmental clearances and permits issued by the relevant authorities governing our Brazil Subsidiaries.

#### **IV. Tax related approvals of our Company and Material Subsidiaries**

We have obtained various tax related approvals including, permanent account number, tax deduction account number, tax identification number, professional tax registration issued by the relevant state governments, service tax registration issued by the Department of Customs, and tax benefits to be claimed by our material Subsidiaries.

#### **V. Labour and Commercial Approvals**

For the purpose of our business in India, our Company and material Subsidiaries have obtained relevant labour and commercial establishment related approvals including, amongst others, shops and establishments' registrations required under applicable laws, registrations under the Contract Labour (Regulation and Abolition) Act, 1970, registration and licenses to work factories under the Factories Act, 1948, registrations with the employee provident fund organization, employees' state insurance corporation, registrations with the labour welfare funds of the relevant state government, registrations under the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 and registrations in relation to inter-state migrant workers employed by the Company.

#### **VI. Material approvals and / or renewal of material approvals applied for by our Company and material Subsidiaries but not received**

Our Company and material Subsidiaries have obtained all material approvals, consents, licenses, registrations and permits that are required for undertaking their current business activities. However, certain approvals may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such licenses and/or approvals or are in the process of making such applications.

Further, our Company, directly and indirectly, has made applications for material approvals, required for undertaking their current business activities, which approvals have not been received. Our Company has, directly or indirectly filed applications for, amongst others:

1. Approvals from the Central Government under the Forest (Conservation) Act, 1980 for diversion of forest area and certain tree cutting permissions;
2. Approvals in relation to commercial operation of the transmission installations of Vineyards;
3. Registrations under the Contract Labour (Regulation and Abolition) Act, 1970;
4. Registrations under the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996;
5. Registrations in relation to inter-state migrant workers employed by the Company; and
6. Approvals from the Power Telecommunication Co-ordination Committee, railway authorities, the National Highways Authority of India, Power Grid Corporation of India and other relevant authorities, as applicable.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on July 2, 2021. Further, our Shareholders have approved the Issue pursuant to a special resolution passed on August 1, 2021 under Section 62(1)(c) of the Companies Act, 2013.

The IPO Committee of our Board has, on August 16, 2021 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company, Subsidiaries, Promoters, members of the Promoter Group, Directors, persons in control of our Company and persons in control of our Promoters, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any other company which is debarred from accessing the capital markets by SEBI.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Individual Promoter or Directors have not been declared as Fugitive Economic Offenders.

### Directors associated with the Securities Market

None of our Directors are associated with the securities market in any manner.

There have been no actions initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

*“An issuer not satisfying the condition stipulated in Regulation 6(1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”*

The Issue is being undertaken under Regulation 6(2) of the SEBI ICDR Regulations. We are therefore required to allot not less than 75% of the Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations.

Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

## **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED AND JM FINANCIAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 16, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

### **Disclaimer from our Company, our Directors, our Promoters and Lead Managers**

Our Company, our Subsidiaries, our Directors, the Promoters and the Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website [www.sterlitepower.com](http://www.sterlitepower.com), or the respective websites of the Promoter, members of the Promoter Group, Subsidiaries and affiliates, would be doing so at his or her own risk.

The Lead Managers accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement.

All information shall be made available by our Company and the Lead Managers to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and our group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, only.

## **Bidders eligible under Indian law to participate in the Issue**

This Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, QIBs, AIFs, FVCIs (under Schedule I of the FEMA NDI Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however constitute an invitation to subscribe to shares offered hereby in any jurisdiction, other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.**

## **Eligibility and Transfer Restrictions**

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933 (“U.S. Securities Act”) or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, (ii) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Until the expiry of 40 days after the commencement of this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with Section 4(a)(2) or Rule 144A or another available exemption from registration under the U.S. Securities Act.

## ***Equity Shares Offered within the United States***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the Lead Managers that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or any applicable U.S. state;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB or another available exemption from registration requirements of the Securities Act, with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States or general solicitation or general advertising (as such terms are described in Regulation D under the U.S. Securities Act) in the United States with respect to the Equity Shares;
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
11. the purchaser acknowledges that our Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make (and does make) the foregoing acknowledgements, representations and agreements on behalf of such account.

***All Other Equity Shares Offered in this Issue***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with our Company and the Lead Managers that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States to a U.S. Person (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is not purchasing the Equity Shares as a result of any “directed selling efforts” (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act);
4. the purchaser is purchasing the Equity Shares offered pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
5. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
6. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
7. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.
10. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
11. the purchaser acknowledges that our Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make (and does make) the foregoing acknowledgements, representations and agreements on behalf of such account.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.



## **Public Offer Selling Restriction Under The EU Prospectus Regulation**

In relation to each Member State of the European Economic Area, no offer of the Equity Shares may be made to the public in that Relevant Member State other than:

- a. *Qualified investors*: to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- b. *Fewer than 150 offerees*: to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the BRLMs; or
- c. *Other exempt offers*: in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

**provided that** no such offer of Equity Shares shall require the Issuer or the BRLMs to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Equity Shares to the public**” in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

## **Public Offer Selling Restriction Under The UK Prospectus Regulation**

In relation to the United Kingdom, no offer of the Equity Shares may be made to the public in that Relevant Member State other than:

- a. *Qualified investors*: to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- b. *Fewer than 150 offerees*: to fewer than 150, natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), as permitted under the UK Prospectus Regulation, subject to obtaining the prior consent of the relevant BRLMs; or
- c. *Other exempt offers*: in any other circumstances falling within section 86 of the FSMA.

provided that no such offer of Equity Shares shall require the Issuer or the BRLMs to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Equity Shares to the public**” in relation to any Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe, and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

### ***Other UK regulatory restrictions***

Each BRLM:

has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

### **Disclaimer clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

### **Disclaimer clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

## **Listing**

Applications will be made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company, every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Bid/ Issue Closing Date. If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/ Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

## **Consents**

Consents in writing of each of our Directors, our Company Secretary and Compliance Officer, legal advisors to the Company and the Lead Managers, the Lead Managers, the bankers to our Company, the Registrar to the Issue, the Industry Data Providers, independent chartered accountant have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s), Refund Bank(s) and Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

## **Experts to the Issue**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 16, 2021 from S R B C & CO LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated August 7, 2021 on our Restated Consolidated Summary Statements; and (ii) their report dated August 16, 2021 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has also received written consent dated August 16, 2021, from KNPS and Associates, to include their name in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in relation to the with respect to the certificates and letters issued by them in relation to the Issue.

## **Capital issue during the previous three years by our Company**

Our Company has not made any capital issues during the previous three years.

## **Capital issue during the previous three years by our listed Group Companies/Subsidiaries/associates**

As on date of this Draft Red Herring Prospectus, none of our Subsidiaries are listed. None of our listed Group Companies or associates have undertaken capital issues during the previous three years.

## **Particulars regarding public or rights issues during the last five years**

Our Company has not made any rights issues or public issues during the last five years.

## **Performance vis-à-vis Objects**

Our Company has not undertaken any public issues or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

## **Performance vis-à-vis Objects – Last public/rights issue of our listed Subsidiaries/Promoters**

As on date of this Draft Red Herring Prospectus, none of our Subsidiaries or Corporate Promoter are listed.

**Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

**Commission or brokerage on previous issues in last five years**

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company's inception.

**Price information of past issues handled by the Lead Managers (during the current Fiscal and two Fiscals preceding the current Fiscal)**

**A. Axis Capital Limited**

**1. Price information of past issues handled by Axis Capital Limited**

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Clean Science And Technology Limited	15,466.22	900.00	19-Jul-21	1,755.00	-	-	-
2	India Pesticides Limited	8,000.00	296.00	5-Jul-21	350.00	+12.64%, [+1.87%]	-	-
3	Krishna Institute Of Medical Sciences Limited!	21,437.44	825.00	28-Jun-21	1,009.00	+48.10%, [-0.43%]	-	-
4	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	+44.94%, [-0.43%]	-	-
5	Shyam Metalics And Energy Limited@	9,085.50	306.00	24-Jun-21	380.00	+40.95%, [+0.42%]	-	-
6	Macrotech Developers Limited	25,000.00	486.00	19-April-21	436.00	+30.22%, [+5.21%]	+75.43%, [+10.89%]	-
7	Barbeque – Nation Hospitality Limited	4,528.74	500.00	07-April-21	489.85	+18.77%, [-0.64%]	+76.97%, [+6.85%]	-
8	Suryoday Small Finance Bank Limited\$	5,808.39	305.00	26-Mar-21	292.00	-18.38%, [-1.14%]	-26.87%, [+8.13%]	-
9	Kalyan Jewellers India Limited#	11,748.16	87.00	26-Mar-21	73.95	-24.60%, [-1.14%]	-7.07%, [+8.13%]	-
10	Craftsman Automation Limited	8,236.96	1,490.00	25-Mar-21	1,359.00	-13.82%, [+0.11%]	+16.81%, [+10.11%]	-

Source: www.nseindia.com

\$ Offer Price was ` 275.00 per equity share to Eligible Employees

# Offer Price was ` 79.00 per equity share to Eligible Employees

@ Offer Price was ` 291.00 per equity share to Eligible Employees

! Offer Price was ` 785.00 per equity share to Eligible Employees

**Notes:**

a. Issue Size derived from Prospectus/final post issue reports, as available.

b. The CNX NIFTY is considered as the Benchmark Index.

c. Price on NSE is considered for all of the above calculations.

d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.

e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

## 2. Summary statement of price information of past issues handled by Axis Capital Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022*	7	88,719.67	-	-	-	-	4	2	-	-	-	-	-	-
2020-2021	11	93,028.90	-	-	6	2	1	2	-	-	-	2	1	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

\* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

## B. ICICI Securities Limited

### 1. Price information of past issues handled by ICICI Securities Limited

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Home First Finance Company India Limited	11,537.19	518.00	03-Feb-21	618.80	+4.98%, [+1.97%]	-5.64%, [-1.05%]	+15.86%, [+6.58%]
2.	Railtel Corporation of India Limited	8,192.42	94.00	26-Feb-21	109.00	+35.64%, [-0.15%]	+37.50%, [+5.32%]	NA*
3.	Kalyan Jewellers India Limited	11,748.16	87.00 <sup>(1)</sup>	26-Mar-21	73.95	-24.60%, [-1.14%]	-7.07%, [+8.13%]	NA*
4.	Suryoday Small Finance Bank Limited	5,808.39	305.00 <sup>(2)</sup>	26-Mar-21	292.00	-18.38%, [-1.14%]	-26.87%, [+8.13%]	NA*
5.	Nazara Technologies Limited	5,826.91	1,101.00 <sup>(3)</sup>	30-Mar-21	1,990.00	+62.57%, [+0.13%]	+37.59%, [+6.84%]	NA*
6.	Macrotech Developers Limited	25,000.00	486.00	19-Apr-21	436.00	+30.22%, [+5.21%]	+75.43%, [+10.89%]	NA*
7.	Shyam Metals and Energy Limited	9,087.97	306.00 <sup>(4)</sup>	24-Jun-21	380.00	+40.95%, [+0.42%]	NA*	NA*
8.	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	+44.94%, [-0.43%]	NA*	NA*

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
9.	G R Infraprojects Limited	9,623.34	837.00 <sup>(5)</sup>	19-Jul-21	1,715.85	NA*	NA*	NA*
10.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	29-July-21	2,111.85	NA*	NA*	NA*

\*Data not available

- (1) Discount of ₹ 8 per equity share offered to eligible employees All calculations are based on Issue Price of ₹ 87.00 per equity share.  
(2) Discount of ₹ 30 per equity share offered to eligible employees All calculations are based on Issue Price of ₹ 305.00 per equity share.  
(3) Discount of ₹ 110 per equity share offered to eligible employees All calculations are based on Issue Price of ₹ 1,101.00 per equity share.  
(4) Discount of ₹ 15 per equity share offered to eligible employees All calculations are based on Issue Price of ₹ 306.00 per equity share.  
(5) Discount of ₹ 42 per equity share offered to eligible employees All calculations are based on Issue Price of ₹ 837.00 per equity share

## 2. Summary statement of price information of past issues handled by ICICI Securities Limited:

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21	2021-22*	5	53,913.08	-	-	-	-	3	-	-	-	-	-	-
2019-20	2020-21	14	1,74,546.09	-	-	5	5	2	2	-	-	2	4	2
2018-19	2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-

\* This data covers issues upto YTD

Notes:

- (1) All data sourced from www.nseindia.com, except for Computer Age Management Services Limited for which the data is sourced from www.bseindia.com  
(2) Benchmark index considered is NIFTY  
(3) 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

## C. JM Financial Limited

### 1. Price information of past issues handled by JM Financial Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
1.	Krsnaa Diagnostics Limited <sup>9</sup>	12,133.35	954.00	August 16, 2021	1,005.55	Not Applicable	Not Applicable	Not Applicable
2.	Rolex Rings Limited	7,310.00	900.00	August 09, 2021	1,250.00	Not Applicable	Not Applicable	Not Applicable
3.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	July 29, 2021	2,111.85	Not Applicable	Not Applicable	Not Applicable
4.	Clean Science and Technology Limited	15,466.22	900.00	July 19, 2021	1,755	Not Applicable	Not Applicable	Not Applicable
5.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	12.64% [1.87%]	Not Applicable	Not Applicable
6.	Shyam Metalics and Energy Limited <sup>7</sup>	9,085.50	306.00	June 24, 2021	380.00	40.95% [0.42%]	Not Applicable	Not Applicable
7.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45% [0.42%]	Not Applicable	Not Applicable
8.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	Not Applicable
9.	Anupam Rasayan India Limited <sup>8</sup>	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49% [8.23%]	Not Applicable
10.	Easy Trip Planners Limited	5,100.00	187.00	March 19, 2021	212.25	-7.27% [-0.86%]	124.68% [6.94%]	Not Applicable

Source: [www.nseindia.com](http://www.nseindia.com) for price information and prospectus/basis of allotment for issue details

Notes:

1. Opening price information as disclosed on the website of NSE.
2. Change in closing price over the issue/offer price as disclosed on NSE.
3. Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.
4. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.

5. 30<sup>th</sup> calendar day has been taken as listing date plus 29 calendar days; 90<sup>th</sup> calendar day has been taken as listing date plus 89 calendar days; 180<sup>th</sup> calendar day has been taken a listing date plus 179 calendar days.
6. Restricted to last 10 issues.
7. A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ( “Employee Discount ” ) equivalent to ₹ 15 per Equity Share.
8. A discount of Rs. 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
9. A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
10. Not Applicable - Period not completed

**11. Summary statement of price information of past issues handled by JM Financial Limited:**

Financial Year	Total no. of IPOs	Total funds raised (in ₹ million)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	8	1,37,495.07	-	-	-	-	3	1	-	-	-	-	-	-
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	3	1	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

\*\*Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million



## Track record of past issues handled by the Lead Managers

For details regarding the track record of the Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Lead Managers, as set forth in the table below:

S. No.	Name of the Lead Manager	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	ICICI Securities Limited	www.icicisecurities.com
3.	JM Financial Limited	www.jmfl.com

## Redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue and the Lead Managers with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for the stipulated period. In an event there is a delay in redressal of the investor grievance, the Lead Managers shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount.

For helpline details of the Lead Managers pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information – Lead Managers*” on page 83.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Issue to the Lead Managers.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Lead Managers and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post- Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has also appointed Ashok Ganesan, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, please see the section entitled “*General Information*” beginning on page 82.

## Disposal of Investor Grievances by our Company

Our Company has constituted a Stakeholders’ Relationship Committee to review and redress the shareholders’ and investors’ grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, please see the section entitled “*Our Management – Stakeholders’ Relationship Committee*” on page 280.

In the three years preceding the date of this Draft Red Herring Prospectus, our Company received 228 investor complaints and resolved 228 investor complaints. As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints in relation to our Company and our listed Group Companies.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

## SECTION VII: ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

#### Ranking of the Equity Shares

The Allottees, upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares issued in the Issue shall be *pari passu* with the existing Equity Shares in all respects including dividends. For further details, please see the section entitled “*Main Provisions of the Articles of Association*” on page 491.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our MoA, AoA and provisions of the SEBI Listing Regulations and any other guidelines, policies or directions which may be issued by the GoI in this regard. All dividends declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares), will be payable to the Allottees for the entire year, in accordance with applicable laws. For further details, in relation to dividends, please see the section entitled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 294 and 491, respectively.

#### Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹2 and the Issue Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Issue Price is ₹[●] per Equity Share.

The Price Band, minimum Bid Lot for the Issue and Employee Discount will be decided by our Company in consultation with the Lead Managers, and will be advertised in [●] editions of the English national newspaper [●], [●] editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Marathi national daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

#### The Issue

The Issue comprises an issue of up to [●] Equity Shares aggregating up to ₹ 12,500.00 million by our Company.

#### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- (i). Right to receive dividends, if declared;
- (ii). Right to attend general meetings and exercise voting rights, unless prohibited by law;
- (iii). Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- (iv). Right to receive offers for rights shares and be allotted bonus shares, if announced;
- (v). Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- (vi). Right of free transferability, subject to applicable foreign exchange regulations and other applicable law; and

- (vii). Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, as applicable, and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please see the section entitled “*Main Provisions of the Articles of Association*” on page 491.

#### **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Issue:

- (i). Tripartite agreement dated June 16, 2016 amongst our Company, NSDL and Registrar to the Issue; and
- (ii). Tripartite agreement dated July 28, 2016 amongst our Company, CDSL and Registrar to the Issue.

#### **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

#### **Joint Holders**

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

#### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- f) to register himself or herself as the holder of the Equity Shares; or
- g) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

#### **Bid/Issue Programme**

<b>BID/ISSUE OPENS ON</b>	[●] <sup>(1)</sup>
<b>BID/ISSUE CLOSES ON</b>	[●] <sup>(2)</sup>

- (1) Our Company may, in consultation with the Lead Managers, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations
- (2) Our Company may, in consultation with the Lead Managers, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

\* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue Managers shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

**The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the Lead Managers.**

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

**Submission of Bids (other than Bids from Anchor Investors):**

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**On the Bid/ Issue Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding under the Employee Reservation Portion

On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees Bidding under the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the Lead Managers to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by the closing hours of the Working Day.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will be accepted only during Working Days.

None among our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of

instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company in consultation with the Lead Managers reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Lead Managers, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Issue on the date of closure of the Issue; and (ii) subscription in the Issue equivalent to at least 10% post-Issue paid-up equity share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Issue Closing Date on the date of closure of the Issue; or withdrawal of applications; or after technical rejections; or if the listing; or trading permission is not obtained from the Stock Exchanges for the securities so offered pursuant to the Red Herring Prospectus and the Prospectus; or if the subscription level falls below the threshold under Rule 19(2)(b) of the SCRR mentioned above after the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received, in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate prescribed under applicable law, including the Companies Act, 2013 and the SEBI ICDR Regulations

Further, our Company shall ensure that the number of Allottees shall not be less than 1,000.

### **Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue capital of our Company, lock-in of the Promoter's Contribution and the Anchor Investor lock-in as provided in the section entitled "*Capital Structure*" on page 89 and the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares/debentures of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, please see the section entitled "*Main Provisions of the Articles of Association*" on page 491.

## ISSUE STRUCTURE

Issue of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising of an Issue of up to [●] Equity Shares aggregating up to ₹ 12,500.00 million by our Company.

The Issue shall constitute [●]% of the post-Issue paid-up equity share capital of our Company. The Issue includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Issue paid-up equity share capital. The Issue less the Employee Reservation Portion is the Net Issue. The Issue and Net Issue shall constitute [●]% and [●]% of the post-Issue paid-up equity share capital of our Company, respectively.

Our Company may, in consultation with the Book Running Lead Managers, consider a Pre-IPO Placement of up to [●] Equity Shares for cash consideration aggregating up to ₹ 2,200.00 million. The Pre-IPO Placement will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to the minimum issue size constituting at least [●]% of the post-issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation <sup>(2)</sup>	Up to [●] Equity Shares	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	The Employee Reservation Portion shall constitute up to [●]% of the post-Issue paid-up Equity Share capital of our Company	Not less than 75% of the Net Issue Size shall be Allotted to QIBs. However, up to 5% of the QIB Portion (excluding Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not more than 15% of the Net Issue	Not more than 10% of the Net Issue
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate, unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount, if any). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 (net of Employee Discount, if any), subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to 60% of the QIB Portion Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from domestic Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	Proportionate, subject to minimum Bid lot. Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details please see the section entitled, "Issue Procedure" on page 475.

Particulars	Eligible Employees	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	Employee Discount if any).			
Minimum Bid	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000, less Employee Discount, if any	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Net Issue, subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Net Issue, (excluding the QIB Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Who can apply <sup>(3)</sup> (4)	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, FVCIs, VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs having a net-worth of more than five hundred crore rupees as per the last audited financial statements.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, family offices and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.			
Trading Lot	One Equity Share			
Terms of Payment	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form</p>			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).			

<sup>(1)</sup> Our Company may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Post allocation to the Anchor Investors, the QIB Category



will be reduced by such number of Equity Shares. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, please see the section entitled "Issue Structure" on page 472.

- (2) Subject to valid Bids being received at or above the Issue Price. This is an Issue in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(2) of the SEBI ICDR Regulations.
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company, in consultation with the Lead Managers, reserves the right to reject all or any multiple Bids, except as otherwise permitted, in any or all categories. Further, a Bidder Bidding in the Employee Reservation Portion may also Bid under the Net Issue and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion above ₹500,000 shall not be allowed to Bid in the Net Issue as such Bids shall be treated as multiple Bids.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN.

Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Issue. Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹ 200,000 in value (net of Employee Discount, if any).

Only in the event of an under-subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 in value (net of Employee Discount, if any).

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion or the Employee Reservation Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the Lead Managers and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see the section entitled "Terms of the Issue" on page 468.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and possess the requisite approvals to acquire the Equity Shares.

### **Withdrawal of the Issue**

Our Company, in consultation with the Lead Managers, reserves the right not to proceed with the Issue, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and shall promptly inform the Stock Exchanges on which the Equity Shares are proposed to be listed. The Lead Managers, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the Lead Managers withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an initial public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/Issue Closing Date or such other period as per applicable law; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

## ISSUE PROCEDURE

All Bidders should read the General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations and is a part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; and (xi) interest in case of delay in allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Moreover, given the prevailing uncertainty due to the COVID- 19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.

Our Company, and the Members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

### Book Building Procedure

The Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

The Issue includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed [●]% of our post-Issue paid-up equity share capital subject to valid Bids being received at or above the Issue Price, net of Employee Discount, if any.

Under-subscription, if any, in any category, including the Employee Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Lead Managers and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Issue, subject to compliance with Applicable Law.**

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for continuation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Managers.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. RIBs bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

ASBA Bidders (not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/unblocked.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, RIBs and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees bidding in the Employee Reservation Portion	[●]

\* Excluding electronic Bid cum Application Forms

Notes:

- (1) Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com))
- (2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Lead Managers

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Issue shall provide the audit trail to the Lead Managers for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. For

ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

#### **Electronic registration of Bids**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

#### **Participation by Promoters, members of the Promoter Group, the Lead Managers and the Syndicate Members and persons related to Promoters/ the members of the Promoter Group/ the Lead Managers**

The Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Managers and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Lead Managers or any associates of the Lead Managers (except Mutual Funds sponsored by entities which are associates of the Lead Managers or insurance companies promoted by entities which are associate of Lead Managers or AIFs sponsored by the entities which are associate of the Lead Managers or FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associates of the Lead Managers cannot apply in the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an associate of the Lead Managers, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Lead Managers.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue. Further, persons related to the Promoters and the member of the Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to the Promoters or the members of the Promoter Group of our Company:

- (i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or the members of the Promoter Group of our Company;
- (ii) veto rights; or
- (iii) right to appoint any nominee director on the Board.

#### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Lead Managers reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB or confirm or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

In accordance with the FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non-repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts.

Our Company has, pursuant to a Board resolution dated July 2, 2021, and Shareholders resolution dated August 1, 2021, increased the limit of investment of NRIs, on a repatriation basis, to up to 24% of the paid-up equity share capital of the Company.

For details of restrictions on investment by NRIs, please see the section entitled “*Restrictions on Foreign Ownership of Indian Securities*” on page 490.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA NDI Rules.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue equity share capital. Further, in terms of the FEM NDI Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up equity share capital of our Company and the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 74%), as prescribed under the FEM NDI Rules. The aggregate limit as provided above could have been decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020.

With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with the Lead Managers, reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI has, pursuant to its circular dated July 13, 2018, directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by the following FPIs with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager (“MIM”) structure
- Offshore derivative instruments (“ODI”) which have obtained separate FPI registration for ODI and proprietary derivative investments.
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration.
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs.
- Government and Government related investors registered as Category I FPIs.
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to the aforesaid seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilise any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

## **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations till the existing fund or scheme managed by the fund is wound up. The holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements. Provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the VCF or AIF or FVCI.

There is no reservation for Eligible NRI, AIFs, FPIs and FVCIs. All such Bidders will be treated on the same basis with other categories for the purpose of allocation. Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA NDI Rules.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company or the Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

## **Bids by Eligible Employees**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of Employee Discount, if any). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹500,000 (net of Employee Discount, if any).

However, Allotments to Eligible Employees in excess of ₹200,000 (net of Employee Discount, if any), shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount if any). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Issue. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- (b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (c) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- (d) Only those Bids, which are received at or above the Issue Price, net of Employee Discount, if any, would be considered for Allotment under this category.
- (e) Eligible Employees can apply at Cut-off Price.
- (f) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (g) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.

In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis.



Please note that any individuals who are directors, employees or promoters of (a) the Lead Managers, Registrar to the Issue, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such Lead Managers, Registrar to the Issue or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Lead Managers reserves the right to reject any Bid without assigning any reason thereof.

### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with applicable law including the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Lead Managers reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 are broadly set forth below:

- (a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

\* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Lead Managers reserves the right to reject any Bid, without assigning any reason thereof.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Lead Managers reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the Lead Managers may deem fit.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Lead Managers, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids by Anchor Investors**

- (a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- (c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.
- (e) Our Company, in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allotees in the Anchor Investor Portion will not be less than:
  - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
  - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

- in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.
- (f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.
- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price.
- (i) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Issue under the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

**The above information is given for the benefit of the Bidders. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.**

#### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

#### **General Instructions**

##### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
15. Ensure that the Demographic Details are updated, true and correct in all respects;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

20. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
21. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
22. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
23. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
24. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and
25. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs) and ₹500,000, net of Employee Discount, if any (for Bids by Eligible Employees);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not Bid for Equity Shares in excess of what is specified for each category;
22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
26. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “*General Information*” and “*Our Management*” on pages 82 and 269, respectively.

For helpline details of the Lead Managers pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information*” on page 82.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus, except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Net Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

## Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the Lead Managers, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, NACH, RTGS or NEFT). For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- 1) In case of resident Anchor Investors: “[●]”
- 2) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company and the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

## Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], a widely circulated English national daily newspaper (ii) [●] editions of [●], a widely circulated Hindi national daily newspaper and (iii) [●] editions of [●], a widely circulated Marathi national daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located).

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**The above information is given for the benefit of the Bidders/applicants. Our Company and the Members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

## Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price but prior to the filing of Prospectus.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

## Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- except for (i) the Pre-IPO placement, and (ii) the Equity Shares allotted pursuant to the Issue, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;
- the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- the Minimum Promoters' Contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulations;

The decisions with respect to the Price Band, the minimum Bid lot, Employee Discount (if any), revision of the Price Band, Issue Price, the Bid/ Issue Period, will be taken by our Company in consultation with the Lead Managers.

### **Utilisation of Issue Proceeds**

Our Board of Directors certifies and declares that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.
- our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who—*

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*  
*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“DPIIT”), issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEM NDI Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEM NDI Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/ Issue Period.

### Foreign Exchange Laws

The foreign investment in our Company is governed by *inter alia* the FEMA, as amended, the FEM NDI Rules, as amended, and the FDI Policy issued and amended by way of press notes.

Our Company is permitted to have 100% foreign ownership under the automatic route.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and pursuant to the applicable laws of the jurisdictions where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. The information does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations. Bidders are cautioned to consider any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus.**

## SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company (“Articles”).*

*Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.*

### **Share Capital and Variation of Rights**

The shares of the Company shall be under the control of the Directors who may who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further, if at any time the share capital is divided into different classes of shares, the rights attached to any class of shares may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act and subject to the terms of issue of the shares of that class.

### **Alteration of Capital**

Subject to the provisions of the Act, the Company may, by ordinary resolution, from time to time, alter its share capital as follows:

- a. increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution;
- b. consolidate and divide all or any its share capital into shares of larger amount than its existing shares;
- c. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by Memorandum of Association;
- d. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person; and
- e. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

The Company may, by passing a special resolution, reduce any or all of the following:

- a. its share capital;
- b. any capital redemption reserve account; and/or
- c. any securities premium account.

### **Calls on Shares**

The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. The Board may, at their discretion, revoke or postpone a call on the shares.

If a member fails to pay any call in respect of any share, on the day appointed for the payment of the same, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

### **Further Issue**

The Board or the Company may, in accordance with the Act and the Rules, issue further shares in any manner as the Board may determine, including by way of private placement and preferential allotment.

### **Forfeiture and Lien**

The Company shall have a first and paramount lien upon all shares that are not fully paid-up shares of the Company and upon the proceeds of sale thereof for all monies called or payable at a fixed time in respect to that share. The Company may enforce the lien by selling any shares on which the Company has a lien provided that a sum in respect of which the lien exists is payable at the time and a written notice demanding payment has been served on the registered holder or the person entitled thereto by reason of his death or insolvency 14 (fourteen) days prior to such sale.

If a member fails to pay any call, instalment or any money due in respect of any share, on the day appointed for the payment of the same, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued. If the requirements of such notice are

not complied with any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares. However, the person whose shares have been forfeited shall remain liable to pay all monies, that were payable by him to the Company in respect of the forfeited shares, at the date of forfeiture. A forfeited share may be sold or otherwise disposed of by the Company on such terms and in such manner as the Board thinks fit.

### **Transfer of Shares**

The shares or other securities of the Company may be transferred by way of an instrument of transfer that is executed by or on behalf of both the transferor and the transferee, in the form as prescribed in the Rules made under this Act. Such instrument of transfer must be in respect of only one class of shares and shall be accompanied by the share certificate and such other evidence that the Board may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a holder of the transferred share until the transferee's name is entered in the register of members. The Board may decline to register the transfer of a share is partly paid-up to a person of whom they do not approve or a share on which the Company has a lien.

### **Transmission of shares**

On the death of a member, the survivor or survivors of the deceased member, where the member was a joint member or the nominees or legal representatives of the deceased member, where the member was a sole holder, shall be the only person whom the Company shall recognize as having any title to his interest in the shares. Nothing herein contained shall be taken to release the estate of a deceased joint- holder from any liability on shares held by him jointly with any other person.

A person becoming entitled to a share as a consequence of the death or insolvency of a registered member, may, upon such evidence being produced as may from time to time properly be required by the Board, elect to be registered as the holder of the share or make such transfer of the share or other security as the deceased or insolvent member could have made. Such person shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share. However, such person shall not be entitled to exercise any right conferred by membership in relation to meetings of the Company before being registered as a member.

The Board shall have the same right to decline or suspend the registration of the transmission as it would have had, if the deceased or insolvent member had transferred the share or security before death or insolvency.

### **Certificate**

Every person whose name is entered as a member in the register of members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve, upon payment of certain fees, to several certificates, each for one or more of such shares. Every certificate of shares shall be under the Seal of the Company and shall specify the shares to which it related and the amount paid-up thereon. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

If any certificate of any shares is defaced, mutilated, torn, worn- out or if there is no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof. If any certificate of any shares is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate may be issued in lieu thereof. Every certificate under this Article shall be issued on payment of fees for each certificate as may be prescribed under applicable law.

### **General Meetings**

All general meetings of the Company other than the Annual General Meeting shall be called an extraordinary general meeting. The quorum for the general meeting shall be as provided in the Act and the Chairperson of the Board shall preside as Chairperson at every general meeting of the Company. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

The Board may, whenever they think fit, call an extra ordinary general meeting in accordance with the Companies Act.

### **Votes of Members**

Subject to any restrictions attached to any class or classes of shares at the time:

- a. on a show of hands, every member present in person shall have one vote; and

- b. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

A member may exercise his vote at a meeting by electronic means in accordance with the Companies Act and shall vote only once. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid. Further, in the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

A member may vote through a proxy subject to the instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, being deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

### **Board of Directors**

The Board shall have the power to appoint, at any time, additional directors to the Board subject to the maximum strength of the Board as determined by the Articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. The directors may additionally be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or in connection with the business of the Company.

### **Meetings of Directors**

The Directors may meet for the conduct of business, adjourn and regulate their meetings as they think fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or these Articles of Association or the regulations for the time being of the Company are vested in or exercisable by the Board of Directors generally. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

Subject to anything in the Act, any questions arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

Further, the Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body or any person as it thinks fit. Any committee so formed or any person so authorized or appointed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

### **Dividend**

The Company in general meeting may declare the dividend which shall not exceed the amount recommended by the Board. The Board, before declaring the dividend, may set aside from the profits such sums as it seems fit as reserves which shall be applied for any purpose to which the profits of the Company may be properly applied including provision for meeting contingencies or for equalizing dividends, at the discretion of the Board, The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Subject to the provisions of the Act, the Board may, from time to time, pay interim dividends to the members as appear to it to be justified by the profits of the Company. Subject to rights of members entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares. If and so long as nothing is paid upon any of the shares in the Company, dividend may be declared and paid according to the amounts of the shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid unless any share is issued on terms providing that it shall rank for dividend as from a particular date. Such share shall rank for dividend accordingly. Further, no dividend shall bear interest as against the Company.

Where the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration, the Company shall transfer such unclaimed or unpaid amount to a special account maintained by the Company in a scheduled bank, to be called the 'Unpaid Dividend/ Interim Dividend Account of Sterlite Power Transmission Limited / Sterlite Power – Unpaid Dividend/Interim Dividend Account' within 7 (Seven) days from the date of expiry of the said period of 30 (Thirty) days. The Board shall not forfeit any unpaid or unclaimed dividend.

## **Capitalisation of Profits**

The Company, on recommendation of the Board, may resolve to capitalise any part of the amount standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution. The Company may resolve to set such sum free for distribution amongst members who would have been entitled if the sum was distributed by way of dividends and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied towards:

- a. paying up amounts that are, for the time being unpaid on any shares held by the members; or
- b. paying up in full, the unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up to and amongst such members; and
- c. partly in the way specified in point (a) above and partly in the way specified in point (b) above.

A securities premium account and a capital redemption reserve account, may be applied in the paying up of unissued shares to the members of the Company as fully paid up bonus shares.

## **Winding Up**

Subject to the provisions of the Act and Rules, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide amongst the members, in specie or in kind, the whole or part of the assets whether they consist of property of the same kind or not. The liquidator may set such value that he deems as fair upon the property and may determine how the division shall be carried out amongst the members or different classes of members. The liquidator also may vest the whole or part of the assets in trusts for the benefit of the contributories.

## **Indemnity**

Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by a court or the National Company Law Tribunal.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus / Prospectus which will be delivered to the RoC for filing. Copies of the contracts, and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid / Issue Closing Date.

#### A. Material Contracts for the Issue

1. Issue Agreement dated August 16, 2021 among our Company and the Lead Managers.
2. Registrar Agreement dated August 16, 2021 among our Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] among our Company, the Registrar to the Issue, the Lead Managers, and the Bankers to the Issue.
4. Syndicate Agreement dated [●] among our Company the Lead Managers, the Syndicate Members, and the Registrar to the Issue.
5. Underwriting Agreement dated [●] among our Company, and the Underwriters and the Registrar to the Issue.
6. Monitoring Agency Agreement dated [●] among our Company and the Monitoring Agency.

#### B. Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated May 5, 2015 issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad.
3. Certificate of registration of the Regional Director order for change of state dated October 3, 2015 issued to our Company by the RoC.
4. Resolution of the Board of Directors dated July 2, 2021 authorising the Issue and other related matters.
5. Shareholders' resolution dated August 1, 2021, in relation to the Issue and other related matters.
6. Resolution of the IPO Committee dated August 16, 2021, approving this Draft Red Herring Prospectus.
7. Copies of annual reports of our Company for Fiscals 2020, 2019 and 2018.
8. The examination report dated August 7, 2021 of the Statutory Auditors on our Restated Consolidated Summary Statements.
9. The report dated August 16, 2021 on the statement of special tax benefits available to the Company, its material subsidiaries and to the shareholders of the Company under the applicable laws in India and in Brazil (in the case of material subsidiaries).
10. Consent letters of the Directors, the Lead Managers, the Syndicate Members, Legal Counsel to our Company as to Indian Law, Legal Counsel to the Lead Managers as to Indian Law, Legal Counsel to the Lead Managers as to International Law, Registrar to the Issue, Bankers to the Company, Escrow Collection Bank(s), Public Issue Bank(s), Refund Bank(s), Sponsor Bank, Company Secretary and Compliance Officer, to act in their respective capacities.
11. Written consent dated August 16, 2021 from S R B C & CO LLP, Chartered Accountants, to include their name as required under Section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated August 7, 2021, on our Restated Consolidated Summary Statements; and (ii) their report dated August 16, 2021, on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
12. Consent letter dated August 16, 2021, from KNPS and Associates, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in relation to the with respect to the certificates and letters issued by them in relation to the Issue.
13. Report titled "Brazil Power Report" issued by Fitch dated June 2021.
14. Report titled "CRISIL Research - Indian Power & Transmission Sector" released in Mumbai in July 2021 by CRISIL.
15. Consent letter from CRISIL dated August 6, 2021 to rely on and reproduce part or whole of the CRISIL Report and include their name in this Draft Red Herring Prospectus.

16. Tripartite agreement dated June 16, 2016 among our Company, NSDL and the Registrar to the Issue.
17. Tripartite agreement dated July 28, 2016 among our Company, CDSL and the Registrar to the Issue.
18. Due diligence certificate dated August 16, 2021, addressed to SEBI from the Lead Managers.
19. In-principle listing approval dated [●], issued by BSE.
20. In-principle listing approval dated [●], issued by NSE.
21. Final observations letter dated [●] issued by SEBI.
22. Framework agreement dated April 30, 2019 as amended on August 28, 2020 entered into between Axis Trustee Services Limited, our Company and IndiGrid Investment Managers Limited.
23. Share purchase agreement dated March 5, 2021 entered into between Axis Trustee Services Limited, IndiGrid Investment Managers Limited, SGL4 and NER.
24. Share purchase agreement dated August 28, 2020 executed between Axis Trustee Services Limited, IndiGrid Investment Managers Limited, SGL4 and GPTL.
25. Share subscription and purchase agreement dated April 30, 2019 entered into between Electron IM Pte. Ltd., IndiGrid Investment Managers Limited and our Company.
26. Shareholders agreement dated April 30, 2019 entered into between Electron IM Pte. Ltd., IndiGrid Investment Managers Limited and our Company.
27. Inter-se sponsor agreement dated April 30, 2019, between our Company and Esoteric II Pte. Ltd.
28. Four investment agreements dated December 28, 2020, as amended on March 30, 2021, executed between (i) our Company, AMP Capital, SGL13 and VNLTL; (ii) our Company, AMP Capital, SGL14 and UKTL; (iii) our Company, AMP Capital, SGL18 and LVTPL; and (iv) our Company, AMP Capital, SGL5, SGL29 and GTTPL.
29. Framework agreement dated December 28, 2020, as amended and restated on March 30, 2021, executed between our Company and AMP Capital.
30. Business collaboration agreement dated March 22, 2021 entered into between Lamifil NV and our Company.
31. Memorandum of understanding dated December 2, 2020 between Taihan Cable & Solution Co., Ltd. and our Company.
32. Memorandum of understanding dated December 4, 2019 between Mosdorfer India Private Limited, EB REBOSIO SRL and our Company.
33. Memorandum of understanding dated July 1, 2019, as amended on January 1, 2020 between Smart Wires Inc. and our Company.
34. Memorandum of understanding dated December 27, 2018, as amended on January 1, 2020 and December 1, 2020, between Elektra Power (PTY) Limited and our Company.
35. Adherence agreement dated July 29, 2016 entered into between Sharper Shape Group Inc. and our Company
36. Investment agreement dated June 21, 2021 executed between Sterlite Brazil Participações S.A., Vinci Energia Fundo de Investimento em Participações em Infraestrutura, V21 Energia S.A. and Vineyards Participações S.A.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant laws.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

<b>Pravin Agarwal</b> <i>Chairman and Non-executive Director</i>	
<b>Pratik Pravin Agarwal</b> <i>Managing Director</i>	
<b>Alampallam Ramakrishnan Narayanaswamy</b> <i>Independent Director</i>	
<b>Zhao Haixia</b> <i>Independent Director</i>	
<b>Anoop Seth</b> <i>Independent Director</i>	

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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**Anuraag Srivastava**  
*(Chief Financial Officer)*

**Date:** August 16, 2021

**Place:** Mumbai