

STERLITE POWER GRID VENTURES LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	16,071,748.74
Reserves and surplus	4	352,915.95
		16,424,664.69
Non-current liabilities		
Trade Payables	5	30,708.00
Long-term provisions	6	229.79
		30,937.79
Current liabilities		
Trade payables	7	171,031.73
Other current liabilities	7	1,452,644.63
Short-term provisions	8	314.57
		1,623,990.93
TOTAL		18,079,593.41
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	9	49,926.76
		49,926.76
Non current investments	10	15,527,968.69
Long-term loans and advances	11	1,719,055.94
Other non-current assets	12	7,627.10
		17,304,578.49
Current assets		
Trade receivables	13	345,064.69
Cash and bank balances	14	37,880.14
Short-term loans and advances	15	392,070.09
		775,014.92
TOTAL		18,079,593.41

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Sterlite Power Grid Ventures Limited

per Paul Alvares
Partner
Membership Number : 105754

Pravin Agarwal
Chairman
DIN: 00022096

Pratik Agarwal
Vice Chairman
DIN: 03040062

Place: Pune
Date: 18 May 2015

Harsh Shah
Chief Financial Officer

Akshay Sethi
Company Secretary

STERLITE POWER GRID VENTURES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 03 JUNE 2014 TO 31 MARCH 2015

	Note	03 June 2014 to 31 March 2015 Rs. in Thousands
INCOME		
Revenue from operations	16	693,379.96
Other income	17	9,240.22
Total income (I)		702,620.18
EXPENSES		
Contract expenses		623,731.81
Employee benefits expense	18	31,368.09
Other expenses	19	102,275.45
Total (II)		757,375.35
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(54,755.17)
Depreciation and amortisation expense	20	1,088.34
Finance costs	21	338.55
Loss before tax		(56,182.06)
Tax expense		-
Loss for the year		(56,182.06)
Earnings per equity share (Nominal value of share Rs. 10)	22	
Basic and diluted		
Computed on the basis of loss for the year		(1.08)

Summary of significant accounting policies 2.1

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

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STERLITE POWER GRID VENTURES LIMITED
CASH FLOW STATEMENT FOR THE PERIOD 03 JUNE 2014 TO 31 MARCH 2015

	03 June 2014 to 31 March 2015 Rs. in Thousands
Cash flow from operating activities	
Net loss as per the statement of profit and loss	(56,182.06)
Non cash adjustments to reconcile loss before tax to net cash flows :	
- Depreciation expense	1,088.34
- Net gain on sale of current investments	(9,240.22)
- Finance cost	338.55
	(7,813.33)
Operating loss before working capital changes	(63,995.39)
Change in assets and liabilities :	
- Increase in short term loans and advances	(392,070.09)
- Increase in long term loans and advances	(16,699.87)
- Increase in trade receivables	(345,064.69)
- Increase in Non current assets	(7,627.10)
- Increase in Trade payable	171,031.73
- Increase in other long term liabilities	30,708.00
- Increase in other current liabilities	1,448,871.61
- Increase in long term provisions	229.79
- Increase in short term provisions	314.57
Cash flow from operating activities	889,693.93
Net cash flow from operating activities (A)	825,698.54
B. Cash flow from investing activities	
Purchase of fixed assets	(47,242.07)
Purchase of non current investments	(15,527,968.69)
Net gain on sale of current investments	9,240.22
Loans given to related parties	(1,702,356.06)
Net cash used in investing activities (B)	(17,268,326.59)
C. Cash flow from financing activities	
Proceeds from issuance of equity shares	520.00
Proceeds from issuance of preference shares (including securities premium)	16,480,326.75
Finance costs	(338.55)
Net cash flow from financing activities (C)	16,480,508.20
Net increase/(decrease) in cash and cash equivalents (A + B + C)	37,880.14
Cash and cash equivalents as at beginning of the year	-
Cash and cash equivalents as at end of the year	37,880.14

STERLITE POWER GRID VENTURES LIMITED
CASH FLOW STATEMENT FOR THE PERIOD 03 JUNE 2014 TO 31 MARCH 2015

Components of cash and cash equivalents:

31 March 2015
Rs. in Thousands

Cash and cash equivalents

Balance with banks on current accounts 37,880.14

Cash and cash equivalents in cash flow statement (Note 14)

37,880.14

As per our report of even date

For S R B C & CO LLP

Firm Registration No. 324982E
Chartered Accountants

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

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Partner
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Place: Pune

Date: 18 May 2015

Harsh Shah

Chief Financial Officer

Akshay Sethi

Company Secretary

STERLITE POWER GRID VENTURES LIMITED**Notes to financial statements for the period 03 June 2014 to 31 March 2015****NOTE 1: CORPORATE INFORMATION**

Sterlite Power Grid Ventures Limited ("the Company") is a subsidiary of Sterlite Technologies Limited and is a public company domiciled in India. The Company was incorporated under the Companies Act, 2013 on 03 June 2014. The Company, directly or indirectly, through its subsidiaries, acts as a developer on Build Own Operate & Maintain ("BOOM") basis, for designing, financing, construction and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years. The Company also undertakes the Engineering, Procurement and Construction Contracts for construction of power transmission systems.

NOTE 2: BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention.

NOTE 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Use of estimates**

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following useful lives to provide depreciation on its fixed assets:

Nature of assets	Useful life considered estimated by management	Useful life specified in Schedule II of the Companies Act, 2013
Furniture and fitting	7.5 years*	10 years
Data processing equipments	4 years*	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years
Office equipments	4 years*	5 years

* Considered on the basis of managements estimation, supported by technical advice, of the useful life of the respective assets.

Leasehold improvements are depreciated over the useful life of the asset or the lease period, whichever is lower.

STERLITE POWER GRID VENTURES LIMITED**Notes to financial statements for the period 03 June 2014 to 31 March 2015****(d) Borrowing Costs**

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(e) Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculations on detailed budget calculations. These budgets have been prepared for the entire project life. For periods beyond 5 years, a long term growth rate is calculated and applied to future cash flows after the fifth year.

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 company 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 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.

(f) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(g) Operating Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Contract revenue:

Revenue from fixed price construction contracts for power transmission lines is recognised based on the stage of completion of the individual contract using the percentage completion method, provided the order outcome as well as expected total costs can be reliably estimated. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses.

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.

Prepayments from customers are recognised as liabilities. A contract in progress for which the selling price of the work performed exceeds interim billings and expected losses is recognised as an asset. Contracts in progress for which interim billings and expected losses exceed the selling price are recognised as a liability. Expenses relating to sales work and the winning of contracts are recognised in the statement of profit and loss as incurred.

Income from services:

Income from services is recognised on a pro-rata basis as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends:

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(i) Retirement and other Employee Benefits

Retirement benefit in the form of provident fund is defined contribution scheme. The contributions to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related service. The company has no obligation, other than the contribution payable to the provident fund.

The Company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The company 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 company 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 statement of profit and loss and are not deferred.

The company 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 company 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.

(j) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

STERLITE POWER GRID VENTURES LIMITED**Notes to financial statements for the period 03 June 2014 to 31 March 2015****(k) Taxes on Income**

Tax expense comprises of current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(l) Cash and Cash equivalents

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(m) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(o) Segment reporting policies

The Company's operating businesses are organised and managed separately according to the nature of business/activity. The activities of the Company fall within a single geographical segment and accordingly the disclosures for secondary segment are not given.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

These include general corporate income and expense items which are not allocated to any business segment.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financials statements of the Company as a whole.

(p) Measurement of EBITDA

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

STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 3: SHARE CAPITAL

	31 March 2015
	Rs. in Thousands
Authorised shares (No.s)	
10,000,000 equity shares of Rs.10 each	100,000.00
1,270,000,000 Compulsorily convertible preference shares of Rs 10 each	12,700,000.00
470,000,000 Optionally convertible preference shares of Rs 10 each	4,700,000.00
Issued,subscribed and fully paid-up shares (No.s)	
52,000 equity shares of Rs.10 each	520.00
1,198,024,866 Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each	11,980,248.66
409,098,008 Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	4,090,980.08
Total issued, subscribed and fully paid-up share capital	16,071,748.74

During the period ended March 2015, the authorized share capital of the company was increased from Rs 500,000 to Rs 17,50,00,00,000 divided into 10,000,000 equity shares of Rs 10 each and Rs 127,00,00,000 of CCPS of Rs 10 each and 47,00,00,000 of Rs OCRPS of Rs 10 each.

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

	31 March 2015	
	No.s	Rs. in Thousands
Equity Shares		
At the beginning of the year	-	-
Issued during the year	52,000.00	520.00
Outstanding at the end of the year	52,000.00	520.00
Preference Shares		
At the beginning of the year	-	-
Issued during the year	1,607,122,874	16,071,228.74
Outstanding at the end of the year	1,607,122,874	16,071,228.74

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

c. Terms of conversion/ redemption of preference shares**Optionally Convertible Preference Shares -**

During the year, the Company issued 409,098,008 Optionally Convertible Redeemable Preference Shares ('OCRPS') with face value Rs. 10 per OCRPS at Rs. 11 per OCRPS for a total consideration of Rs. 4,500,078.09 thousands (including premium of Rs. 409,099.37 thousands) to Standard Chartered Financial Holdings, Mauritius ('Investor') pursuant to Subscription agreement and Shareholders' Agreement dated 7 July 2014 ('Agreements') executed among the Company, Sterlite Technologies Limited and the Investor. The Agreements specify various exit options for the Investor including an IPO. The OCRPS are either convertible into equity shares or redeemable after 60 months from the date of allotment so as to provide the Investor with desired IRR from the date of allotment of OCRPS ('Closing date') until the date of exit. The OCRPS are convertible into such number of equity shares of the Company so as to provide 27.11% of equity share capital (calculated on a fully diluted basis) as on the date of allotment. In case the return to the Investor on conversion is less than desired return, the OCRPS will be converted in to such number of equity shares to the Investor so as to provide a return agreed as per Agreements to the Investor subject to Investor's equity shareholding in the Company not exceeding 49.9%. Alternatively, OCRPS are redeemable at a price mutually agreed between Sterlite Technologies Limited and the Investor based on the fair market value of the shares of the Company at the time of exit subject to the Investor getting desired IRR. The OCRPS are entitled to preferential dividend at the rate of 0.01% per year.

The Company cannot take any actions purporting to commit it, in relation to affirmative vote items granted to the Investor through the shareholders' agreement unless such affirmative vote items have been approved by the Investor or the Nominee Director of the Investor, as the case may be, except where such consent requirement has been waived by the Investor in writing.

Compulsorily Convertible Preference Shares -

The Company has issued 119,80,24,866 Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 per CCPS fully paid to Sterlite Technologies Limited ('Holding Company'). Each CCPS shall be convertible into 1 equity share of the company; provided, however, that in the event of the conversion of the OCRPS issued to the Investor, the right of the holder of CCPS to convert the CCPS into 1 equity share of the company shall be adjusted to allow the conversion of the OCRPS issued to the Investor. The CCPS are convertible at any time after or simultaneously with the conversion of the OCRPS issued to the Investor. The CCPS are entitled to preferential dividend at the rate of 0.01% per year.

STL has the right to contribute further capital upto weighted average amount of 800 Cr in the 4 years from investment date at the same price. In case STL contributes such capital as CCPS, the conversion of CCPS should be such that to provide effect to the same.

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

	31 March 2015	
	No.s	% holding
Equity shares of Rs. 10 each fully paid		
Sterlite Technologies Limited, the immediate holding company	50,000.00	96.15%
Preference shares of Rs. 10 each fully paid		
Sterlite Technologies Limited, the immediate holding company	1,198,024,866.00	74.54%
Standard Chartered Financial Holdings	409,098,008.00	25.46%

e. Shares reserved for issue under options

For details of shares reserved for issue on conversion of OCRPS/CCPS, please refer note 3 (c) regarding terms of conversion/ redemption of preference shares.

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015
	Rs. in Thousands
Securities premium account	
Premium on issue of optionally convertible redeemable preference shares	409,098.01
Closing balance	409,098.01
Deficit in the Statement of Profit and Loss	
Loss for the year	(56,182.06)
Net deficit in the Statement of Profit and Loss	(56,182.06)

STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

Total reserves and surplus	352,915.95
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NOTE 5: OTHER LONG-TERM LIABILITIES

	31 March 2015 Rs. in Thousands
Management fees payable to Sterlite Grid Limited (Refer note 28)	30,708.00
Total	30,708.00

NOTE 6: LONG TERM PROVISIONS

	31 March 2015 Rs. in Thousands
Provision for employee benefits	
Provision for gratuity (Refer note 24)	229.79
Total	229.79

NOTE 7: OTHER CURRENT LIABILITIES

	31 March 2015 Rs. in Thousands
Trade payables #	171,031.73
Other liabilities	
Advance from customer	1,406,316.52
Sundry creditors for capital goods purchased #	3,773.03
Service tax payable	18.97
TDS payable	5,681.45
Gross amount due to customer for contract work	19,520.39
Others	17,334.28
	1,452,644.63
Total	1,623,676.37

The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

NOTE 8: SHORT TERM PROVISIONS

	31 March 2015 Rs. in Thousands
Provision for employee benefits	
Provision for leave benefits	314.57
Total	314.57

STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 9: TANGIBLE ASSETS

(Rs. in Thousands)					
Particulars	Leasehold Improvements	Data Processing Equipments	Furniture and Fittings	Office Equipments	Total
Cost					
Opening balances	-	-	-	-	-
Additions	37,016.42	4,512.36	6,839.54	2,646.78	51,015.10
Disposals	-	-	-	-	-
At March 31, 2015	37,016.42	4,512.36	6,839.54	2,646.78	51,015.10
Depreciation					
Opening balances	-	-	-	-	-
Charge for the period	660.59	176.55	152.73	98.47	1,088.34
Disposals	-	-	-	-	-
At March 31, 2015	660.59	176.55	152.73	98.47	1,088.34
Net Block					
At March 31, 2015	36,355.83	4,335.81	6,686.81	2,548.30	49,926.76

STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 10: NON-CURRENT INVESTMENTS

	31 March 2015
	Rs. in Thousands
Investment in subsidiaries (valued at cost unless stated otherwise)	
Investment in equity instruments (unquoted)	
Sterlite Grid Limited*	
[1,76,73,250 equity shares of Rs 10 each fully paid up]	573,855.51
Sterlite Grid 2 Ltd (erstwhile Sterlite Display Technologies Private Limited)	
[8,73,00,000 equity shares of Rs. 10 each fully paid up]	873,000.00
Sterlite Grid 3 Limited	
[50,000 equity shares of Rs 10 each]	500.00
Non Convertible Debentures (unquoted)	
Sterlite Grid Limited*	
[128,81,45,275 non convertible debentures of Rs. 10 each]	12,881,452.75
Sterlite Grid 2 Ltd (erstwhile Sterlite Display Technologies Private Limited)	
[1,15,41,000 non convertible debentures of Rs. 10 each]	115,410.00
East North Interconnection Company Limited	
[3,18,95,443 non convertible debentures of Rs. 10 each]	318,954.43
Compulsorily Convertible Debentures (unquoted)	
East North Interconnection Company Limited	
[5,10,000 0.01% compulsorily convertible debentures of Rs 10 each]	764,796.00
Total	15,527,968.69

* 47% of paid up equity capital and 47% of non convertible debentures of Sterlite Grid Limited held by the Company have been pledged with IL&FS Trust Company Ltd (as security trustee for Aditya Birla Finance Limited), ('the lender') vide agreement dated 10 December 2014 as a security for the rupee term loan facility of Rs. 2,000,000 thousand extended to Sterlite Grid Limited by the lender.

NOTE 11: LONG TERM LOANS AND ADVANCES**(Unsecured, considered good)**

	31 March 2015
	Rs. in Thousands
Security deposit	10,540.20
Loans and advances to related parties (Refer note 28)	1,702,356.06
Other loans and advances	
Advance income taxes, including TDS	6,159.68
Total	1,719,055.94

NOTE 12 : OTHER NON CURRENT ASSETS

	31 March 2015
	Rs. in Thousands
Interest receivable from related parties (Refer note 28)	7,627.10
Total	7,627.10

STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 13: TRADE RECEIVABLES

	Current
	31 March 2015
	Rs. in Thousands
Outstanding for a period less than six months from the date they are due for payment (Refer note 28)	345,064.69
Total	345,064.69

NOTE 14: CASH AND BANK BALANCES

	Current
	31 March 2015
	Rs. in Thousands
Balance with banks on current accounts	37,880.14
Total	37,880.14

NOTE 15: SHORT TERM LOANS AND ADVANCES**(Unsecured, considered good)**

	31 March 2015
	Rs. in Thousands
Advances receivable in cash or kind	
Covered by bank guarantee	352,489.06
Others	990.69
	353,479.75
Other loans and advances	
Prepaid expenses	3,378.40
Balances with central excise authorities	35,211.94
	38,590.34
Total	392,070.09

STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 16: REVENUE FROM OPERATIONS

	03 June 2014 to 31 March 2015 Rs. in Thousands
Contract Revenue	684,902.86
Interest income on loans (Refer note 28)	8,474.56
Interest income on Compulsorily Convertible Debentures (Refer note 28)	2.54
Total	693,379.96

NOTE 16.1: DISCLOSURE AS PER ACCOUNTING STANDARD - 7

	31 March 2015 Rs. in Thousands
For contracts in progress at the reporting date	
i. the aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	684,902.86
ii. the amount of advances received	1,156,316.52
iii. the amount of retentions	34,253.89

NOTE 17: OTHER INCOME

	03 June 2014 to 31 March 2015 Rs. in Thousands
Net gain on sale of current investments	9,240.22
Total	9,240.22

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STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 18: EMPLOYEE BENEFIT EXPENSE

	03 June 2014 to 31 March 2015 Rs. in Thousands
Salaries, wages and bonus	28,395.01
Contribution to provident fund #	1,827.12
Gratuity expenses (Refer note 24)	229.79
Staff welfare expenses	916.17
Total	31,368.09

Provident fund contributions are made by Sterlite Technologies Limited and the Company reimburses Sterlite Technologies Limited for the same.

NOTE 19: OTHER EXPENSES

	03 June 2014 to 31 March 2015 Rs. in Thousands
Tendering Cost	1,100.00
Rent (Refer note 23)	4,279.93
Rates and taxes	26,134.68
Travelling and conveyance	4,578.49
Payment to auditor (including service tax)	
- Statutory audit fees	842.70
Legal and professional fees	59,472.27
Recruitment expense	2,053.39
Miscellaneous expenses	3,813.99
Total	102,275.45

NOTE 20: DEPRECIATION EXPENSE

	03 June 2014 to 31 March 2015 Rs. in Thousands
Depreciation of tangible assets	1,088.34
Total	1,088.34

NOTE 21: FINANCE COSTS

	03 June 2014 to 31 March 2015 Rs. in Thousands
Bank charges	338.55
Total	338.55

STERLITE POWER GRID VENTURES LIMITED
Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 22: EARNINGS PER SHARE (EPS)

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

	31 March 2015
	Rs. in Thousands
Total operations for the year	
Loss after tax for calculating basic and diluted EPS	(56,182.06)
Weighted average number of equity shares in calculating basic EPS (No. Thousands)	52,000
Weighted average number of equity shares in calculating diluted EPS (No. Thousands)	52,000
Add: Potential shares arising from issue of preference shares	1,509,030
	<u>1,561,030</u>
Earnings Per Share (Weighted Average)	
Basic (On Nominal Value of Rs. 10 Per Share) Rupees/share	(1.08)
Diluted (On Nominal Value of Rs. 10 Per Share) Rupees/share *	(1.08)

* Since loss per share based on diluted weighted average number of shares is anti dilutive, the basic and dilutive loss per share are the same.

NOTE 23: OPERATING LEASE

Company as Lessee

The Company has taken office premises on operating lease. The lease term is for 9 years and renewable at the option of the Company. There is lock in period of 6 years. Lease agreement includes a clause for increase in rental by 15% after each 3 year period. Disclosures in respect of operating leases of office premises as per the requirement of AS- 19 on Leases are as under:

- (a) Lease payments recognised in the Statement of Profit and Loss for the year is Rs. 4,279.93 thousands.
- (b) The future minimum lease payments payable over the next one year is Rs. 22,899.92 thousands.
- (c) The future minimum lease payments payable later than one year but not later than five year is Rs. 91,599.69 thousands.
- (d) The future minimum lease payments payable later than five years is Rs. 13,358.29 thousands.

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STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 24: GRATUITY

The Company has a defined benefit gratuity plan which is managed by Sterlite Technologies Limited. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Particulars	31 March 2015 Rs. in Thousands
Defined benefit obligation at the beginning of the year	-
Current service cost	229.79
Interest cost	-
Actuarial (gain)/loss	-
Past service cost	-
Benefits paid	-
Defined benefit obligation, at the end of the year	229.79

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

Particulars	31 March 2015 Rs. in Thousands
Fair value of plan assets at the beginning of the year	-
Expected return on plan assets	-
Contribution by employer	-
Benefits paid	-
Actuarial gain / (loss)	-
Fair value of plan assets at the end of the year	-

Details of defined benefit obligation

Particulars	31 March 2015 Rs. in Thousands
Present value of defined benefit obligation	229.79
Fair value of plan assets	-
Plan liability	229.79

Net employee benefit expense recognised

Particulars	31 March 2015 Rs. in Thousands
Current service cost	229.79
Interest cost on benefit obligation	-
Net actuarial (gain) / loss recognised	-
Expected return on plan assets	-
Contribution by employer	-
Net benefit expense	229.79

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

Particulars	31 March 2015
Discount rate	7.98%
Expected rate of return on plan asset	-
Employee turnover	10.00%
Expected rate of salary increase	8.00%
Actual rate of return on plan assets	-

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.

STERLITE POWER GRID VENTURES LIMITED
Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 25: CONTINGENT LIABILITIES

	31 March 2015
	Rs. in Thousands
Corporate guarantees given on behalf of subsidiary company for loan taken from financial institution	2,000,000

NOTE 26: CAPITAL AND OTHER COMMITMENTS

1. As on 31 March 2015, the Company has commitments of Rs. 5,225,837.83 thousands relating to further investment in subsidiaries.
2. For commitment in respect of Optionally Convertible Redeemable Preference Shares, refer note 3 (c)
3. For commitment relating to lease arrangements, refer note 23

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STERLITE POWER GRID VENTURES LIMITED

Notes to financial statements for the period 03 June 2014 to 31 March 2015

NOTE 27: SEGMENT REPORTING

In accordance with Accounting Standard 17 on Segment reporting, the Company has identified two primary segments. i.e. Investment in Power Transmission assets through one or more subsidiaries ("Investment activity") and Executing contracts on Engineering, Procurement and Construction (EPC) basis for construction of power transmission assets ("Construction activity").

The segment performance is as follows -

Particulars	Investment activity	Construction activity	Unallocable expense	Total
	03 June 2014 to 31 March 2015	03 June 2014 to 31 March 2015	03 June 2014 to 31 March 2015	03 June 2014 to 31 March 2015
Segment revenue	8,477.10	684,902.86	-	693,379.96
Segment results	6,908.70	16,645.57	-	23,554.26
Unallocable expense	-	-	88,976.54	88,976.54
Other Income				9,240.22
Net loss				(56,182.06)
Segment assets	17,237,951.86	737,134.78		17,975,086.64
Common assets			104,506.77	104,506.77
Total assets				18,079,593.41
Segment liabilities	-	1,600,660.63	-	1,600,660.63
Common liabilities	-	-	54,268.10	54,268.10
Total liabilities				1,654,928.73
Capital expenditure incurred	-	-	51,015.10	51,015.10
Depreciation	-	-	1,088.34	1,088.34

Based on the guiding principles, given in Accounting Standard 17 on 'Segment Reporting', the activities of the company falls within single geographical segment and accordingly the disclosures for secondary segments have not been given.

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STERLITE POWER GRID VENTURES LIMITED
Notes to financial statements for the period 03 June 2014 to 31 March 2015
NOTE 28: RELATED PARTY DISCLOSURES
(A) Name of related party and nature of its relationship:
(a) Related parties where control exists
(i) Holding Company

Sterlite Technologies Limited (Immediate holding company)
Twin Star Overseas Limited, Mauritius (Intermediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

(ii) Subsidiaries

Sterlite Grid Limited
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)
Sterlite Grid 3 Limited
RAPP Transmission Company Limited
Purulia and Kharagpur Transmission Company Limited
NRSS XXIX Transmission Company Limited
Bhopal Dhule Transmission Company Limited
Jabalpur Transmission Company Limited

(b) Other related parties with whom transactions have taken place during the year
(i) Associate

East North Interconnection Company Limited

(ii) Entity exercising significant influence

Standard Chartered Financial Holdings, Mauritius

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

Sr No	Particulars	Holding Company	Subsidiaries	Associate	Entities exercising significant influence
		31 March 2015 Rs in Thousands	31 March 2015 Rs in Thousands	31 March 2015 Rs in Thousands	31 March 2015 Rs in Thousands
1	Management fees expense (excluding service tax)	-	30,000.00	-	-
2	Interest income on loans	-	8,474.56	-	-
3	Interest income on Compulsorily Convertible Debentures (CCD)	-	-	2.54	-
4	Loans and advances given	-	1,702,356.06	-	-
5	Issue of Equity Shares	500.00	-	-	20.00
6	Issue of Optionally Convertible Redeemable Preference Shares (OCRPS) (including securities premium)	-	-	-	4,500,078.09
7	Issue of Compulsorily Convertible Preference Shares (CCPS)	11,980,248.66	-	-	-
8	Subscription of equity shares	-	946,182.50	-	-
9	Purchase of equity shares	501,173.01	-	-	-
10	Subscription of Non Convertible Debentures (NCD)	-	12,996,862.75	318,954.43	-
11	Purchase of Compulsorily Convertible Debentures (CCD)	764,796.00	-	-	-
12	Sales of goods and services	-	704,423.25	-	-
13	Purchase of goods (net of excise duty)	209,898.22	-	-	-
14	Advance received against contracts	-	1,281,162.12	-	-
15	Advance given against contracts	84,298.80	-	-	-
16	Corporate guarantee given on behalf of Subsidiary	-	2,000,000.00	-	-
Outstanding balances					
	Management fees payable (net of TDS)	-	30,708.00	-	-
	Interest receivable (net of TDS)	-	7,624.82	2.29	-
	Loans and advances receivable	-	1,702,356.06	-	-
	Optionally Convertible Redeemable Preference Shares (OCRPS)	-	-	-	4,090,980.08
	Compulsorily Convertible Preference Shares (CCPS)	11,980,248.66	-	-	-
	Investment in equity shares	-	1,447,355.51	-	-
	Non Convertible Debentures (NCD)	-	12,996,862.75	318,954.43	-
	Compulsorily Convertible Debentures (CCD)	-	-	764,796.00	-
	Trade receivables	-	345,064.69	-	-
	Amount payable against supplies	82,177.04	-	-	-
	Advance received against EPC Contract	-	1,156,316.52	-	-
	Advance given against EPC Contract	68,668.68	-	-	-
	Others payables	33,767.94	7,359.34	-	-
	Corporate guarantee given on behalf of subsidiary and outstanding as at year end	-	2,000,000.00	-	-

STERLITE POWER GRID VENTURES LIMITED
Notes to financial statements for the period 03 June 2014 to 31 March 2015
Disclosure in respect of material related party transactions during the year:

Particulars	Relationship	31 March 2015 Rs in Thousands
1 Management fees expense (excluding service tax)		
Sterlite Grid Limited	Subsidiary	30,000.00
2 Interest income on loans		
Sterlite Grid Limited	Subsidiary	8,474.56
3 Interest income on Compulsorily Convertible Debentures (CCD)		
East North Interconnection Company Limited	Associate	2.54
4 Loans and advances given		
Sterlite Grid Limited	Subsidiary	1,649,400.00
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Subsidiary	47,013.12
Sterlite Grid 3 Limited	Subsidiary	5,942.94
5 Issue of Equity Shares		
Sterlite Technologies Limited	Immediate Holding Company	500.00
6 Issue of Optionally Convertible Redeemable Preference Shares (OCRPS) (including securities premium)		
Standard Chartered Financial Holdings, Mauritius	Entities exercising significant influence	4,500,078.09
7 Issue of Compulsorily Convertible Preference Shares (CCPS)		
Sterlite Technologies Limited	Immediate Holding Company	11,980,248.66
8 Subscription of equity shares		
Sterlite Grid Limited	Subsidiary	174,982.50
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Subsidiary	770,700.00
Sterlite Grid 3 Limited	Subsidiary	500.00
9 Purchase of equity shares		
Sterlite Technologies Limited	Immediate Holding Company	486,173.01
10 Purchase of Non Convertible Debentures (NCD)		
Sterlite Grid Limited	Subsidiary	12,881,452.75
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Subsidiary	115,410.00
East North Interconnection Company Limited	Associate	318,954.43
11 Purchase of Compulsorily Convertible Debentures (CCD)		
East North Interconnection Company Limited	Associate	764,796.00
12 Sales of goods and services		
RAPP Transmission Company Limited	Subsidiary	704,423.25
13 Purchase of goods (net of excise duty)		
Sterlite Technologies Limited	Immediate Holding Company	209,898.22
14 Advance received against contracts		
RAPP Transmission Company Limited	Subsidiary	475,760.00
Purulia and Kharagpur Transmission Company Limited	Subsidiary	805,402.12
15 Advance given against contracts		
Sterlite Technologies Limited	Immediate Holding Company	84,298.80
16 Corporate guarantee given on behalf of Subsidiary		
Sterlite Grid Limited	Subsidiary	2,000,000.00

STERLITE POWER GRID VENTURES LIMITED**Notes to financial statements for the period 03 June 2014 to 31 March 2015****NOTE 29: KEY ASSUMPTIONS FOR IMPAIRMENT EVALUATION**

In order to assess the recoverability of the carrying amounts of investments in Sterlite Grid Limited (SGL) as at March 31, 2015, the Company has determined the recoverable amounts of the underlying transmission assets of East North Interconnection Company Limited (ENICL), Bhopal Dhule Transmission Company Limited (BDTCL) and Jabalpur Transmission Company Limited (JTCL) on the basis of the individual transmission assets value in use by estimating the future cash flows over the estimated license period of the respective transmission asset. For such estimation, management has used certain key assumptions which are as follows:

1. Additional tariff to be claimed from customers in respect of cost overruns incurred due to force majeure events and changes in laws as permitted by the respective Transmission Services Agreements (TSAs);
2. Tax adjusted discounting rate of 10% (for ENICL and BDTCL) and 10.1% for JTCL;
3. Recoverability of the metal value (as adjusted for inflation) in the project cost at the end of license period;
4. Availability of transmission lines at 99.75% throughout the license period;
5. Inflation rate of 6.98% for escalable tariff for future periods.

Based on management evaluation, these assumptions are considered reasonable as at March 31, 2015 and the recoverable amounts are higher than the carrying values of the respective transmission assets. The management has also obtained valuation reports from an external consultant in order to arrive at the conclusion that as per AS-28, the recoverable amounts are higher than the respective carrying values of the transmission assets as at March 31, 2015. These assumptions will be reassessed on a periodic basis for the purpose of determination of the recoverable amounts of the individual transmission assets. Any change in key assumptions could have a material effect on the recoverable amounts of the individual transmission assets and consequently on the carrying amounts of the investments in SGL as at March 31, 2015.

In respect of additional tariff claimed, the management has taken a legal opinion that based on facts and circumstances; ENICL, BDTCL and JTCL are legally entitled as per terms of TSA to claim the amount. The additional tariff that these entities will eventually receive will depend on Central Electricity Regulatory Commission (CERC) approving their claim and the amount. ENICL and JTCL have filed petitions with CERC and BDTCL is in the process of filing the same.

NOTE 30: PREVIOUS YEAR FIGURES

The Company was incorporated on 03 June 2014. Hence the Statement of Profit and Loss and Cash Flow Statement are prepared from 03 June 2014 to 31 March 2015. Since this is the first year of the Company, comparative figures for previous year have not been given.

As per our report of even date**For S R B C & CO LLP**

Firm Registration No. 324982E
Chartered Accountants

**For and on behalf of the Board of Directors of
Sterlite Power Grid Ventures Limited****per Paul Alvares**

Partner
Membership Number :

Pravin Agarwal

Chairman
DIN: 00022096

Pratik Agarwal

Vice Chairman
DIN: 03040062

Place: Pune

Date: 18 May 2015

Harsh Shah

Chief Financial Officer

Akshay Sethi

Company Secretary

STERLITE GRID LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	176,732.50	1,750.00
Reserves and surplus	4	(146,389.57)	(32,424.28)
		30,342.93	(30,674.28)
Share application money pending allotment		-	8,250.00
Non-current liabilities			
Long-term borrowings	5	16,530,852.75	7,663,809.56
Other long-term liabilities	6	7,627.10	674,136.85
Long-term provisions	7	6,167.99	2,015.05
		16,544,647.84	8,339,961.46
Current liabilities			
Short-term borrowings	8	47,576.18	231,186.81
Trade payables	9	1,035,827.66	779,350.17
Other current liabilities	9	13,710.07	1,775,413.45
Short-term provisions	7	5,278.27	2,429.56
		1,102,392.18	2,788,379.99
TOTAL		17,677,382.95	11,105,917.17
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	62,744.18	103,653.25
Intangible assets	10	2,968.93	1,886.10
Intangible assets under development		570.00	1,000.00
		66,283.11	106,539.35
Non-current investments	11	4,353,374.00	4,353,374.00
Long-term loans and advances	12	9,882,329.95	4,984,821.83
Trade receivable	13	262,675.20	150,944.41
Other non-current assets	14	997,571.23	702,194.17
		15,562,233.49	10,297,873.76
Current assets			
Trade receivables	13	1,848,614.75	754,626.03
Cash and bank balances	15	236,543.19	16,794.28
Short-term loans and advances	12	7,860.36	20,998.35
Other current assets	14	22,131.16	15,624.75
		2,115,149.46	808,043.41
TOTAL		17,677,382.95	11,105,917.17
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May 2015

**For and on behalf of the Board of Directors of
Sterlite Grid Limited**

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Harsh Shah
Chief Financial Officer

Swapnil Patil
Company Secretary

STERLITE GRID LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note	From 1 April 2014 to 31 March 2015 Rs. in Thousands	From 1 October 2013 to 31 March 2014 Rs. in Thousands
INCOME			
Revenue from operations	16	1,773,817.95	1,090,273.60
Other income	17	23,992.87	31,560.37
Total income (I)		1,797,810.82	1,121,833.97
EXPENSES			
Purchase of traded goods	18	1,322,845.25	814,750.77
Employee benefits expense	19	43,279.77	12,160.65
Other expenses	20	84,397.08	38,231.37
Total Expenses (II)		1,450,522.10	865,142.79
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		347,288.72	256,691.18
Depreciation and amortisation expense	21	43,642.51	15,133.26
Finance costs	22	417,611.50	428,289.77
Loss before tax		(113,965.29)	(186,731.84)
Tax expense:			
Current tax		-	-
Deferred tax		-	(856.32)
Total tax expenses		-	(856.32)
Loss for the year/period		(113,965.29)	(185,875.52)
Earnings per equity share	23		
[Nominal value of share Rs. 10 (31 March 2014 : Rs. 10)]			
Basic and diluted			
Computed on the basis of loss for the year/period		(82.69)	(1,062.15)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May 2015

**For and on behalf of the Board of Directors of
Sterlite Grid Limited**

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Harsh Shah
Chief Financial Officer

Swapnil Patil
Company Secretary

STERLITE GRID LIMITED**Notes to financial statements for the year ended 31 March 2015****NOTE 1: CORPORATE INFORMATION**

Sterlite Grid Limited ("the Company") is a wholly owned subsidiary of Sterlite Power Grid Ventures Limited. The Company, directly or indirectly, through its subsidiaries, acts as a developer on Build Own Operate & Maintain ("BOOM") basis, for designing, financing, construction and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years.

NOTE 2: BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Use of estimates**

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized 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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds five years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

STERLITE GRID LIMITED**Notes to financial statements for the year ended 31 March 2015****(d) Depreciation and amortisation**

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. The change in useful lives did not have any material impact on financial statements of the company.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

Nature of assets	Useful life considered*	Useful life specified in Schedule II of the Companies Act, 2013
Plant and Machinery	5 years	15 years
Data processing equipments	4 years	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years
Furniture & Fittings	7.5 years	10 years
Electrical Fittings	7 years	10 years
Vehicles	4 years	8 years
Office equipments	4 years	5 years

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

Lease hold improvements are depreciated over the period of lease or useful life whichever is less.

(e) Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(f) Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculations on detailed budget calculations. These budgets have been prepared for the entire project life. For periods beyond 5 years, a long term growth rate is calculated and applied to future cash flows after the fifth year.

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 company 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 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.

(g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

STERLITE GRID LIMITED

Notes to financial statements for the year ended 31 March 2015

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

Income from services:

Income from services is recognised on a pro-rata basis as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends:

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(i) Retirement and other Employee Benefits

Retirement benefit in the form of Provident Fund are defined contribution schemes. The contributions to the Provident Fund are charged to the statement of profit and loss for the year when the employee renders the related service. The company has no obligation, other than the contribution payable to the Provident Fund.

The Company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The company 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 company 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 statement of profit and loss and are not deferred.

The company 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 company 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.

(j) Taxes on Income

Tax expense comprises of current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

STERLITE GRID LIMITED**Notes to financial statements for the year ended 31 March 2015****(k) Operating Leases**

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Where the company is lessee

Assets taken on lease under which all significant risks and rewards of ownership are effectively retained by the lessor are classified as Operating Leases. Lease payments under Operating Leases are recognised on straight line basis over the lease period in the statement of profit and loss.

(l) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(m) Cash and Cash equivalents

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(n) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(p) Segment Reporting Policies

The Company's operating businesses are organised and managed separately according to the nature of activities/services.

Inter segment transfers

The company accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

Segment policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financials statements of the company as a whole.

(q) Measurement of EBITDA

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

STERLITE GRID LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	1 April 2014 to 31 March 2015	From 1 October 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
A. Cash flow from operating activities		
Loss after tax	(113,965.29)	(185,875.54)
Adjustment for Tax	-	(856.32)
	(113,965.29)	(186,731.86)
Non cash adjustments for to reconcile loss before tax to net cash flows :-		
- Depreciation and amortization expense	43,642.51	15,133.26
- Income from Investment (Mutual Fund)	(4,632.24)	(5,092.31)
- Interest Income on loans	(327,854.26)	(216,982.91)
- Interest and finance charges	417,611.50	428,289.77
- Interest income - others	(4.92)	(4.82)
- Foreign exchange difference	12,097.60	-
- (Profit) / Loss on sale of assets	5,635.67	-
	146,495.86	221,342.99
Operating (loss) / profit before working capital changes	32,530.57	34,611.13
Movements in working capital :		
- (Increase)/Decrease in short term loans and advances	13,137.99	(18,356.68)
- (Increase)/Decrease in non current trade receivables	(111,730.79)	(50,562.01)
- (Increase)/Decrease in long term loans and advances	5,430.48	-
- (Increase)/Decrease in current trade receivables	(1,093,988.73)	(295,872.23)
- (Increase)/Decrease in other current assets	(2,651.74)	(15,624.75)
- Increase/(Decrease) in trade payables	256,477.50	327,894.42
- Increase/(Decrease) in current liabilities	(36,495.51)	1,745,189.05
- Increase/(Decrease) in long term provisions	4,152.94	(398.87)
- Increase/(Decrease) in short term provisions	2,848.71	(797.13)
Change in working capital	(962,819.15)	1,691,471.80
Cash (used in)/ generated from operations	(930,288.58)	1,726,082.93
Direct taxes (paid) / refund	(639.85)	(27,316.77)
Net cash (used in) / generated from operating activities (A)	(930,928.43)	1,698,766.16
B. Cash flow from investing activities		
Purchase of fixed assets (Including CWIP)	(8,430.63)	(108,526.34)
Proceed from sale of fixed assets	500.28	-
Purchase of Investments	(3,595,200.00)	-
Sale of Investments	3,599,832.24	231,311.15
Dividend received	-	5,092.31
Loans given to related parties	(4,870,600.00)	(1,227,200.00)
Net cash used in investing activities (B)	(4,873,898.11)	(1,099,322.88)

STERLITE GRID LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	1 April 2014 to 31 March 2015	From 1 October 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
C. Cash flow from financing activities		
Proceeds from short term borrowings	(195,708.23)	231,186.81
Proceeds from issuance of equity share capital	174,982.50	-
Refund of Share application money	(1,753,049.00)	(628,982.59)
Proceeds from issuance of Non Convertible debentures	12,881,452.75	-
Repayment of term loan from financial institution	(1,000,000.00)	-
Proceeds from loan from immediate holding company	1,649,400.00	-
Repayment of loan from Intermediate holding company	(4,663,809.56)	-
Interest paid to intermediate holding company (Net of TDS)	(842,829.94)	-
Ancillary Cost of borrowing	(4,162.89)	-
Interest paid to financial Institutions and Others	(221,700.18)	(188,815.22)
Net cash flow from financing activities (C)	6,024,575.45	(586,611.00)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	219,748.91	12,832.28
Cash and cash equivalents as at beginning of the year	16,794.28	3,962.00
Cash and cash equivalents as at end of the year	236,543.19	16,794.28

Components of cash and cash equivalents:

Cash and cash equivalents

Balance with banks:		
On current accounts	236,543.19	16,794.28
Cash and cash equivalent in cash flow statement (Note 15)	236,543.19	16,794.28

As per our report of even date

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

For and on behalf of Board of Directors of Sterlite Grid Limited

per Paul Alvares
Partner
Membership Number : 105754

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Place : Pune
Date : 16 May 2015

Harsh Shah
Chief Financial Officer

Swapnil Patil
Company Secretary

STERLITE GRID LIMITED**Notes to financial statements for the year ended 31 March 2015****NOTE 3: SHARE CAPITAL**

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Authorised shares		
20,000 thousand equity shares of Rs.10/-each (March 31, 2014 : 1,000 thousand equity shares of Rs. 10/- each)	200,000.00	10,000.00
Issued, subscribed and fully paid-up shares		
17,673.25 thousand equity shares of Rs.10/- each fully paid - up.(March 31, 2014 : 175 thousand equity shares of Rs.10/- each)	176,732.50	1,750.00
Total issued, subscribed and fully paid-up share capital	176,732.50	1,750.00

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

	31 March 2015		31 March 2014	
	No. Thousands	Rs. in Thousands	No. Thousands	Rs. in Thousands
At the beginning of the year	175.00	1,750.00	100.00	1,000.00
Issued during the year	17,498.25	174,982.50	75.00	750.00
Outstanding at the end of the year	17,673.25	176,732.50	175.00	1,750.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Technologies Limited	-		175.00	100%
Sterlite Power Grid Ventures Ltd, the immediate holding company (refer note 5a)	17,673.25	100%	-	-

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

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Technologies Limited	-		175.00	100%
Sterlite Power Grid Ventures Ltd, the immediate holding company (refer note 5a)	17,673.25	100%	-	

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Securities premium		
Balance as per last financial statements	397,123.01	150,000.00
Add: Premium on issue of equity shares	-	247,123.01
Closing balance	397,123.01	397,123.01
Deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(429,547.29)	(243,671.77)
Loss for the year/period	(113,965.29)	(185,875.52)
Net deficit in the Statement of Profit and Loss	(543,512.58)	(429,547.29)
Total reserves and surplus	(146,389.57)	(32,424.28)

STERLITE GRID LIMITED**Notes to financial statements for the year ended 31 March 2015****NOTE 5: LONG-TERM BORROWINGS**

	Non - current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands
Term Loan				
Indian rupee term loan from financial institution (secured)	2,000,000.00	3,000,000.00	-	-
Debentures				
1,288,145 thousand (31st March 2014: Nil) Non Convertible Debentures of Rs 10/- each (Unsecured)	12,881,452.75	-		
Other				
Loan from immediate holding company (unsecured) (Refer Note 31)	1,649,400.00		-	-
Loan from intermediate holding company (unsecured) (Refer Note 31)	-	4,663,809.56		
Total	16,530,852.75	7,663,809.56	-	-
The above amount includes				
Secured borrowings	2,000,000.00	3,000,000.00		
Unsecured borrowings	14,530,852.75	4,663,809.56	-	-
Total	16,530,852.75	7,663,809.56	-	-

a Indian rupee term loan of Rs. 2,000,000 thousand from financial institution carries interest @ 12.00% p.a. (Axis bank benchmark Rate + Spread). The loan is repayable as single instalment at the end of 18 months from the date of initial disbursement. The loan is secured by first charge on all the current and movable fixed assets, both present and future; a first charge on loans granted to subsidiaries; a pledge of 47% of paid up equity capital and other such securities including bonds, non convertible debentures, debentures stocks or other marketable securities of a like nature issued by the Company; an irrecoverable, unconditional guarantee of Sterlite Power Grid Ventures Limited and demand of promissory note.

b Non Convertible debenture (NCD) of Face value of Rs.10 each amounting to Rs. 12,881,452.75 thousands (March 31, 2014: Nil) are held by Sterlite Power Grid Ventures Limited. The NCD would be redeemable at the option of the NCD holder anytime after 5 years from the date of allotment viz July 23, 2014. If the NCD holders do not exercise their right of redeeming the NCDs, the NCDs shall be due for repayment at the end of 7 years from the date of allotment.

c The unsecured loan from Immediate holding company carries interest rate at 10.25% p.a till Sept 30,2014 and thereafter at Nil rate. This loan is either repayable as per mutually agreed terms or convertible into equity as per mutually agreed terms.

NOTE 6: OTHER LONG-TERM LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. In Thousands
Interest payable to immediate holding company (Refer note 31)	7,627.10	674,136.85
Total	7,627.10	674,136.85

STERLITE GRID LIMITED

Notes to financial statements for the year ended 31 March 2015

NOTE 7: PROVISIONS

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands
Provision for employee benefits				
Provision for gratuity (refer note 24)	6,167.99	2,015.05	-	-
Provision for leave benefits			5,278.27	2,429.56
Total	6,167.99	2,015.05	5,278.27	2,429.56

NOTE 8: SHORT-TERM BORROWINGS

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Buyer's Credit (Secured) #	47,576.18	231,186.81
Total	47,576.18	231,186.81

Buyer's credit carries rate of interest between 0.70% p.a to 1.25% p.a (Libor +/- Spread). The Buyer's credit is secured by way of hypothecation on the entire current assets and receivables both present and future of the company.

NOTE 9: OTHER CURRENT LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Trade payables (Including Acceptance)@	1,035,827.66	779,350.17
Other liabilities		
Interest accrued but not due on borrowings	1,358.79	193.52
Payables for purchase of fixed assets	3,219.23	1,870.33
Service tax payable	4,944.00	3,708.00
TDS payable	2,174.80	24,008.44
Share application money pending allotment	-	1,744,799.00
Others	2,013.25	834.16
	13,710.07	1,775,413.45
Total	1,049,537.73	2,554,763.62

@ The Company has not received any intimation from "Suppliers" regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

STERLITE GRID LIMITED
Notes to financial statements for the year ended 31 March 2015
NOTE-10 TANGIBLE AND INTANGIBLE ASSETS
TANGIBLE ASSETS -

(Rs in Thousands)

Particulars	Leasehold improvements	Plant & Machinery	Data processing equipments	Furniture and fittings	Office equipment	Electrical fittings	Vehicles	Total
Cost								
At October 1, 2013	4,036.38	-	2,151.27	3,939.70	1,610.14	720.31	1,271.74	13,729.54
Additions	-	106,303.64	150.75	-	221.96	-	850.00	107,526.35
Disposals	-	-	-	-	-	-	-	-
At March 31, 2014	4,036.38	106,303.64	2,302.02	3,939.70	1,832.10	720.31	2,121.74	121,255.89
Additions	-	2,962.06	2,036.73	200.00	2,753.42	-	-	7,952.21
Disposals	4,036.38	-	776.19	3,389.64	-	720.31	-	8,922.52
At March 31, 2015	-	109,265.70	3,562.56	750.06	4,585.52	-	2,121.74	120,285.58
Depreciation								
At October 1, 2013	970.29	-	682.20	777.35	224.93	108.05	45.86	2,808.68
Charge for the year	227.86	13,988.97	176.43	151.88	133.54	25.39	89.89	14,793.96
Disposals	-	-	-	-	-	-	-	-
At March 31, 2014	1,198.15	13,988.97	858.63	929.23	358.47	133.44	135.75	17,602.64
Charge for the year	226.01	41,015.59	615.96	249.01	374.51	42.69	201.56	42,725.33
Disposals	1,424.16	-	429.06	757.22	-	176.13	-	2,786.57
At March 31, 2015	-	55,004.56	1,045.53	421.02	732.98	-	337.31	57,541.40
Net Block								
At March 31, 2014	2,838.23	92,314.67	1,443.39	3,010.47	1,473.63	586.87	1,985.99	103,653.25
At March 31, 2015	-	54,261.14	2,517.03	329.04	3,852.54	-	1,784.43	62,744.18

Plant & Machinery includes machinery given on operating lease	31 March 2015	31 March 2014
Gross Block	86,351.49	86,351.49
Depreciation Charge for the year	30,824.11	12,349.07
Accumulated Depreciation	43,173.18	12,349.07
Net Book Value	43,178.31	74,002.42

INTANGIBLE ASSETS -

(Rs in Thousands)

Particulars	Software/Licenses	Total
Cost		
At October 1, 2013	3,402.30	3,402.30
Additions	-	-
Disposals	-	-
At March 31, 2014	3,402.30	3,402.30
Additions	2,000	2,000.00
At March 31, 2015	5,402.30	5,402.30
Amortisation		
At October 1, 2013	1,176.90	1,176.90
Charge for the year	339.30	339.30
Disposals	-	-
At March 31, 2014	1,516.20	1,516.20
Charge for the year	917.17	917.17
Disposals	-	-
At March 31, 2015	2,433.37	2,433.37
Net Block		
At March 31, 2014	1,886.10	1,886.10
At March 31, 2015	2,968.93	2,968.93

STERLITE GRID LIMITED

Notes to financial statements for the year ended 31 March 2015

NOTE 11: NON-CURRENT INVESTMENTS

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Investment in subsidiaries (Long term, valued at cost unless otherwise stated)		
Equity instruments (unquoted)		
Bhopal Dhule Transmission Company Limited [600 thousand equity shares (31 March 2014 : 600 thousand equity shares) of Rs. 10 each fully paid up]	2,122,640.00	2,122,640.00
Jabalpur Transmission Company Limited [550 thousand equity shares (31 March 2014 : 550 thousand equity shares) of Rs. 10 each fully paid up]	1,495,685.00	1,495,685.00
Investment in others (Long term, valued at cost unless otherwise stated)		
Equity instruments (unquoted)		
East North Interconnection Company Limited [24.50 thousand equity shares (31 March 2014 : 24.5 thousand equity shares) of Rs. 10 each fully paid up]	245.00	245.00
Debentures		
East North Interconnection Company Limited 490 thousand (31 March 2014 : 490 thousand) 0.01 % Compulsorily Convertible Debentures of Rs 10 each]	734,804.00	734,804.00
Total	4,353,374.00	4,353,374.00

NOTE 12: LOANS AND ADVANCES (Unsecured, considered good)

	Non-current		Current	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Capital advance	257.32	-	-	-
Security deposit	-	5,430.48	-	-
Loans and advances to related parties (refer note 31)	9,766,792.01	4,896,192.01	-	-
Advances receivable in cash or kind	-	-	2,675.70	1,181.59
Other loans and advances				
Advance income taxes, including TDS [Net of Provisions Rs. Nil (Rs. Nil)]	115,280.62	83,199.34	-	-
Prepaid expenses	-	-	1,900.31	12,459.12
Balances with central excise authorities	-	-	3,284.35	7,357.64
	115,280.62	83,199.34	5,184.66	19,816.76
Total	9,882,329.95	4,984,821.83	7,860.36	20,998.35

NOTE 13: TRADE RECEIVABLES (Unsecured, considered good)

	Non-current		Current	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Outstanding for a period exceeding six months from the date they are due for payment	186,337.80	100,382.40	-	-
Others	76,337.40	50,562.01	1,848,614.75	754,626.03
Total	262,675.20	150,944.41	1,848,614.75	754,626.03

STERLITE GRID LIMITED

Notes to financial statements for the year ended 31 March 2015

NOTE 14 : OTHER ASSETS

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands
Ancillary cost of arranging the borrowings	308.22	-	3,854.67	-
Interest receivable from related parties (Refer note 31)	997,263.01	702,194.17	-	-
Reimbursement of expenses	-	-	18,276.49	15,624.75
Total	997,571.23	702,194.17	22,131.16	15,624.75

NOTE 15: CASH AND BANK BALANCES

	Current	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts	236,543.19	16,794.28
Total	236,543.19	16,794.28

NOTE 16: REVENUE FROM OPERATIONS

	From 1 April 2014 to 31 March 2015	From 1 October 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Sale of Product - Traded goods	1,335,963.69	823,290.69
Interest income on long term loans	327,854.26	216,982.91
Income from services - Management fees	110,000.00	50,000.00
Total	1,773,817.95	1,090,273.60
Details of Product Sold		
Power Transmission Conductors	1,335,963.69	823,290.69
Total	1,335,963.69	823,290.69

NOTE 17: OTHER INCOME

	From 1 April 2014 to 31 March 2015	From 1 October 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Foreign exchange difference, net	-	8,865.21
Income from investment in mutual funds	4,632.24	5,092.31
Lease rental income	16,625.64	17,598.03
Interest others	4.92	4.82
Interest on income tax refund	2,730.07	-
	23,992.87	31,560.37

STERLITE GRID LIMITED

Notes to financial statements for the year ended 31 March 2015

NOTE 18: PURCHASE OF TRADED GOODS

	From 1 April 2014 to 31 March 2015 Rs. in Thousands	From 1 October 2013 to 31 March 2014 Rs. in Thousands
Details of traded goods purchased		
Power transmission conductors	1,322,845.25	814,750.77
Total	1,322,845.25	814,750.77

NOTE 19: EMPLOYEE BENEFITS EXPENSE

	From 1 April 2014 to 31 March 2015 Rs. in Thousands	From 1 October 2013 to 31 March 2014 Rs. in Thousands
Salaries, wages and bonus	33,510.81	9,836.74
Contribution to provident fund #	911.59	222.73
Gratuity expenses (Refer Note 24)	4,152.95	(398.87)
Staff welfare expenses	4,704.42	2,500.05
Total	43,279.77	12,160.65

Provident fund contributions are made by Sterlite Technologies Limited and the Company reimburses it for the same.

NOTE 20: OTHER EXPENSES

	From 1 April 2014 to 31 March 2015 Rs. in Thousands	From 1 October 2013 to 31 March 2014 Rs. in Thousands
Consumption of stores and spares	-	7,418.31
Survey cost	4,923.72	-
Repairs and Maintenance		
- Machinery	79.10	-
Safety expenses	1,728.55	-
Business promotion	1,943.10	217.77
Selling and distribution expenses	424.00	470.00
Rent (refer note 25)	10,617.44	5,437.06
Rates and taxes	2,538.59	152.28
Insurance	1,038.12	1,265.09
Travelling and conveyance	8,566.68	3,944.19
Directors Sitting Fee and Commission	280.00	-
Payment to auditor		
- Statutory audit fees	224.72	150.00
- Tax audit fees (including tax accounts)	175.00	-
- Other services (Certification fees)	156.46	375.00
Professional and consultancy fee	21,325.73	12,617.86
Recruitment expense	3,762.70	1,740.64
Loss on sale of fixed assets	5,635.67	-
Foreign exchange loss (net)	12,097.60	-
Other administration and general expenses	8,879.90	4,443.17
Total	84,397.08	38,231.37

STERLITE GRID LIMITED

Notes to financial statements for the year ended 31 March 2015

NOTE 21: DEPRECIATION AND AMORTISATION EXPENSE

	From 1 April 2014 to 31 March 2015	From 1 October 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Depreciation of tangible assets	42,725.34	14,793.96
Amortisation of intangible assets	917.17	339.30
	43,642.51	15,133.26

NOTE 22: FINANCE COST

	From 1 April 2014 to 31 March 2015	From 1 October 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Interest on term loan from financial institution	178,361.64	181,005.11
Interest on loan from related parties (refer note 31)	195,911.32	239,675.09
Interest on acceptance and others	37,697.32	5,125.22
Bank charges	4,446.11	2,484.36
Amortisation of ancillary borrowing costs	1,195.11	-
	417,611.50	428,289.77

NOTE 23: EARNINGS PER SHARE (EPS)

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

	From 1 April 2014 to 31 March 2015	From 1 October 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Total operations for the year		
Loss after tax for calculating basic and diluted EPS	(113,965.29)	(185,875.52)
Weighted average number of equity shares in calculating basic EPS (No. Thousands)	1,378.30	175.00
Weighted average number of equity shares in calculating diluted EPS (No. Thousands)	1,378.30	175.00
Add: Potential shares arising from allotment against share application money	-	825.00
	1,378.30	1,000.00
Earnings Per Share (Weighted Average)		
Basic (On Nominal Value of Rs. 10 Per Share) Rupees/share	(82.69)	(1,062.15)
Diluted (On Nominal Value of Rs. 10 Per Share) Rupees/share *	(82.69)	(1,062.15)

* Since loss per share based on diluted weighted average number of shares is anti dilutive, the basic and dilutive loss per share are the same.

STERLITE GRID LIMITED**Notes to financial statements for the year ended 31 March 2015****NOTE 24: GRATUITY**

The Company has a defined benefit gratuity plan which is managed by Sterlite Technologies Limited (intermediate holding company). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Particulars	March 31, 2015 Rs. In Thousands
Defined benefit obligation at the beginning of the year	2,015.05
Current service cost	1,145.72
Interest cost	190.22
Actuarial (gain)/loss	2,817.01
Past service cost	-
Benefits paid	-
Defined benefit obligation, at the end of the year	6,167.99

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

Particulars	March 31, 2015 Rs. In Thousands
Fair value of plan assets at the beginning of the year	-
Expected return on plan assets	-
Contribution by employer	-
Benefits paid	-
Actuarial gain / (loss)	-
Fair value of plan assets at the end of the year	-

Details of defined benefit obligation

Particulars	March 31, 2015 Rs. In Thousands
Present value of defined benefit obligation	6,167.99
Fair value of plan assets	-
Plan liability	6,167.99

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

Particulars	March 31, 2015	31 March 2014
Discount rate	7.98%	9.44%
Expected rate of return on plan asset	-	-
Employee turnover	10.00%	2.00%
Expected rate of salary increase	8.00%	-
Actual rate of return on plan assets	-	-

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.

STERLITE GRID LIMITED**Notes to financial statements for the year ended 31 March 2015****NOTE 25: OPERATING LEASE****Company as Lessee**

The Company has taken office premises on operating lease. The lease term is for 9 years and renewable at the option of the Company. During the year, Company has cancelled the lease.

Company as Lessor

The Company has given TSE Machine and Stringing Tools on operating lease. The Lease term varies from 4 months to 6 months and renewable at the option of the mutual parties. Disclosures in respect of operating leases of machine as per the requirement of AS- 19 on Leases, notified under the Rules are as under:

(a) Lease payments recognised in the Statement of Profit and Loss for the year is Rs. 16,625.64 thousands (31 March 2014: Rs. 17,598.03 thousand).

(b) The future minimum lease payments payable over the next one year is Rs. Nil (31 March 2014: Rs. 16,625.64 thousands).

NOTE 26: CAPITAL AND OTHER COMMITMENTS

As at 31 March, 2015 the Company has commitment of Rs. 3,616,182.99 thousands (31 March, 2014 : Rs. 387,582.99 thousands) towards investment in wholly owned subsidiaries.

NOTE 27: DERIVATIVE INSTRUMENTS

The Company has entered into the following derivative instruments:

(a) The following are the outstanding Forward Exchange Contracts entered into by the Company, for hedge purpose, as on March 31, 2015 :

Year ended	Currency Type	Foreign Currency (In thousands)	Amount (In thousands)	Buy/Sell	No. of contracts (Quantity)
March 31, 2015	US \$	-	-	-	-
March 31, 2014	US \$	261.64	15,724.57	Buy	1

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Category	Currency Type	31-Mar-15		31-Mar-14	
		Foreign Currency (In thousands)	Amount (Rs In thousands)	Foreign Currency (In thousands)	Amount (Rs In thousands)
Buyer's Credit	US \$	261.64	16,376.32	2,941.20	176,765.53
Buyer's Credit	Euro	462.15	31,199.86	462.15	38,162.73

STERLITE GRID LIMITED

Notes to financial statements for the year ended 31 March 2015

NOTE 28: VALUE OF IMPORTS COMPUTED ON CIF BASIS

Category	31 March 2015 Rs in thousands	31 March 2014 Rs in thousands
Capital Goods	-	55,422.53

NOTE 29: DETAILS OF LOANS AND ADVANCES GIVEN TO SUBSIDIARIES

The details are provided as required by SEBI Circular SMD/Policy/Cir-2/2003 dated 10 January 2003 of the Listing Agreement.

Name of Subsidiary	31 March 2015 Rs. in Thousands		31 March 2014 Rs. in Thousands	
	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance
Bhopal Dhule Transmission Company Limited	4,368,644.96	4,368,644.96	1,807,544.96	1,807,544.96
Jabalpur Transmission Company Limited	4,121,847.05	4,121,847.05	1,346,547.05	1,346,547.05
East North Interconnection Company Limited	1,276,300.00	2,690,700.00	1,742,100.00	1,742,100.00

STERLITE GRID LIMITED

Notes to financial statements for the period ended 31 March 2015

Note 30: Segment reporting

Sr.No.	Particulars	Investing activities		Trading activities		Management activities		Others		Unallocable		Elimination		Total	
		Apr-14 to Mar-15	Oct-13 to Mar-14	Apr-14 to Mar-15	Oct-13 to Mar-14	Apr-14 to Mar-15	Oct-13 to Mar-14	Apr-14 to Mar-15	Oct-13 to Mar-14	Apr-14 to Mar-15	Oct-13 to Mar-14	Apr-14 to Mar-15	Oct-13 to Mar-14	Apr-14 to Mar-15	Oct-13 to Mar-14
1	Segment revenue	327,854.26	216,982.91	1,335,963.69	823,290.69	110,000.00	50,000.00	16,625.64	17,598.03	7,367.23	13,962.34	-	-	1,797,810.82	1,121,833.97
2	Segment results before tax and depreciation	(97,530.65)	(212,297.21)	10,954.46	6,020.32	22,727.49	17,106.33	14,461.65	9,571.68	(20,935.73)	8,000.29	-	-	(70,322.78)	(171,598.60)
3	Depreciation							(41,015.59)	(13,988.97)	(2,626.91)	(1,144.29)	-	-	(43,642.51)	(15,133.26)
4	Deferred tax									-	856.32	-	-	-	856.32
	Loss after tax													(113,965.29)	(185,875.54)
5	Other information														
	Segment assets	15,121,591.92	9,951,760.18	1,829,934.19	737,028.01	262,675.20	150,944.40	72,941.71	109,912.69	390,239.94	156,271.88	-	-	17,677,382.95	11,105,917.15
	Segment liabilities	16,538,479.85	8,337,946.41	1,035,827.66	779,350.17	-	3,708.00			72,732.50	2,007,336.88	-	-	17,647,040.02	11,128,341.46
	Capital expenditure							2,962.06	106,303.64	6,990.15	2,222.71	-	-	9,952.21	108,526.35
	Depreciation and amortisation							41,015.59	13,988.97	2,626.91	1,144.29	-	-	43,642.51	15,133.26

Based on the guiding principles given in Accounting Standard (AS) 17 - "Segment Reporting", the activities of the Company fall within a single geographical segment and accordingly the disclosures under AS-17 in respect of geographical segment have not been separately made.

STERLITE GRID LIMITED

Notes to financial statements for the period ended 31 March 2015

NOTE 31: RELATED PARTY DISCLOSURES
(A) Name of related party and nature of its relationship:
(a) Related parties where control exists
(i) Holding company

Sterlite Power Grid Ventures Ltd (Immediate Holding Company)
 Sterlite Technologies Limited (Intermediate holding company)
 Twin Star Overseas Limited, Mauritius (Intermediate holding company)
 Volcan Investments Limited, Bahamas (Ultimate holding company)

(ii) Subsidiaries

Bhopal Dhule Transmission Company Limited
 Jabalpur Transmission Company Limited

(b) Other related parties with whom transactions have taken place during the year
Fellow subsidiaries

East North Interconnection Company Limited
 Purulia Kharagpur Transmission Company Limited
 RAPP Transmission Company Limited
 Sterlite Grid 2 Limited

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

Sr. No.	Particulars	Holding Company		Subsidiaries		Fellow subsidiary	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
		Rs in Thousands	Rs in Thousands	Rs in Thousands	Rs in Thousands	Rs in Thousands	Rs in Thousands
1	Management fees (excluding service tax)	30,000.00	-	40,000.00	20,000.00	40,000.00	30,000.00
2	Interest income on unsecured loan	-	-	221,792.52	143,813.91	106,061.75	73,168.99
3	Interest income on compulsorily convertible debentures	-	-	-	-	7.46	4.82
4	Interest expenses	195,911.32	239,675.09	-	-	-	-
5	Loans and advances given	-	-	5,336,400.00	716,900.00	1,494,400.00	510,300.00
6	Repayment of loans and advance given	-	-	-	-	1,960,200.00	-
7	Unsecured loans taken	3,881,300.00	-	-	-	-	-
8	Repayment of unsecured loan taken	6,895,709.56	-	-	-	-	-
9	Issue of Share Capital (Incl Share Premium)	174,982.50	247,873.01	-	-	-	-
10	Purchase of equity shares	-	-	-	900,000.00	-	-
11	Share Application Money received	-	628,982.59	-	-	-	-
12	Conversion of unsecured loans into share application money	-	637,232.59	-	-	-	-
13	Issue of non convertible debentures	12,881,452.75	-	-	-	-	-
14	Sales of goods	-	-	1,335,963.69	823,290.69	-	-
15	Purchase of goods	1,322,845.25	814,750.77	-	-	-	-
16	Reimbursement of expense paid or payable	-	-	-	-	3,581.12	-
Outstanding balances							
	Share application money pending allotment	-	8,250.00	-	-	-	-
	Loans and advances receivable	-	-	8,490,492.01	3,154,092.01	1,276,300.00	1,742,100.00
	Interest receivable (net of TDS)	-	-	729,180.58	529,567.31	268,082.43	172,626.86
	Unsecured loan payable	1,649,400.00	4,663,809.56	-	-	-	-
	Interest payable (net of TDS)	7,627.10	674,136.85	-	-	-	-
	Management fees receivable (net of TDS)	30,708.00	-	161,056.80	120,607.20	70,910.40	30,337.20
	Trade receivables	-	-	1,848,614.75	745,380.62	-	9,245.41
	Trade payables	1,035,827.66	779,350.17	-	-	3,581.12	-
	Amount receivable- Others	930.69	-	20,926.92	-	-	-
	Corporate guarantees outstanding	350,000.00	5,600,000.00	-	-	-	-

Details of related party transactions

Sr. No.	Particulars		31 March 2015	31 March 2014
			Rs in Thousands	Rs in Thousands
1 Management fees (excluding service tax)	Sterlite Power Grid Venture Limited	Immediate Holding Company	30,000.00	-
	Bhopal Dhule Transmission Company Limited	Subsidiary	20,000.00	10,000.00
	Jabalpur Transmission Company Limited	Subsidiary	20,000.00	10,000.00
	East North Interconnection Company Limited	Fellow Subsidiary	30,000.00	30,000.00
2 Interest income on unsecured loan	Bhopal Dhule Transmission Company Limited	Subsidiary	139,778.16	75,143.22
	Jabalpur Transmission Company Limited	Subsidiary	82,014.35	68,670.69
	East North Interconnection Company Limited	Fellow Subsidiary	106,061.75	73,168.99
3 Interest income on compulsorily convertible debentures	East North Interconnection Company Limited	Fellow Subsidiary	7.46	4.82
4 Interest Expense	Sterlite Technologies Limited	Intermediate Holding Company	187,436.76	239,675.09
5 Loans and advances given	Bhopal Dhule Transmission Company Limited	Subsidiary	2,561,100.00	685,000.00
	Jabalpur Transmission Company Limited	Subsidiary	2,775,300.00	31,900.00
	East North Interconnection Company Limited	Fellow Subsidiary	1,494,400.00	510,300.00

STERLITE GRID LIMITED
Notes to financial statements for the period ended 31 March 2015

6	Repayment of loans and advance given			
	East North Interconnection Company Limited	Fellow Subsidiary	1,960,200.00	-
7	Unsecured loan taken			
	Sterlite Power Gid Venture Limited	Immediate Holding Company	1,649,400.00	-
	Sterlite Technologies Limited	Intermediate Holding Company	2,231,900.00	-
8	Repayment of unsecured loan taken			
	Sterlite Technologies Limited	Intermediate Holding Company	6,895,709.56	-
9	Issue of Equity Shares			
	Sterlite Power Grid Ventures Limited	Immediate Holding Company	174,982.50	-
	Sterlite Technologies Limited	Intermediate Holding Company	-	247,873.01
10	Purchase of equity shares			
	Bhopal Dhule Transmission Company Limited	Subsidiary	-	800,000.00
	Jabalpur Transmission Company Limited	Subsidiary	-	100,000.00
11	Share Application Money received			
	Sterlite Technologies Limited	Intermediate Holding Company	-	628,982.58
12	Conversion of unsecured loans into share application money			
	Sterlite Technologies Limited	Intermediate Holding Company	-	637,232.59
13	Issue of Non Convertible Debentures			
	Sterlite Power Grid Ventures Limited	Immediate Holding Company	12,881,452.75	-
14	Sale of goods			
	Jabalpur Transmission Company Limited	Subsidiary	1,327,528.20	823,290.69
15	Purchase of goods			
	Sterlite Technologies Limited	Intermediate Holding Company	1,322,845.25	814,750.77
16	Reimbursement of expense paid or payable			
	Purulia & Kharagpur Transmission Company Limited	Fellow Subsidiary	1,870.98	-
	RAPP Transmission Company Limited	Fellow Subsidiary	1,710.14	-

STERLITE GRID LIMITED**Notes to financial statements for the year ended 31 March 2015****NOTE 32: KEY ASSUMPTIONS FOR IMPAIRMENT EVALUATION**

In order to assess the recoverability of the carrying amounts of investments in East North Interconnection Company Limited (ENICL), Bhopal Dhule Transmission Company Limited (BDTCL) and Jabalpur Transmission Company Limited (JTCL) as at March 31, 2015, the Company has determined the recoverable amounts of the underlying transmission assets of ENICL, BDTCL and JTCL on the basis of the individual transmission assets value in use by estimating the future cash flows over the estimated license period of the respective transmission asset.

For such estimation, management has used certain key assumptions which are as follows:

1. Additional tariff to be claimed from customers in respect of cost overruns incurred due to force majeure events and changes in laws as permitted by the respective Transmission Services Agreements (TSAs);
2. Tax adjusted discounting rate of 10% (for ENICL and BDTCL) and 10.1% for JTCL;
3. Recoverability of the metal value (as adjusted for inflation) in the project cost at the end of license period;
4. Availability of transmission lines at 99.75% throughout the license period;
5. Inflation rate of 6.98% for escalable tariff for future periods.

Based on management evaluation, these assumptions are considered reasonable as at March 31, 2015 and the recoverable amounts are higher than the carrying values of the respective transmission assets. The management has also obtained valuation reports from an external consultant in order to arrive at the conclusion that as per AS-28, the recoverable amounts are higher than the respective carrying values of the transmission assets as at March 31, 2015. These assumptions will be reassessed on a periodic basis for the purpose of determination of the recoverable amounts of the individual transmission assets. Any change in key assumptions could have a material effect on the recoverable amounts of the individual transmission assets and consequently on the carrying amounts of the investments in ENICL, BDTCL and

In respect of additional tariff claimed, the management has taken a legal opinion that based on facts and circumstances; ENICL, BDTCL and JTCL are legally entitled as per terms of TSA to claim the amount. The additional tariff that these entities will eventually receive will depend on Central Electricity Regulatory Commission (CERC) approving their claim and the amount. ENICL and JTCL have filed petitions with CERC and BDTCL is in the process of filing the same.

NOTE 33: PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/reclassified where necessary to conform to this year's classification.

As per our report of even date**For S R B C & CO LLP**

Firm Registration No. 324982E
Chartered Accountants

**For and on behalf of the Board of Directors of
Sterlite Grid Limited****per Paul Alvares**

Partner

Membership Number : 105754

Anupam Jindal

Director

DIN: 03040078

Ajay Bhardwaj

Director

DIN: 05246313

Place : Pune

Date : 16 May 2015

Harsh Shah

Chief Financial Officer

Swapnil Patil

Company Secretary

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	873,000.00	102,300.00
Reserves and surplus	4	(94,612.51)	(83,512.97)
		778,387.49	18,787.03
Share application money pending allotment		-	108,000.00
Non-current liabilities			
Long-term borrowings	5	115,410.00	-
Trade Payables	6	10,236.00	-
		125,646.00	-
Current liabilities			
Short-term borrowings	7	47,013.12	-
Other current liabilities	8	22,005.38	235.90
		69,018.50	235.90
TOTAL		973,051.99	127,022.93
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		542.22	1,691.17
Intangible assets		19.91	97.75
		562.13	1,788.92
Non current investments	10	299,624.10	1,000.00
Long-term loans and advances	11	516,982.37	-
Trade receivables	12	21,610.06	1,385.26
		838,778.66	4,174.18
Current assets			
Cash and bank balances	13	123,821.30	5,647.48
Short-term loans and advances	11	1,925.05	117,201.27
Other current assets	14	8,526.98	-
		134,273.33	122,848.75
TOTAL		973,051.99	127,022.93

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Sterlite Grid 2 Limited

per Paul Alvares
Partner
Membership Number: 105754

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Place: Pune
Date: 16 May 2015

Anuj Kumar Sharma
Chief Financial Officer

Mrunal Dixit
Company Secretary

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
INCOME			
Revenue from operations	15	20,000.00	1,369.86
Other income	16	12,001.28	-
Total Income (I)		32,001.28	1,369.86
EXPENSES			
Employee benefits expense	17	13,028.61	-
Other expenses	18	28,845.42	414.40
Total Expenses (II)		41,874.03	414.40
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(9,872.75)	955.46
Depreciation and amortisation expense	19	1,226.79	4,697.58
Loss before tax		(11,099.54)	(3,742.12)
Tax expense		-	-
Loss for the year		(11,099.54)	(3,742.12)
Earnings per equity share	20		
[Nominal value of shares Rs. 10 (31 March 2014 : Rs. 10)]			
Basic and diluted			
Computed on the basis of loss for the year		(0.18)	(0.37)

Summary of significant accounting policies 2.1

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

As per our report of even date

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

**For and on behalf of the Board of Directors of
Sterlite Grid 2 Limited**

per Paul Alvares
Partner
Membership Number: 105754

Anupam Jindal
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DIN: 03040078

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Director
DIN: 05246313

Place: Pune
Date: 16 May 2015

Anuj Kumar Sharma
Chief Financial Officer

Mrunal Dixit
Company Secretary

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)**Notes to financial statements for the year ended 31 March 2015****NOTE 1: CORPORATE INFORMATION**

Sterlite Grid 2 Limited (Formerly known as Sterlite Display Technologies Private Limited) ("the Company") is a wholly owned subsidiary of Sterlite Power Grid Ventures Limited. The Company was incorporated under the Companies Act, 1956 on 11 May 2005. The Company, directly or indirectly, through its subsidiaries, acts as a developer on Build Own Operate & Maintain ("BOOM") basis, for designing, financing, construction and maintenance of power transmission systems for a period of 35 years.

NOTE 2: BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Use of estimates**

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

(d) Depreciation and amortisation

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. The change in useful lives did not have any material impact on financial statements of the company.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following useful lives to provide depreciation on its fixed assets:

Nature of assets	Useful life considered*	Useful life specified in Schedule II of the Companies Act, 2013
Plant and Machinery	5 years	15 years
Data processing equipments	4 years	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years
Office equipments	4 years	5 years

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

(e) Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(f) Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculations on detailed budget calculations. These budgets have been prepared for the entire project life. For periods beyond 5 years, a long term growth rate is calculated and applied to future cash flows after the fifth year.

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 company 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 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.

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Income from services:

Income from services is recognised on a pro-rata basis as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends:

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(i) Retirement and other Employee Benefits

Retirement benefit in the form of Provident Fund are defined contribution schemes. The contributions to the Provident Fund are charged to the statement of profit and loss for the year when the employee renders the related service. The company has no obligation, other than the contribution payable to the Provident Fund.

(j) Taxes on Income

Tax expense comprises of current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

(k) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(l) Cash and Cash equivalents

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(m) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(o) Segment Reporting Policies

The Company's operating businesses are organised and managed separately according to the nature of activities/services.

Inter segment transfers

The company accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

Segment policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financials statements of the company as a whole.

(p) Measurement of EBITDA

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

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STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
A. Cash flow from operating activities		
Loss before tax	(11,099.54)	(3,742.11)
Non cash adjustments for to reconcile loss before tax to net cash flows :-		
- Depreciation and amortization expense	1,226.79	4,697.58
- Net gain on sale of current investment	(12,001.28)	
	(10,774.49)	4,697.58
Operating (loss) / profit before working capital changes	(21,874.03)	955.47
Movements in working capital :		
- Increase in loans and advances	(1,597.98)	(99,212.58)
- Increase in other current asset	(8,526.98)	
- Decrease in inventories	-	212.06
- Increase in trade receivables	(20,224.80)	(1,385.26)
- Increase in other long term liabilities	10,236.00	
- Decrease in trade payable	-	(212.06)
- Increase/(decrease) in other current liabilities	21,835.70	(1,891.27)
Change in working capital	1,721.95	(102,490.11)
Direct taxes paid	(2,417.83)	190.86
Net cash used in operating activities (A)	(22,569.92)	(101,344.77)
B. Cash flow from investing activities		
Purchase of fixed assets, including intangible assets	(66.22)	(109.00)
Purchase of non current investments	(197,169.99)	(1,000.00)
Proceeds from sale of mutual fund investments	3,306,001.28	-
Purchase of mutual fund investments	(3,294,000.00)	-
Loans given to related parties	(499,144.44)	-
Net cash used in investing activities (B)	(684,379.37)	(1,109.00)
C. Cash flow from financing activities		
Proceeds from issuance of equity share capital	662,700.00	-
Proceeds from share application money	-	108,000.00
Proceeds from issuance of Non Convertible Debentures	115,410.00	-
Proceeds from loan from immediate holding company	47,013.12	-
Net cash flow from financing activities (C)	825,123.12	108,000.00
Net increase/(decrease) in cash and cash equivalents (A + B + C)	118,173.82	5,545.87
Cash and cash equivalents as at beginning of the year	5,647.48	101.62
Cash and cash equivalents as at end of the year	123,821.30	5,647.48

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Components of cash and cash equivalents:		
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts	123,821.30	5,647.48
Cash and cash equivalent in cash flow statement (Note 13)	123,821.30	5,647.48

As per our report of even date

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

**For and on behalf of the Board of Directors of
Sterlite Grid 2 Limited**

per Paul Alvares
Partner
Membership Number: 105754

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Place: Pune
Date: 16 May 2015

Anuj Kumar Sharma
Chief Financial Officer

Mrunal Dixit
Company Secretary

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

NOTE 3: SHARE CAPITAL

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Authorised shares (No. Thousands)		
90,000 thousand (31 March 2014 : 12,000 thousand) equity shares of Rs.10 each	900,000.00	120,000.00
Issued,subscribed and fully paid-up shares (No. Thousands)		
87,300 thousand (31 March 2014 : 10,230 thousand) equity shares of Rs.10 each fully paid - up	873,000.00	102,300.00
Total issued, subscribed and fully paid-up share capital	873,000.00	102,300.00

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

	31 March 2015		31 March 2014	
	No. Thousands	Rs. in Thousands	No. Thousands	Rs. in Thousands
At the beginning of the year	10,230.00	102,300.00	10,230.00	102,300.00
Issued during the year	77,070.00	770,700.00	-	-
Outstanding at the end of the year	87,300.00	873,000.00	10,230.00	102,300.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Technologies Limited	-	-	8,730.00	85.34%
Volcan Investments Limited	-	-	1,500.00	14.66%
Sterlite Power Grid Ventures Limited	87,300.00	100.00%	-	-

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

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Technologies Limited	-	-	8,730.00	85.34%
Volcan Investments Limited	-	-	1,500.00	14.66%
Sterlite Power Grid Ventures Limited	87,300.00	100.00%	-	-

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(83,512.97)	(79,770.85)
Loss for the year	(11,099.54)	(3,742.12)
Net deficit in the Statement of Profit and Loss	(94,612.51)	(83,512.97)
Total	(94,612.51)	(83,512.97)

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

NOTE 5: LONG-TERM BORROWINGS (UNSECURED)

	Non - current portion	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Debentures		
11,541 thousand (31 March 2014: Nil) Non Convertible Debentures (NCD) of Rs. 10 each (Refer Note 23)	115,410.00	-
Total	115,410.00	-

Non Convertible debenture (NCD) of Face value of Rs.10 each amounting to Rs. 115,410 thousands (March 31, 2014: Nil) held by Sterlite Power Grid Ventures Limited. The NCD would be redeemable at the option of the NCD holder anytime after 5 years from the date of allotment viz July 23, 2014. If the NCD holders do not exercise their right of redeeming the NCDs, the NCDs shall be due for repayment at the end of 7 years from the date of allotment.

NOTE 6: TRADE PAYABLES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. In Thousands
Management Fees payable to related party (Refer note 23)	10,236.00	-
Total	10,236.00	-

NOTE 7: SHORT-TERM BORROWINGS

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Loan from Holding company (Unsecured) (Refer note 23)	47,013.12	-
Total	47,013.12	-

The unsecured loan from holding company is interest free. This loan is repayable as per mutually agreed terms.

NOTE 8: OTHER CURRENT LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Payable for purchase of fixed assets #	-	66.12
Service tax payable	-	169.78
TDS payable	990.22	-
Others	21,015.16	-
Total	22,005.38	235.90

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

NOTE 9 : TANGIBLE AND INTANGIBLE ASSETS

TANGIBLE ASSETS

Particulars	Plant and Machinery	Data Processing Equipments	Office Equipments	Total
Cost				
At 1 April 2013	10,256.91	336.39	92.14	10,685.44
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2014	10,256.91	336.39	92.14	10,685.44
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2015	10,256.91	336.39	92.14	10,685.44
Depreciation				
At 1 April 2013	4,149.42	138.35	50.72	4,338.49
Charge for the year	4,568.40	65.23	22.15	4,655.78
At 31 March 2014	8,717.82	203.58	72.87	8,994.27
Charge for the year	1,026.25	103.43	19.27	1,148.95
Disposals	-	-	-	-
At 31 March 2015	9,744.07	307.01	92.14	10,143.22
Net Block				
At 31 March 2014	1,539.09	132.81	19.27	1,691.17
At 31 March 2015	512.85	29.38	-	542.22

INTANGIBLE ASSETS

Particulars	Software/ licenses
Cost	
At 1 April 2013	245.93
Additions	-
Disposals	-
At 31 March 2014	245.93
Additions	-
Disposals	-
At 31 March 2015	245.93
Depreciation	
At 1 April 2013	106.38
Charge for the year	41.80
At 31 March 2014	148.18
Charge for the year	77.84
Disposals	-
At 31 March 2015	226.02
Net Block	
At 31 March 2014	97.75
At 31 March 2015	19.91

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

NOTE 10: NON-CURRENT INVESTMENTS

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Investment in subsidiaries (valued at cost unless stated otherwise)		
Investment in equity instruments (unquoted)		
Purulia & Kharagpur Transmission Company Limited [5,954.30 thousands equity shares (31 March 2014 : 50 thousand) of Rs. 10 each fully paid up]	59,543.00	500.00
RAPP Transmission Company Limited [4,291.11 thousands equity shares (31 March 2014 : 50 thousand) of Rs. 10 each fully paid up]	42,911.10	500.00
NRSS XXIX Transmission Limited [19,717.00 thousands equity shares (31 March 2014 : Nil) of Rs. 10 each fully paid up]	197,170.00	-
Total	299,624.10	1,000.00

NOTE 11: LOANS AND ADVANCES (Unsecured, considered good)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands
Loans and advances to related parties (Refer Note 23)	514,410.62	-	-	15,266.17
Advances receivable in cash or kind	-	-	688.53	327.08
Other loans and advances				
Share Application Money pending allotment in Subsidiaries	-	-	-	101,454.10
Advance income taxes, including TDS	2,571.75	-	-	153.92
Balances with central excise authorities	-	-	1,236.52	-
Total	516,982.37	-	1,925.05	117,201.27

NOTE 12: TRADE RECEIVABLES (Unsecured, considered good)

	Non-current	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Outstanding for a period less than six months from the date they are due for payment (Refer note 23)	21,610.06	1,385.26
Total	21,610.06	1,385.26

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

NOTE 13: CASH AND BANK BALANCES

	Current	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts	123,821.30	5,647.48
Total	123,821.30	5,647.48

NOTE 14 : OTHER ASSETS

	Current	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Reimbursement of expenses receivable (Refer note 23)	8,526.98	-
Total	8,526.98	-

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

NOTE 15: REVENUE FROM OPERATIONS

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Income from services - Management fees (Refer note 23)	20,000.00	1,369.86
Total	20,000.00	1,369.86

NOTE 16: OTHER INCOME

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Net gain on sale of current investments	12,001.28	-
Total	12,001.28	-

NOTE 17: EMPLOYEE BENEFIT EXPENSE

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Salaries, wages and bonus	11,585.90	-
Contribution to provident fund #	1,390.31	-
Staff welfare expenses	52.40	-
Total	13,028.61	-

Provident fund contributions are made by Sterlite Technologies Limited and the Company reimburses Sterlite Technologies Limited for the same.

NOTE 18: OTHER EXPENSES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Rates and taxes	7,504.03	-
Travelling and conveyance	4,444.97	300.00
Directors Sitting Fee	320.00	-
Payment to auditor (including service tax)		
- Statutory audit fees	224.72	112.36
Legal and professional fees	15,942.16	-
Other administration and general expenses	409.54	2.04
Total	28,845.42	414.40

NOTE 19: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Depreciation of tangible assets	1,148.95	4,655.78
Amortisation of intangible assets	77.84	41.80
Total	1,226.79	4,697.58

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for the year ended 31 March 2015

NOTE 20: EARNINGS PER SHARE (EPS)

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

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Total operations for the year		
Loss after tax for calculating basic and diluted EPS	(11,099.54)	(3,742.12)
Weighted average number of equity shares in calculating basic and diluted EPS (No. Thousands)	60,272.71	10,230.00
Earnings Per Share (Weighted Average)		
Basic and Diluted (On Nominal Value of Rs. 10 Per Share) Rupees/share	(0.18)	(0.37)

NOTE 21: CAPITAL AND OTHER COMMITMENTS

As at 31 March, 2015 the Company has commitment of Rs. 77,25,837.83 thousands (31 March, 2014 : Nil) towards investment in wholly owned subsidiaries.

NOTE 22: CONTINGENT LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Income tax	-	8,390
Total	<u>-</u>	<u>8,390</u>

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)
Notes to financial statements for year ended 31 March 2015

NOTE 23: RELATED PARTY DISCLOSURES

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

(a) Where control exists

(i) Holding Companies

Volcan Investments Limited (Ultimate holding company)
Twin Star Overseas Limited (Intermediate holding company)
Sterlite Technologies Limited (Intermediate holding company)
Sterlite Power Grid Ventures Limited (Immediate holding company)

(ii) Subsidiaries

RAPP Transmission Company Limited
Purulia & Kharagpur Transmission Company Limited
NRSS XXIX Transmission Limited

(b) Other related parties with whom transactions have taken place during the year

Fellow Subsidiaries

Sterlite Grid Limited
Bhopal Dhule Transmission Company Limited

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

S.No	Particulars	Holding company		Subsidiary Company (including Fellow)	
		2014-15	2013-14	2014-15	2013-14
		Rs In Thousands	Rs In Thousands	Rs In Thousands	Rs In Thousands
Transactions during the year:					
1	Management fee income (excluding service tax)	-	-	20,000.00	1,369.86
2	Management fee expense (excluding service tax)	-	-	10,000.00	-
3	Unsecured loan taken	47,013.12	-	-	-
4	Unsecured loan given	-	-	499,200.00	-
5	Share Application Money given	-	-	-	101,454.10
6	Share Application Money received/(re-paid)	(108,000.00)	108,000.00	-	-
7	Issue of equity shares	770,700.00	-	-	-
8	Issue of Non Convertible Debentures	115,410.00	-	-	-
9	Subscription to Equity Shares	-	-	298,124.10	-
10	Reimbursement of Expenses payable	-	-	12,126.63	-
11	Reimbursement of Expenses receivable	6,630.66	-	1,896.32	-
Outstanding balances:					
	Trade receivable	-	-	21,610.06	1,385.26
	Trade payable	-	-	10,236.00	-
	Unsecured loan given	-	-	499,200.00	-
	Unsecured loan taken	47,013.12	-	-	-
	Share Application Money received	-	108,000.00	-	-
	Share Application Money given	-	-	-	101,454.10
	Non Convertible Debentures	115,410.00	-	-	-
	Advance recoverable	15,210.62	15,266.17	-	-
	Others payables	-	-	12,126.63	-
	Others receivables	6,630.66	-	1,896.32	-

Disclosure in respect of material related party transaction during the year:

Particulars	Relationship	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
1 Management Fees Income (exclusive of service tax)			
RAPP Transmission Company Limited	Subsidiary	10,000.00	520.55
Purulia & Kharagpur Transmission Company Limited	Subsidiary	10,000.00	849.31
2 Management Fees Expense (exclusive of service tax)			
Sterlite Grid Limited	Fellow Subsidiary	10,000.00	-
3 Unsecured loan taken			
Sterlite Power Grid Ventures Limited	Immediate Holding Company	47,013.12	-
4 Unsecured loan given			
RAPP Transmission Company Limited	Subsidiary	135,100.00	-
Purulia & Kharagpur Transmission Company Limited	Subsidiary	320,000.00	-
NRSS XXIX Transmission Limited	Subsidiary	19,100.00	-
Bhopal Dhule Transmission Company Limited	Fellow Subsidiary	25,000.00	-
5 Share Application Money given			
RAPP Transmission Company Limited	Subsidiary	-	42,411.10
Purulia & Kharagpur Transmission Company Limited	Subsidiary	-	59,043.00
6 Share Application Money received/(paid)			
Sterlite Technologies Limited	Intermediate Holding Company	(108,000.00)	108,000.00
7 Issue of Equity Shares			
Sterlite Power Grid Ventures Limited	Immediate Holding Company	770,700.00	-
8 Issue of Non Convertible Debentures			
Sterlite Power Grid Ventures Limited	Immediate Holding Company	115,410.00	-
9 Subscription to Equity Shares			
RAPP Transmission Company Limited	Subsidiary	42,411.10	-
Purulia & Kharagpur Transmission Company Limited	Subsidiary	59,043.00	-
NRSS XXIX Transmission Limited	Subsidiary	196,670.00	-
10 Reimbursement of Expenses payable			
Purulia & Kharagpur transmission Company Limited	Subsidiary Company	7,995.49	-
RAPP Transmission Company Limited	Subsidiary Company	4,106.62	-
Sterlite Grid Limited	Fellow Subsidiary Company	24.52	-
11 Reimbursement of Expenses receivable			
NRSS XXIX Transmission Limited	Subsidiary Company	1,896.32	-
Sterlite Power Grid Ventures Limited	Immediate Holding Company	6,630.66	-

STERLITE GRID 2 LIMITED (ERSTWHILE STERLITE DISPLAY TECHNOLOGIES PRIVATE LIMITED)

Notes to financial statements for the period ended 31 March 2015

NOTE 24: SEGMENT WORKING

In accordance with Accounting Standard 17 on "Segment Reporting", the Company has identified two reportable Business Segments i.e. Management activities and Investing activities, which are regularly evaluated by the Management, in deciding the allocation of resources and assessment of performance. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common cost. The segment performance is as follows:

Particulars	(Rs In thousands)							
	Management activities		Investing Activities		Unallocable		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Segment revenue	20,000.00	1,369.86	-	-			20,000.00	1,369.86
Segment results	(10,442.75)	1,097.99	(3,382.53)	(30.20)			(13,825.28)	1,067.78
Other Income					12,001.28	-	12,001.28	-
Unallocable Expenses					(9,275.53)	(4,809.94)	(9,275.53)	(4,809.94)
Loss before tax							(11,099.53)	(3,742.16)
Segment assets	21,610.06	1,385.26	814,034.72	123,694.84			835,644.78	125,080.10
Common assets					137,407.22	1,942.83	137,407.22	1,942.83
Total assets							973,052.00	127,022.93
Segment liabilities	10,236.00	-	115,410.00	-			125,646.00	-
Common liabilities					69,018.50	235.90	69,018.50	235.90
Total Liabilities							194,664.50	235.90
Depreciation					1,226.79		1,226.79	4,697.58

Based on the guiding principles given in Accounting Standard (AS) 17 - "Segment Reporting", the activities of the Company fall within a single geographical segment and accordingly the disclosures under AS-17 in respect of geographical segment have not been separately made.

NOTE 25: PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/reclassified where necessary to conform to this year's classification.

As per our report of even date

For S R B C & CO LLP

Firm Registration No. 324982E
Chartered Accountants

For and on behalf of the Board of Directors of
Sterlite Grid 2 Limited

per Paul Alvares
Partner
Membership Number: 105754

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Place: Pune
Date: 16 May 2015

Anuj Kumar Sharma
Chief Financial Officer

Mrunal Dixit
Company Secretary

STERLITE GRID 3 LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	500.00
Reserves and surplus	4	(3,811.84)
		(3,311.84)
 Non-current liabilities		
Long-term borrowings	5	5,942.94
		5,942.94
 Current liabilities		
Other current liabilities	6	191.04
		191.04
 TOTAL		2,822.14
ASSETS		
Non-current assets		
Long-term loans and advances	7	183.08
		183.08
 Current assets		
Cash and bank balances	8	2,639.06
		2,639.06
 TOTAL		2,822.14
Summary of significant accounting policies	2.1	

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

As per our report of even date

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

**For and on behalf of the Board of Directors of
Sterlite Grid 3 Limited**

per Paul Alvares
Partner
Membership Number : 105754

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Place: Pune
Date: 16 May 2015

Place: Pune
Date: 16 May 2015

Place: New Delhi
Date: 16 May 2015

STERLITE GRID 3 LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 14 AUGUST 2014 TO 31 MARCH 2015

	Note	14 August 2014 to 31 March 2015 Rs. in Thousands
INCOME		
Other income	9	1,887.88
Total income (I)		1,887.88
EXPENSES		
Other expenses	10	5,699.72
Total (II)		5,699.72
Loss before tax		(3,811.84)
Tax expense		-
Loss for the year		(3,811.84)
Earnings per equity share	11	
[Nominal value of shares Rs. 10 (31 March 2014 : Rs. Nil)]		
Basic and diluted		
Computed on the basis of loss for the year		(76.24)

Summary of significant accounting policies

2.1

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

As per our report of even date

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

**For and on behalf of the Board of Directors of
Sterlite Grid 3 Limited**

per Paul Alvares
Partner
Membership Number : 105754

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Place: Pune
Date: 16 May 2015

Place: Pune
Date: 16 May 2015

Place: New Delhi
Date: 16 May 2015

STERLITE GRID 3 LIMITED
CASH FLOW STATEMENT FOR THE PERIOD 14 AUGUST 2014 TO 31 MARCH 2015

	14 August 2014 to 31 March 2015 Rs. In Thousands
Cash flow from operating activities	
Loss before tax	(3,811.84)
Non cash adjustments for to reconcile loss before tax to net cash flows:	
Dividend income on current investment	(57.06)
Interest income on Bank deposit	(1,830.82)
	<u>(1,887.88)</u>
Operating loss before working capital changes	<u>(5,699.72)</u>
Movements in working capital:	
- Increase in long term loans and advances	(183.08)
- Increase in current liabilities	191.04
Cash used in operating activities	<u>7.96</u>
Cash outflow from operations	<u>(5,691.76)</u>
Net cash used in operating activities (A)	<u>(5,691.76)</u>
B. Cash flow from investing activities	
Dividend income on current investment	57.06
Interest income on Bank deposit	1,830.82
Net cash from investing activities (B)	<u>1,887.88</u>
C. Cash flow from financing activities	
Proceeds from loan from immediate holding company (net)	5,942.94
Net cash flow from financing activities (C)	<u>6,442.94</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,639.06
Cash and cash equivalents as at beginning of the year	-
Cash and cash equivalents as at end of the year	<u><u>2,639.06</u></u>
Components of cash and cash equivalents:	
Cash and cash equivalents	
Balance with banks:	
On current accounts	2,639.06
Cash and cash equivalent in cash flow statement (Note 8)	<u><u>2,639.06</u></u>

As per our report of even date

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

**For and on behalf of the Board of Directors of
Sterlite Grid 3 Limited**

per Paul Alvares
Partner
Membership Number : 105754

Anupam Jindal
Director
DIN: 03040078

Ajay Bhardwaj
Director
DIN: 05246313

Place: Pune
Date: 16 May 2015

Place: Pune
Date: 16 May 2015

Place: New Delhi
Date: 16 May 2015

STERLITE GRID 3 LIMITED

Notes to financial statements for the period 14 August 2014 to 31 March 2015

NOTE 1: CORPORATE INFORMATION

Sterlite Grid 3 Limited ("the Company") is a subsidiary of Sterlite Power Grid Ventures Limited and was incorporated on 14 August 2014. The Company, directly or indirectly, through its subsidiaries, acts as a developer on Build, Own, Operate and Maintain ("BOOM") basis, for designing, financing, construction and maintenance of power transmission systems.

NOTE 2: BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention.

NOTE 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual result and estimates are recognized in the year in which the results are known / materialised. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(b) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends

Dividend income is recognised when the company's right to receive dividend is established by the reporting date.

(d) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

STERLITE GRID 3 LIMITED**Notes to financial statements for the period 14 August 2014 to 31 March 2015****(e) Cash and Cash equivalents**

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(f) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

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STERLITE GRID 3 LIMITED

Notes to financial statements for the period 14 August 2014 to 31 March 2015

Note 3: Share Capital

	31 March 2015
	Rs. in Thousands
Authorised shares (No. Thousands)	
50 thousand equity shares of Rs.10 each	500.00
Issued,subscribed and fully paid-up shares (No. Thousands)	
50 thousand equity shares of Rs.10 each fully paid - up.	500.00
Total issued, subscribed and fully paid-up share capital	500.00

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

	31 March 2015	
	No. Thousands	Rs. in Thousands
Equity Shares		
At the beginning of the period	-	-
Issued during the period	50.00	500.00
Outstanding at the end of the period	50.00	500.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015	
	No. Thousands	% holding
Sterlite Power Grid Ventures Limited, immediate holding company	50.00	100%

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

	31 March 2015	
	No. Thousands	% holding
Sterlite Power Grid Ventures Limited, immediate holding company	50.00	100%

Note 4 : Reserves And Surplus

	31 March 2015
	Rs. in Thousands
Deficit in the Statement of Profit and Loss	
Loss for the year	(3,811.84)
Net deficit in the Statement of Profit and Loss	(3,811.84)
Total reserves and surplus	(3,811.84)

STERLITE GRID 3 LIMITED
Notes to financial statements for the period 14 August 2014 to 31 March 2015

STERLITE GRID 3 LIMITED

Notes to financial statements for the period 14 August 2014 to 31 March 2015

Note 5: Long-Term Borrowings**(Unsecured)**

	Non - current portion
	31 March 2015
	Rs. in Thousands
Loan from holding company (Refer Note 12)	5,942.94
Total	5,942.94

The unsecured loan from holding company is interest free. This loan is either repayable as per mutually agreed terms or convertible into equity as per mutually agreed terms.

Note 6: Other Current Liabilities

	31 March 2015
	Rs. in Thousands
TDS payable	37.50
Others	153.54
Total	191.04

Note 7: Loans And Advances**(Unsecured, Considered Good)**

	Non - Current
	31 March 2015
	Rs. in Thousands
Tax Deducted at Source on Income	183.08
Total	183.08

Note 8: Cash And Bank Balances

	Current
	31 March 2015
	Rs. in Thousands
Cash and cash equivalents	
Balance with banks:	
On current accounts	2,639.06
Total	2,639.06

STERLITE GRID 3 LIMITED

Notes to financial statements for the period 14 August 2014 to 31 March 2015

Note 9: Other Income

	14 August 2014 to 31 March 2015 Rs. in Thousands
Dividend income on current investment	57.06
Interest income on Bank deposit	1,830.82
Total	1,887.88

Note 10: Other Expenses

	14 August 2014 to 31 March 2015 Rs. in Thousands
Tendering Cost	5,278.37
Payment to auditor - Statutory audit fees (including service tax)	168.54
Miscellaneous expenses	252.81
Total	5,699.72

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STERLITE GRID 3 LIMITED

Notes to financial statements for the period 14 August 2014 to 31 March 2015

Note 11: Earnings Per Share

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

	31 March 2015
	Rs. in Thousands
Total operations for the period	
Loss after tax for calculating basic and diluted EPS	(3,811.84)
Weighted average number of equity shares in calculating basic and diluted EPS (No. Thousands)	50.00
Earnings Per Share (Weighted Average)	
Basic and Diluted (On Nominal Value of Rs. 10 Per Share) Rupees/share	(76.24)

Note 12: Related party disclosures**(A) Name of related party and nature of its relationship:****(a) Related parties where control exists**

Sterlite Power Grid Ventures Limited	Immediate holding company
Sterlite Technologies Limited	Intermediate holding company
Twin Star Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

(b) Other related parties with whom transactions have taken place during the period

Sterlite Grid 2 Limited	Fellow subsidiary
-------------------------	-------------------

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

Particulars	Sterlite Power Grid Ventures Limited	Sterlite Grid 2 Limited
	31 March 2015 Rs. in Thousands	31 March 2015 Rs. in Thousands
Transactions during the year:		
Unsecured loan given	361,100.00	141,800.00
Unsecured Loan repaid	355,157.06	141,800.00
Closing balances:		
Unsecured loan payable	5,942.94	-

Note 13: Segment disclosures

The Company directly or indirectly, through its subsidiaries, acts as a developer on Build, Own, Operate and Maintain ("BOOM") basis, for designing, financing, construction and maintenance of power transmission systems in India. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single primary business and geographical segment and accordingly the disclosures under AS-17 have not been separately given.

STERLITE GRID 3 LIMITED**Notes to financial statements for the period 14 August 2014 to 31 March 2015****Note 14: Comparative figures**

The Company was incorporated on 14 August 2014. Hence the Statement of Profit and Loss and Cash Flow Statement are prepared from 14 August 2014 to 31 March 2015. Since this is the first year of the Company, comparative figures for previous year have not been given.

As per our report of even date**For S R B C & CO LLP**

Firm Registration No. 324982E

Chartered Accountants

For and on behalf of the Board of Directors of**Sterlite Grid 3 Limited****per Paul Alvares**

Partner

Membership Number : 105754

Place: Pune

Date: 16 May 2015

Anupam Jindal

Director

DIN: 03040078

Place: Pune

Date: 16 May 2015

Ajay Bhardwaj

Director

DIN: 05246313

Place: New Delhi

Date: 16 May 2015

EAST NORTH INTERCONNECTION COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. In Thousands	31 March 2014 Rs. In Thousands
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	500.00	500.00
Reserves and surplus	4	(142,664.04)	(78,297.73)
		(142,164.04)	(77,797.73)
Non-current liabilities			
Long-term borrowings	5	12,206,104.43	9,970,279.37
Trade payables	6	60,674.40	90,455.40
Other long term liabilities	6	268,082.43	224,658.54
Long-term provisions	7	1,149.70	719.06
		12,536,010.96	10,286,112.37
Current liabilities			
Trade payables	8	3,182.02	-
Other current liabilities	8	372,690.16	844,764.61
Short-term provisions	7	1,211.42	1,592.89
		377,083.60	846,357.50
TOTAL		12,770,930.52	11,054,672.14
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	11,941,033.97	4,753,716.82
Capital work-in-progress (Refer note 23)		-	5,801,236.18
		11,941,033.97	10,554,953.00
Long-term loans and advances	10	2,236.11	242,183.89
Deferred tax asset (net)	11	84,083.06	-
Other non-current assets	13	97,447.00	-
		12,124,800.14	10,797,136.89
Current assets			
Current investments	14	36,700.00	-
Trade receivables	12	145,558.21	61,555.82
Cash and bank balances	15	287,444.65	137,487.27
Short-term loans and advances	10	10,176.31	2,138.79
Other current assets	13	166,251.21	56,353.37
		646,130.38	257,535.25
TOTAL		12,770,930.52	11,054,672.14
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May 2015

For and on behalf of the Board of Directors of
East North Interconnection Company Limited

Ajay Bhardwaj
Director
DIN: 05246313

Place: New Delhi
Date : 16 May 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place: New Delhi
Date : 16 May 2015

EAST NORTH INTERCONNECTION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Notes	31 March 2015 Rs. In Thousands	31 March 2014 Rs. In Thousands
INCOME			
Revenue from operations (net)	16	940,079.40	348,935.33
Other income	17	4,414.26	130.42
Total Income (I)		944,493.66	349,065.76
EXPENSES			
Employee benefit expenses	18	7,844.41	2,334.64
Other expenses	19	60,607.86	20,814.13
Total Expenses (II)		68,452.27	23,148.77
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		876,041.39	325,916.99
Depreciation expense	20	332,499.56	139,297.38
Finance costs	21	692,581.83	256,692.51
Loss before tax		(149,040.00)	(70,072.88)
Tax Expense:			
Current tax		-	(850.21)
Deferred tax		(84,083.06)	6,531.23
Earlier year tax		(590.63)	-
Total tax expense		(84,673.69)	5,681.02
Loss for the year		(64,366.31)	(75,753.90)
Earnings per share	22		
(Nominal value of share Rs.10 each [31 March 2014 Rs.10 each])			
Basic and Diluted			
Computed on the basis of loss for the year		(1,287.33)	(1,515.08)
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May 2015

**For and on behalf of the Board of Directors of
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Place: New Delhi
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Pankaj Priyadarshi
Director
DIN: 06518413

Place: New Delhi
Date : 16 May 2015

EAST NORTH INTERCONNECTION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Cash flow from Operating Activities		
Net loss as per the statement of profit and loss	(64,366.31)	(75,753.90)
Adjustment for Taxation	(84,673.69)	5,681.02
Loss before tax	(149,039.98)	(70,072.88)
Non cash adjustments to reconcile loss before tax to net cash flows :-		
- Depreciation	332,499.56	139,297.38
- Interest income on Bank deposit	(2,257.04)	-
- Finance costs	692,581.83	256,692.51
- Dividend income on Current investment	(2,027.66)	(106.97)
	1,020,796.69	395,882.92
Operating loss before working capital changes	871,756.70	325,810.04
Movements in working capital :		
- (Increase)/Decrease in short term loans and advances	(8,037.52)	3,942.06
- Increase in Long term Loans and Advances	(1,993.49)	-
- (Decrease)/Increase in long term trade payables	(29,781.00)	30,337.20
- Increase in short term provisions	209.16	
- Increase in long term provisions	430.63	310.72
- Increase/(Decrease) in short term trade payables	3,182.02	(2,670.48)
- Increase/(Decrease) in other current liabilities	34,009.50	(76.79)
- Increase in Trade receivable	(84,002.39)	(117,909.19)
- Increase in other non current asset	(97,447.00)	-
- Increase in other current asset	(110,651.66)	-
Cash generated from operations	(294,081.78)	(86,066.48)
Cash generated from operations	577,674.92	239,743.56
Net cash flow from operating activities (A)	577,674.92	239,743.56
Cash flow from Investing Activities		
Purchase of fixed assets (including capital work in progress and capital advances)	(1,475,325.94)	(942,591.87)
(Purchase)/Sale of mutual fund investments (net)	(36,700.00)	303,800.00
Interest income on Bank deposit	2,257.04	106.97
Dividend income on Current investment	2,718.26	-
Net cash flow used in investing activities (B)	(1,507,050.64)	(638,684.90)
Cash flow from Financing Activities		
Proceeds from issue of Non convertible debentures	318,954.43	-
Proceeds from Long Term loans	9,250,000.00	1,102,500.00
Repayment of Long Term Loans	(7,426,479.36)	-
Finance costs	(1,063,141.97)	(785,635.86)
Net Cash flow from financing activities (C)	1,079,333.10	316,864.14
Net increase/(decrease) in cash and cash equivalents (A + B + C)	149,957.38	(82,077.20)
Cash and cash equivalents as at beginning of the year	137,487.27	219,564.47
Cash and cash equivalents as at the end of the year	287,444.65	137,487.27

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Components of Cash and cash equivalents:		
Balance with banks:		
- On current accounts	287,444.65	137,487.27
Total cash and cash equivalents (Note 15)	287,444.65	137,487.27

As per our report of even date

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

For and on behalf of the Board of Directors of
East North Interconnection Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May 2015

Place: New Delhi
Date : 16 May 2015

Place: New Delhi
Date : 16 May 2015

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 1: Corporate Information

East North Interconnection Company Limited ('the Company') is a subsidiary of Sterlite Technologies Limited. The Company is a developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, construction and maintenance of power transmission lines which include establishment of two 400 KV double circuit transmission lines that would respectively connect the states of Assam with West Bengal and Bihar. The transmission lines would be commissioned within 3 years and the Company would operate and maintain the same for a minimum tenure of 22 years thereafter.

The Company was incorporated on February 1, 2007 under the Companies Act 1956 as a wholly owned subsidiary of Power Finance Corporation (PFC), (A Govt. of India Undertaking). Certificate for Commencement of Business was issued on May 25, 2007. Consequent to the selection of successful bidder as per "Guidelines for Determination of Tariff by bidding process for procurement of power by Distribution Licenses" issued by Ministry of Power, Government Of India, dated January 19, 2005 (as amended from time to time) and as per bidding documents (as amended from time to time), the Company was transferred to Sterlite Technologies Limited (Successful Bidder) vide a Share Purchase Agreement dated March 31, 2010. After transfer, the Company ceased to be a subsidiary of PFC.

Note 2: Basis of Preparation of financial statement

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financials statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Note 2.1 : Summary of significant accounting policies

(a) Use of Estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) Depreciation and Amortization

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

Nature of assets	Useful life considered	Useful life specified in Schedule II of the Companies Act, 2013
Furniture and fixtures	7.5 years *	10 years
Data processing equipments	4 years *	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Office equipments	4 years *	5 years
Vehicles	4 years *	8 years
Power Transmission Lines (Conductors, Towers, etc.)	Period of Transmission license or Useful life whichever is lower*	40 years

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

As a result of revision in useful life of fixed assets, the depreciation charge for the Company for the year ended March 31, 2015 is lower by 53,290.73 thousands.

(d) Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(e) Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculations on detailed budget calculations. These budgets have been prepared for the entire project life. For periods beyond 5 years, a long term growth rate is calculated and applied to future cash flows after the fifth year.

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 company 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 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.

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(g) Foreign currency transactions

- (i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- (iii) Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
- (iv) The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

(h) Revenue recognition

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Revenue is recognised to the extent it is probable that the economic benefits will flow to Company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Income from Services:

Revenue from power transmission charges is accounted for on the basis of billings to transmission utilities and includes unbilled revenues accrued upto the end of the accounting year.

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend:

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

(i) Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when an employee renders the related service. The company has no obligation, other than the contribution payable to the provident fund and superannuation fund.

The Company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The company 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 company 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 statement of profit and loss and are not deferred.

(j) Income Taxes

Tax expense comprises of current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(k) Operating Leases

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Where the Company lessee

Assets taken on lease under which all significant risks and rewards of ownership are effectively retained by the lessor are classified as Operating Leases. Lease payments under Operating Leases are recognised on straight line basis over the lease period in the statement of profit and loss.

(l) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(m) Cash and cash equivalents

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(n) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(p) Measurement of EBITDA

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

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 3: Share Capital

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Authorised shares		
2,000 thousands (31 March 2014: 2,000 thousands) equity shares of Rs.10 each	20,000.00	20,000.00
Issued, subscribed and fully paid-up shares		
50 thousands (31 March 2014: 50 thousands) equity shares of Rs. 10 each fully paid - up	500.00	500.00
Total issued, subscribed and fully paid-up share capital	500.00	500.00

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

	31 March 2015		31 March 2014	
	No. Thousands	Rs. In Thousands	No. Thousands	Rs. In Thousands
At the beginning of the year	50.00	500.00	50.00	500.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	50.00	500.00	50.00	500.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company :

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Technologies Limited, Holding Company	25.50	51.00%	25.50	51.00%
Sterlite Grid Limited, Fellow Subsidiary	24.50	49.00%	24.50	49.00%

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

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Technologies Limited, Holding Company	25.50	51.00%	25.50	51.00%
Sterlite Grid Limited, Fellow Subsidiary	24.50	49.00%	24.50	49.00%

Note 4: Reserves and surplus

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Deficit in the statement of profit and loss		
Balance as per last financial statements	(78,297.73)	(2,543.83)
Loss for the year	(64,366.31)	(75,753.90)
Net deficit in the statement of profit and loss	(142,664.04)	(78,297.73)
Total reserves and surplus	(142,664.04)	(78,297.73)

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 5: Long term borrowings

	Non - current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands	Rs. In Thousands	Rs. In Thousands
Debentures (Unsecured)				
1,000 thousands (31 March 2014 : 1,000 thousands)				
0.10% Compulsorily Convertible Debentures of Rs. 10 each	1,499,600.00	1,499,600.00	-	-
31,895.44 thousands (31 March 2014 : Nil) Non Convertible debentures of Rs 10 each	318,954.43	-	-	-
Term loan				
Indian rupee loan from banks (Secured)	9,111,250.00	6,528,300.00	138,750.00	232,100.00
Others				
Loan from holding Company (Unsecured)	-	200,279.37		
Loan from Fellow Subsidiary Company (Unsecured)	1,276,300.00	1,742,100.00		
Total	12,206,104.43	9,970,279.37	138,750.00	232,100.00
The above amount includes				
Secured borrowings	9,111,250.00	6,528,300.00	138,750.00	232,100.00
Unsecured borrowings	3,094,854.43	3,441,979.37	-	-
Amount disclosed under the head "Other Current Liabilities" (Note 8)	- #	-	(138,750.00)	(232,100.00)
Net amount	12,206,104.43	9,970,279.37	-	-

a. Debentures

- 0.10% Compulsorily Convertible Debenture (CCD) of Face value of Rs. 10 each at a premium of Rs. 1,358 each amounting to Rs. 1,299,600 thousands (March 31, 2014 - Rs. 1,299,600 thousands) held by Sterlite Grid Limited and Sterlite Power Grid Ventures Limited. The CCD holders have an option to convert their debentures into equity shares in 3 years from the date of allotment viz January 19, 2012. At the end of 3 years, the CCD will be compulsorily converted to equity shares of the Company. Each CCD is convertible into 1 equity share of Rs. 10 at a premium of Rs.1,358 per share. The company has extended the conversion period of the debenture by 5 years. The conversion of debentures will take place prior to January 18, 2020 or shall be compulsorily converted into equity shares of the Company.
- 0.10% Compulsorily Convertible Debenture of Face value of Rs. 10 each at a premium of Rs. 3,990 each amounting to Rs. 200,000 thousands (March 31, 2014 - Rs. 200,000 thousands) held by Sterlite Grid Limited and Sterlite Power Grid Ventures Limited. The CCD holders have an option to convert their debentures into equity shares in 3 years from the date of allotment viz July 24, 2013. At the end of 3 years all the CCDs will be compulsorily converted to equity shares of the Company. Each CCD is convertible into 1 equity share of Rs. 10 at a premium of Rs.3,990 per share.
- Non Convertible debenture (NCD) of Face value of Rs.10 each amounting to Rs. 319,854.43 thousands (March 31, 2014: Nil) issued to Sterlite Power Grid Ventures Limited. The NCD would be redeemable at the option of the NCD holder anytime after 5 years from the date of allotment viz July 23, 2014. If the NCD holders do not exercise their right of redeeming the NCDs, the NCDs shall be due for repayment at the end of 7 years from the date of allotment.

b. Term Loan

- During the current year, the Company has refinanced its existing term loan from banks. The new Indian rupee term loan from banks carries a fixed interest rate of 10.75% for first six months and thereafter a floating interest rate linked to the base rate. 75% of the loan is repayable in 56 quarterly instalments from the end of moratorium period i.e. 30 June 2015 and balance 25% is repayable as a bullet payment at the end of 14 years from the moratorium period. The loan is secured by way of a first charge of hypothecation of all movable assets, present and future; a first charge on all intangible assets, present and future; a first charge on all book debts, operating cash flows, receivables, commissions, revenues whatsoever nature and wherever arising, of the company, present and future; a first charge by way of mortgage of all immovable properties including but not limited to civil structures, towers and cables, present and future, including ROW/land. Loan is also being secured by a pledge of 51% equity share capital of the Company.

c. Others

- The unsecured loan from fellow subsidiary company carries interest rate at 10.25% p.a till September 30, 2014 and thereafter at Nil rate. This loan is either repayable as per mutually agreed terms or convertible into equity as per mutually agreed terms subject to approval from lenders of the term loan. Others terms and conditions of this loan will be subject to approval from term loan lenders.

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 6: Other long term liabilities

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Trade Payables		
Management Fees payable to related parties (Refer note 26)	60,674.40	90,455.40
Other liabilities		
Interest payable to related parties (Refer note 26)	268,082.43	224,658.54
Total	328,756.83	315,113.94

Note 7: Provisions

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands	Rs. In Thousands	Rs. In Thousands
Provision for employee benefits				
Provision for gratuity (Refer note 25)	1,149.70	719.06	-	-
Provision for leave benefits	-	-	1,211.42	1,131.61
Others				
Provision for Income Tax	-	-	-	461.28
Total	1,149.70	719.06	1,211.42	1,592.89

Note 8: Other current liabilities

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Trade payables #	3,182.02	-
Other liabilities		
- Current maturities of long-term borrowings (Refer note 5)	138,750.00	232,100.00
- Payables for purchase of fixed assets #	182,150.51	594,884.43
- Service tax payable	13.46	-
- TDS payable	573.59	14,416.41
- Loan prepayment charges payable	50,000.00	-
- Others	1,202.60	3,363.77
	372,690.16	844,764.61
Total	375,872.18	844,764.61

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015
Note 9: Tangible assets
(also refer Note 29)
(Amount in Thousands)

Particulars	Freehold Land	Transmission Lines	Data Processing Equipments	Furniture and Fitting	Office Equipment	Vehicle	Total
Cost							
At 1 April 2013	9,294.00	-	784.78	163.48	73.39	576.16	10,891.81
Additions	-	4,882,999.53	-	-	76.06	-	4,883,075.59
Disposals	-	-	-	-	-	576.16	576.16
At 31 March 2014	9,294.00	4,882,999.53	784.78	163.48	149.45	-	4,893,391.24
Additions during the year		7,519,816.72					7,519,816.72
Disposals							-
At 31 March 2015	9,294.00	12,402,816.25	784.78	163.48	149.45	-	12,413,207.96
Depreciation							
At 1 April 2013	-	-	293.50	63.11	26.28	8.85	391.74
Charge for the year		139,153.45	127.21	7.48	3.39	5.85	139,297.38
Disposals	-	-	-	-	-	14.70	14.70
At 31 March 2014	-	139,153.45	420.71	70.59	29.67	-	139,674.42
Charge for the year		332,346.06	127.21	7.47	18.83	-	332,499.57
Disposals	-	-	-	-	-	-	-
At 31 March 2015	-	471,499.51	547.92	78.06	48.50	-	472,173.99
Net Block							
At 31 March 2014	9,294.00	4,743,846.08	364.07	92.89	119.78	-	4,753,716.82
At 31 March 2015	9,294.00	11,931,316.74	236.86	85.42	100.95	-	11,941,033.97

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 10: Loans and advances
(Unsecured, considered good)

	Non-current		Current	
	31 March 2015 Rs. In Thousands	31 March 2014 Rs. In Thousands	31 March 2015 Rs. In Thousands	31 March 2014 Rs. In Thousands
Capital advances (covered by bank guarantees)	-	241,941.27	-	-
Security deposit	2,010.41	94.00	-	-
Advances recoverable in cash or kind	-	-	281.10	90.00
Other loans and advances				
Tax Deducted at Source on Income	225.70	148.62	-	-
Prepaid Expenses	-	-	9,895.21	2,048.80
Total	2,236.11	242,183.89	10,176.31	2,138.80

Note 11: Deferred tax (Net)

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. In Thousands
Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	494,087.52	95.81
Gross deferred tax liability (A)	494,087.52	95.81
Deferred tax asset		
Unabsorbed depreciation	578,170.58	95.81
Gross deferred tax asset (B)	578,170.58	95.81
Net deferred tax asset (B-A)	84,083.06	-

- i As at 31 March 2015, for the calculation of deferred tax assets/liabilities, the Company has not considered tax holiday available under the Income Tax Act. The management, based on the estimated cash flow workings for the project, believes that since there will be losses in the initial years of the project, no benefit under the Income Tax Act would accrue to the Company in respect of the tax holiday. Management will re-assess this position at each balance sheet date.
- ii During the year ended March 31, 2015, the Company has recognized deferred tax asset on its tax losses representing unabsorbed depreciation to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The Company had entered into Transmission Services Agreement (TSA) with long term transmission customers which provides for fixed revenues over the transmission license period of 25 years. The management believes that the existence of TSA and the entire project becoming operational from the current year fulfils the test of virtual certainty as required by AS 22 – Accounting for Taxes on Income.

NOTE 12: Trade Receivables
(Unsecured, considered good)

	Current	
	31 March 2015 Rs. In Thousands	31 March 2014 Rs. In Thousands
Outstanding for a period less than six months from the date they are due for payment	145,558.21	61,555.82
Total	145,558.21	61,555.82

Note 13: Other Assets

	Non-current		Current	
	31 March 2015 Rs. In Thousands	31 March 2014 Rs. In Thousands	31 March 2015 Rs. In Thousands	31 March 2014 Rs. In Thousands
Unbilled revenue *			120,625.92	56,353.37
Ancillary cost of arranging the borrowings	97,447.00	-	5,732.18	-
Assets held for sale	-	-	39,893.11	-

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Total	97,447.00	-	166,251.21	56,353.37
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* Unbilled revenue is the transmission charges for the month of March 2015 amounting to Rs. 120,625.92 thousand (31 March 2014 Rs. 56,353.37 thousand) billed to transmission utilities in the month of April 2015.

Note 14: Current investments

(valued at lower of cost and fair value, unless stated otherwise)

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Quoted mutual funds, other than trade		
36,581.11 units (31 March 2014 : Nil) Rs 1000/- each of SBI Premier Liquid fund	36,700.00	-
Total	36,700.00	-

Market value of quoted investments Rs.36,875.29 thousand (31 March 2014 : Nil)

Note 15: Cash and bank balance

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts *	287,444.65	137,487.27
Total	287,444.65	137,487.27

* Out of this, an amount of Rs. 283,300 thousands (31 March 2014 - Nil) is kept towards Debt Service Reserve Account as per the requirements of the term loan agreement with Bank.

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 16: Revenue from Operations

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Sale of services		
Income from transmission charges	940,079.40	348,935.33
Revenue from operations	940,079.40	348,935.33

Note 17: Other Income

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Interest income on Bank deposit	2,257.04	-
Dividend income on Current investment	2,027.66	106.97
Miscellaneous income	129.56	23.45
Total	4,414.26	130.42

Note 18: Employee Benefit Expenses

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Salaries, Wages, Bonus and Commission	6,535.45	2,210.82
Contribution to provident fund #	671.99	88.62
Gratuity Expenses	430.64	-
Staff welfare expenses	206.33	35.20
Total	7,844.41	2,334.64

Provident fund contributions are made by Sterlite Technologies Limited and the Company reimburses Sterlite Technologies Limited for the same.

Note 19: Other expenses

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Transmission line maintenance charges	13,660.70	5,148.86
Rebate given to customers	4,290.66	1,188.00
Rent	179.68	27.50
Rates and taxes	697.34	906.05
Insurance	5,681.54	2,048.78
Travelling and conveyance	2,631.90	1,411.44
Legal and professional fees	6,000.84	-
Directors Sitting Fee and Commission	44.94	-
Payment to auditor (including service tax)		
- Statutory audit fees	561.80	561.80
- Tax audit fees	112.36	-
Consultancy fee (Including management fee)	22,926.98	8,692.11
Loss on sale of Fixed Assets	-	286.22
Miscellaneous expenses	3,819.12	543.37
Total	60,607.86	20,814.13

Note 20 : Depreciation expense

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Depreciation on tangible fixed assets	332,499.56	139,297.38
Total	332,499.56	139,297.38

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 21: Finance Cost

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Interest		
- On Term loan from Banks	613,041.28	226,684.93
- Interest to fellow subsidiary	27,870.03	30,004.95
- Interest on Compulsorily Convertible Debentures	10.00	2.63
Other		
- Bank charges	50,906.70	-
- Amortization of ancillary borrowing costs	753.82	-
Total	692,581.83	256,692.51

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 22: Earning per share (EPS)

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
The following reflects the loss and share data used in the basic and diluted EPS computation		
Total operations for the year		
Loss after tax for calculation of basic EPS	(64,366.31)	(75,753.90)
Loss after tax for calculation of diluted EPS	(64,356.31)	(75,751.27)
Weighted average number of equity shares in calculating basic EPS (No. thousands)	50.00	50.00
Effect of dilution:		
Compulsory convertible debentures	1,000.00	984.38
Weighted average number of equity shares in calculating diluted EPS (No. thousands)	1,050.00	1,034.38
Earnings per share		
Basic (on nominal value of Rs. 10 per share) Rupees/share	(1,287.33)	(1,515.08)
Diluted (on nominal value of Rs. 10 per share) Rupees/share*	(1,287.33)	(1,515.08)

*Since loss per share based on diluted weighted average number of shares is anti dilutive, the basic and dilutive loss per share are the same.

Note 23: Capitalisation of expenditure

The expenditure incidental to the setting up of the project is treated as pre-operative expenditure and included in Capital work in progress (CWIP) which is apportioned to the assets on completion of the project and commencement of commercial operations. During the year, the Company has capitalised the following expenses to the cost of fixed assets / capital work-in-progress (CWIP):

Expenses	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Employee benefit expense (including gratuity)	20,739.23	36,506.78
Rent	686.56	495.10
Rates and taxes	591.90	13,563.34
Professional fees	23,318.29	33,096.85
Conveyance and travelling	7,678.53	9,327.48
General expenses	5,122.31	68,884.47
Interest (net)	371,316.57	669,946.03
Bank charges	6,139.52	3,579.95
Total	435,592.91	835,400.00

Note 24: Capital and other commitments

- As at 31 March 2015, the Company has a commitment of Rs. Nil (March 31, 2014 - Rs. 559,360.91 thousands) relating to the completion of 400 KV D/C Quad transmission lines, net of capital advances.
- The Company has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Company has committed to transmit power of contracted capacity and has also committed minimum availability of transmission line over the life of the transmission licence. The TSA contains provision for penalties in case of certain defaults.

Note 25: Gratuity

The Company has a defined benefit gratuity plan which is managed by Sterlite Technologies Limited (Holding company). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Particulars	31 March 2015
	Rs. In Thousands
Defined benefit obligation at the beginning of the year	719.06
Current service cost	194.46
Interest cost	67.88
Actuarial (gain)/loss	168.30
Defined benefit obligation, at the end of the year	1,149.70

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

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

Particulars	31 March 2015 Rs. In Thousands
Fair value of plan assets at the beginning of the year	-
Expected return on plan assets	-
Contribution by employer	-
Actuarial gain / (loss)	-
Fair value of plan assets at the end of the year	-

Details of defined benefit obligation

Particulars	31 March 2015 Rs. In Thousands
Present value of defined benefit obligation	1,149.70
Fair value of plan assets	-
Plan liability	1,149.70

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

Particulars	31 March 2015 Rs. In Thousands
Discount rate	7.98%
Expected rate of return on plan asset	-
Employee turnover	10.00%
Expected rate of salary increase	8.00%
Actual rate of return on plan assets	-

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.

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 26: Related party disclosures

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

(a) Related parties where control exists

Sterlite Technologies Limited	Immediate holding company
Twin Star Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

(b) Other related parties with whom transactions have taken place during the year

Sterlite Grid Limited	Fellow subsidiary
Sterlite Power Grid Ventures Limited	Fellow subsidiary

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

Particulars	Immediate holding company		Fellow subsidiaries	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands	Rs. In Thousands	Rs. In Thousands
Transactions during the year:				
Management fee (exclusive of service tax)	-	-	30,000.00	30,000.00
Purchase of goods (net of excise duty and sales tax)	105,343.47	209,565.85	-	-
Conversion of unsecured loan into compulsorily convertible	-	102,000.00	-	98,000.00
Issue of Non Convertible Debentures	-	-	318,954.43	-
Unsecured loan given	-	-	1,494,400.00	614,100.00
Unsecured Loan repaid	200,279.37	-	1,960,200.00	-
Interest on unsecured loan	6,524.17	23,794.03	106,061.75	132,875.61
Interest on Compulsorily Convertible Debentures	-	5.02	10.00	4.82
Closing balances:				
Advance outstanding against goods	-	3,572.23	-	-
Amount payable against goods	15,842.76	146,583.68	-	-
Unsecured loan payable	-	200,279.37	1,276,300.00	1,742,100.00
Non Convertible Debentures	-	-	318,954.43	-
Compulsorily Convertible Debentures	-	764,796.00	1,499,600.00	734,804.00
Management fees payable (net of TDS)	-	60,118.20	60,674.40	30,337.20
Other payables	1,463.03	6,862.57	186.19	11,354.51
Interest payable (net of TDS)	-	52,046.46	268,082.43	172,612.08

Disclosure in respect of material related party transaction during the year:

Particulars	Relationship	31 March 2015	31 March 2014
		Rs. In Thousands	Rs. In Thousands
1 Management fee (exclusive of service tax)			
Sterlite Grid Limited	Fellow Subsidiary	30,000.00	30,000.00
2 Purchase of goods (net of excise duty and sales tax)			
Sterlite Technologies Limited	Immediate holding company	105,343.47	209,565.85
3 Issue of Non Convertible Debentures			
Sterlite Power Grid Ventures Limited	Fellow Subsidiary	318,954.43	-
4 Unsecured loan given			
Sterlite Grid Limited	Fellow Subsidiary	1,494,400.00	614,100.00
5 Unsecured Loan repaid			
Sterlite Grid Limited	Fellow Subsidiary	1,960,200.00	-
Sterlite Technologies Limited	Immediate holding company	200,279.37	-
6 Interest on unsecured loan			
Sterlite Grid Limited	Fellow Subsidiary	106,061.75	132,875.61
Sterlite Technologies Limited	Immediate holding company	6,524.17	23,794.03
7 Interest on Compulsorily Convertible Debentures			
Sterlite Grid Limited	Fellow Subsidiary	7.46	4.82
Sterlite Power Grid Ventures Limited	Fellow Subsidiary	2.54	-

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

EAST NORTH INTERCONNECTION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 27: Segment reporting

The Company's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single business and geographical segment and accordingly the disclosures of AS-17 have not been separately given.

Note 28: Commissioning of Bongoigaon Siliguri power transmission line

During the year, the Company has successfully commissioned Bongoigaon Siliguri power transmission line. The date of commissioning has been considered as 12 November 2014. Accordingly, an amount of Rs. 7,519,816.70 thousands pertaining to Bongoigaon Siliguri power transmission line has been transferred from Capital work in progress to Fixed assets.

Note 29: Key assumptions for impairment evaluation

As required by Accounting Standard-28 - Impairment of Assets, the Company has determined the recoverable amounts of the transmission assets on the basis of the value in use by estimating the future cash flows over the license period of the transmission assets. For such estimation, management has used certain key assumptions which are as follows:

- i. Additional tariff to be claimed from customers in respect of cost overruns incurred due to force majeure events and changes in laws as permitted by the respective Transmission Services Agreement (TSA);
- ii. Tax adjusted discounting rate of 10%;
- iii. Recoverability of the metal value (as adjusted for inflation) in the project cost at the end of license period;
- iv. Availability of transmission lines at 99.75% throughout the license period;
- v. Inflation rate of 6.98% for escalable tariff for future periods.

Based on management evaluation, these assumptions are considered reasonable as at March 31, 2015 and the recoverable amounts are higher than the carrying values of the transmission assets. The Company has also obtained valuation report from an external consultant in order to arrive at the conclusion that as per AS-28, the recoverable amounts are higher than the carrying values of the transmission assets as at March 31, 2015. These assumptions will be reassessed on a periodic basis for the purpose of determination of the recoverable amounts of the transmission assets. Any change in key assumptions could have a material effect on the recoverable amounts of the transmission asset.

The Company has filed petition with Central Electricity Regulatory Commission (CERC) for claim of additional tariff. In respect of additional tariff claimed, the Management has taken a legal opinion that based on facts and circumstances; the Company is legally entitled as per terms of TSA to claim the amount. The additional tariff that the Company will eventually receive will depend on CERC approving the Company's claim and the amount.

Note 30: Previous year's figures

Previous year figures have been regrouped/reclassified where necessary to conform to this year's classification.

As per our report of even date

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

For and on behalf of the Board of Directors of
East North Interconnection Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May 2015

Ajay Bhardwaj
Director
DIN: 05246313

Place: New Delhi
Date : 16 May 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place: New Delhi
Date : 16 May 2015

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	6,000.00	6,000.00
Reserves and surplus	4	2,038,167.18	2,107,094.51
		2,044,167.18	2,113,094.51
Non-current liabilities			
Long-term borrowings	5	16,786,446.84	12,253,303.67
Trade payables	6	80,528.40	60,303.60
Other long term liabilities	6	1,347,754.57	1,221,954.22
Long-term provisions	7	1,428.47	711.02
		18,216,158.28	13,536,272.51
Current liabilities			
Short-term borrowings	8	81,151.51	77,921.83
Other current liabilities	9	1,315,122.03	3,078,878.80
Short-term provisions	7	1,551.35	1,331.07
		1,397,824.89	3,158,131.70
Total		21,658,150.35	18,807,498.72
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	16,960,428.03	119,899.75
Intangible assets	10	413.03	867.03
Capital work-in-progress (Refer note 23)		4,010,501.33	18,312,749.30
		20,971,342.39	18,433,516.08
Long-term loans and advances	11	35,591.88	177,792.69
Deferred tax asset (net)	12	34,833.37	-
Other non-current assets	14	76,998.23	50,441.01
		21,118,765.87	18,661,749.78
Current assets			
Trade receivables	13	157,938.19	-
Cash and bank balances	15	170,326.14	82,567.98
Short-term loans and advances	11	17,678.18	636.91
Other current assets	14	193,441.97	62,544.05
		539,384.48	145,748.94
Total		21,658,150.35	18,807,498.72
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Bhopal Dhule Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May 2015

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : 16 May 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : 16 May 2015

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Notes	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Continuing operations			
Income			
Revenue from operations (net)	16	598,669.57	-
Other income	17	422.17	-
Total Revenue (I)		599,091.74	-
EXPENSES:			
Employee benefits expenses	18	5,143.28	-
Other expenses	19	25,766.31	2,592.34
Total		30,909.59	2,592.34
Earning before interest, tax, depreciation and amortisation (EBITDA)		568,182.15	(2,592.34)
Depreciation and amortisation	20	191,974.15	720.71
Finance costs	21	480,733.71	-
Loss before tax		(104,525.71)	(3,313.05)
Tax Expense:			
Current tax		-	625.49
Deferred tax		(34,833.37)	4,479.44
Earlier year tax		(765.01)	-
Total tax expenses		(35,598.38)	5,104.93
Loss for the year		(68,927.33)	(8,417.98)
Earnings per equity share	22		
[nominal value of share Rs.10 each (31 March 2014 Rs.10 each)]			
Basic and Diluted			
Computed on the basis of loss for the year		(114.88)	(16.19)
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

**For and on behalf of the Board of Directors of
Bhopal Dhule Transmission Company Limited**

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May 2015

Place : New Delhi
Date : 16 May 2015

Place : New Delhi
Date : 16 May 2015

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Cash flow from operating activities		
Net loss as per the statement of profit and loss	(68,927.33)	(8,417.98)
Adjustment for Taxation	(35,598.38)	5,104.93
Loss before tax	(104,525.71)	(3,313.05)
Non cash adjustments to reconcile loss before tax to net cash flows :-		
Depreciation	191,974.15	720.71
Dividend income on current investments	(366.76)	-
Finance cost	480,733.71	-
	672,341.10	720.71
Operating loss before working capital changes	567,815.39	(2,592.34)
Movements in working capital :		
- Increase in long term loans and advances	(3,232.54)	(50.00)
- Increase in short term loans and advances	(17,041.27)	(621.91)
- Increase in long term trade payables	20,224.80	20,224.80
- Increase in long term provisions	717.45	345.17
- Increase/(Decrease) in short term provisions	985.29	(113.41)
- (Increase)/Decrease in other non current assets	(26,557.21)	1,127.54
- Increase in trade receivables	(157,938.19)	-
- Decrease in other current liabilities	(10,543.87)	(35,042.46)
- Increase in other current asset	(133,170.24)	-
Cash generated used in operations	(326,555.78)	(14,130.27)
Cash generated from operations	241,259.61	(16,722.61)
Direct taxes Paid (Net of Refunds)	-	(4,310.55)
Net cash flow from / (used in) operating activities (A)	241,259.61	(21,033.16)
Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress and capital advances)	(3,397,050.04)	(7,219,501.71)
Purchase of current investment (net)	-	140,000.00
Refund received from Substation Land	-	91,096.88
Income from investment	4,021.49	14,153.15
Net cash flow used in investing activities (B)	(3,393,028.55)	(6,974,251.68)
Cash flow from financing activities		
Proceeds of long term borrowings	4,678,513.35	7,273,742.54
Proceeds from Short term borrowings	-	77,921.83
Interest paid	(1,438,986.25)	(773,811.55)
Net Cash flow from financing activities (C)	3,239,527.10	6,577,852.82
Net increase in cash and cash equivalents (A + B + C)	87,758.16	(417,432.02)
Cash and cash equivalents as at beginning of year	82,567.98	500,000.00
Cash and cash equivalents as at end of the year	170,326.14	82,567.98
	31 March 2015 Rs. In Thousands	31 March 2014 Rs. In Thousands
Components of cash and cash equivalents:		
Balance with banks:		
- On current accounts	170,326.14	82,567.98
Total cash and cash equivalents (Note 15)	170,326.14	82,567.98

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

For and on behalf of the Board of Directors of
Bhopal Dhule Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May 2015

Place : New Delhi
Date : 16 May 2015

Place : New Delhi
Date : 16 May 2015

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 1: Nature of operations

Bhopal-Dhule Transmission Company Limited ("the Company") is a wholly owned subsidiary of Sterlite Grid Limited. The Company is a developer on Build Own Operate and Maintain ('BOOM') basis for the designing, construction and maintenance of power transmission lines which include establishment of four 765 kV Single Circuit, two 400 kV Double Circuit transmission lines and two 1500 mVA sub stations that would strengthen the transmission system in the Indian states of Madhya Pradesh, Maharashtra and Gujarat. The Company would operate and maintain the transmission system for a tenure of 35 years.

The Company was incorporated on 8 September 2009 under the Companies Act 1956 as a wholly owned subsidiary of PFC Consulting Limited (PFCCL), (A wholly owned subsidiary of Power Finance Corporation Limited, a Government of India Undertaking). Certificate for Commencement of Business was issued on 22 February 2010. Consequent to the selection of Successful Bidder as per "Guidelines for Determination of Tariff by bidding process for procurement of power by Distribution Licenses" issued by Ministry of Power, Government of India, dated 19 January 2005 (as amended from time to time) and as per bidding documents (as amended from time to time), the company was transferred to Sterlite Grid Limited (Successful Bidder) vide a Share Purchase Agreement dated 31 March 2011.

Note 2: Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financials statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Note 2.1: Summary of significant accounting policy

(a) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 9 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(c) Depreciation and Amortization

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. The change in useful lives did not have any material impact on financial statements of the company.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

Nature of assets	Useful life considered	Useful life specified in Schedule II of the Companies Act, 2013
Furniture and fixtures	7.5 years *	10 years
Data processing equipments	4 years *	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years
Office equipments	4 years *	5 years
Building - Office (Leasehold improvements)	Period of lease or Useful life whichever is lower*	3 years
Building - Substation	25 years *	30 years
Substation	Period of Transmission license or Useful life whichever is lower*	40 years
Transmission Lines (Conductors, Towers, etc.)	Period of Transmission license or Useful life whichever is lower*	40 years
Software and Licence	3 years	-

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

(d) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(e) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculations on detailed budget calculations. These budgets have been prepared for the entire project life. For periods beyond 5 years, a long term growth rate is calculated and applied to future cash flows after the fifth year.

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 company 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 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.

(f) Foreign currency transactions

- Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
- The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(h) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to Company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Income from Services:

Revenue from power transmission charges is accounted for on the basis of billings to transmission utilities and includes unbilled revenues accrued upto the end of the accounting year.

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend:

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

(g) Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when an employee renders the related service. The company has no obligation, other than the contribution payable to the provident fund and superannuation fund.

The Company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The company 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 company 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 statement of profit and loss and are not deferred.

(h) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(i) Income Taxes

Tax expense comprises of current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. 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 directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

Gains and losses from designated and effective hedging instruments are included in the same line as the gains and losses from the hedged items such as sales revenue or cost of goods sold as the case may be. Gains and losses on other derivatives are included in other income or other expenditure as the case may be.

The Company enters into commodity futures contracts (aluminum contracts). These commodity futures contracts are rolled over in case the period of the contracts is less than the period of underlying transactions. On roll over, the Company has to pay/receive the differential amount, in case aluminum prices have gone down/up (loss/profit). The loss/profit relates to the acquisition or construction of fixed assets and it is adjusted to the carrying cost of such fixed assets.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

(k) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(l) Cash and cash equivalents

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(m) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(o) Measurement of EBITDA

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

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BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 3: Share capital

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Authorised shares		
2,000 Thousands (31 March 2014: 2,000 Thousands) equity shares of Rs.10 each	20,000.00	20,000.00
Issued, subscribed and fully paid-up shares		
600 Thousands (31 March 2014: 600 Thousands) equity shares of Rs. 10 each fully paid - up.	6,000.00	6,000.00
Total issued,subscribed and fully paid-up share capital	6,000.00	6,000.00

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

	31 March 2015		31 March 2014	
	No. Thousands	Rs In Thousands	No. Thousands	Rs In Thousands
At the beginning of the year	600.00	6,000.00	421.00	4,210.00
Issued during the year	-	-	179.00	1,790.00
Outstanding at the end of the year	600.00	6,000.00	600.00	6,000.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Grid Limited, Holding company	600	100%	600	100%

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

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Grid Limited, Holding company	600	100%	600	100%

Note 4: Reserves and surplus

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Securities premium		
Balance as per last financial statements	2,116,640.00	782,810.00
Add: Premium on issue of equity shares	-	1,333,830.00
Closing Balance	2,116,640.00	2,116,640.00
Deficit in the statement of profit and loss		
Balance as per last financial statements	(9,545.49)	(1,127.51)
Loss for the year	(68,927.33)	(8,417.98)
Net deficit in the statement of profit and loss	(78,472.82)	(9,545.49)
Total reserves and surplus	2,038,167.18	2,107,094.51

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 5: Long-term borrowings

	Non - current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs In Thousands	Rs In Thousands	Rs In Thousands	Rs In Thousands
Term loan				
Indian rupee loan from banks (Secured)	9,657,176.11	7,540,600.00	527,569.84	419,200.00
Local Bills discounting and Acceptances (Secured)	87,784.48	1,081,309.73	-	-
Foreign currency loan from financial institution (Secured)	2,647,841.29	1,823,848.98	144,651.11	107,650.76
Others				
Loan from holding company (Unsecured)	4,368,644.96	1,807,544.96	-	-
Loan from fellow subsidiary (Unsecured)	25,000.00	-	-	-
	16,786,446.84	12,253,303.67	672,220.95	526,850.76
The above amount includes				
Secured borrowings	12,392,801.88	10,445,758.71	672,220.95	526,850.76
Unsecured borrowings	4,393,644.96	1,807,544.96	-	-
Amount disclosed under the head "other current liabilities" (Refer note 9)	-	-	(672,220.95)	(526,850.76)
Net amount	16,786,446.84	12,253,303.67	-	-

- Indian rupee term loan from banks carries interest at the rate of SBI base rate + 2.00% p.a. 65% of total loan amount is repayable in 46 quarterly instalments in accordance with amortisation schedule. Balance 35% of the total loan amount shall be repayable as a bullet repayment as per amortisation schedule, such that door to door tenure of facility will be in the range of 12 years and 5 months to 15 years and 6 months. The term 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 into and under all clearances pertaining to the project (including transmission licence) 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 into 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.
- Local bill discounting and acceptances for period of 360 days to 470 days carries interest at the rate of 9.75% to 10.50% p.a. This facility has been sanctioned as a sublimit of the term loan and have the same securities as described above. This facility gets converted into rupee term loan on maturity. Hence this has been classified under long term borrowings.
- Foreign currency loan from financial institution carries interest at the rate of 6m LIBOR + 2.10% to 3.80% spread. The Company has taken interest rate swap to hedge 6m LIBOR to fixed rate [refer note 26(c)]. 65% of total loan amount is repayable in 46 quarterly instalments as per repayment schedule. Balance 35% of the total loan amount shall be repayable as a bullet repayment in accordance with the repayment schedule such that average tenor of the facility shall be more than 8.51 years. The foreign currency 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 into and under all clearances pertaining to the project (including transmission licence) 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.
- The unsecured loan from Holding company carries interest rate at 10.25% p.a till September 30, 2014 and thereafter at Nil rate. This loan is either repayable as per mutually agreed terms or convertible into equity as per mutually agreed terms subject to approval from lenders of the term loan. Others terms and conditions of this loan will be subject to approval from term loan lenders.
- The unsecured loan from Fellow subsidiary company is interest free loan. This loan is either repayable as per mutually agreed terms or convertible into equity as per mutually agreed terms subject to approval from lenders of the term loan. Others terms and conditions of this loan will be subject to approval from term loan lenders.

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 6: Other long-term liabilities

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Trade Payable		
Management fees payable to Holding company (Refer note 30)	80,528.40	60,303.60
Other liabilities		
Payable for purchase of fixed assets (Acceptances)	940,406.11	940,406.11
Interest payable to Holding Company (Refer note 30)	407,348.46	281,548.11
	<u>1,347,754.57</u>	<u>1,221,954.22</u>
Total	<u><u>1,428,282.97</u></u>	<u><u>1,282,257.82</u></u>

Note 7: Provisions

	Long-term		Short-term	
	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Provision for employee benefits				
Provision for gratuity (Refer note 27)	1,428.47	711.02	-	-
Provision for leave benefits	-	-	1,551.35	536.69
	<u>1,428.47</u>	<u>711.02</u>	<u>1,551.35</u>	<u>536.69</u>
Other provisions				
Provision for Income Tax	-	-	-	794.38
Total	<u><u>1,428.47</u></u>	<u><u>711.02</u></u>	<u><u>1,551.35</u></u>	<u><u>1,331.07</u></u>

NOTE 8: Short term borrowings

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Buyer's Credit (Unsecured) #	81,151.51	77,921.83
Total	<u><u>81,151.51</u></u>	<u><u>77,921.83</u></u>

Buyer's credit is repaid / rolled over after a period of six months and carries rate of interest between 0.75% p.a to 1.25% p.a (Libor +/- Spread). It is guaranteed by corporate guarantee issued by Sterlite Technologies Limited to the bank.

Note 9: Other current liabilities

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Current maturities of long-term borrowings (refer note 5)	672,220.95	526,850.76
Interest accrued but not due on borrowings	397.06	868.80
Payable for purchase of fixed assets (including acceptances)*	630,006.13	2,445,313.85
Margin Money Payable (refer note 30)	2,625.47	85,900.83
Service tax payable	5.15	-
TDS payable	2,373.72	13,307.63
VAT payable	-	109.08
Others	7,493.55	6,527.85
Total	<u><u>1,315,122.03</u></u>	<u><u>3,078,878.80</u></u>

* The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 10: Tangible and intangible assets
(also refer note 33)

(also refer note 33)								(Rs. in Thousands)	
Particulars	Freehold Land	Building - Office (Leasehold improvements)	Building - Substations	Substations	Transmission Lines	Data Processing Equipments	Furniture and Fitting	Office Equipment	Total
Cost									
At April 1, 2013	208,051.26	603.75	-	-	-	1,155.78	461.90	42.15	210,314.84
Additions	-	-	-	-	-	109.15	287.95	749.95	1,147.05
Disposals#	91,096.88	-	-	-	-	-	-	-	91,096.88
At March 31, 2014	116,954.38	603.75	-	-	-	1,264.93	749.85	792.10	120,365.01
Additions (refer note 32)	2,528.10	-	63,250.49	6,721,528.39	10,244,164.11	8.00	268.60	300.74	17,032,048.43
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2015	119,482.48	603.75	63,250.49	6,721,528.39	10,244,164.11	1,272.93	1,018.45	1,092.84	17,152,413.44
Depreciation									
At April 1, 2013	-	8.95	-	-	-	156.33	30.76	2.51	198.55
Charge for the year	-	9.84	-	-	-	198.18	31.56	27.13	266.71
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2014	-	18.79	-	-	-	354.51	62.32	29.64	465.26
Charge for the year	-	9.84	902.68	96,543.73	93,690.59	207.33	104.67	61.31	191,520.15
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2015	-	28.63	902.68	96,543.73	93,690.59	561.84	166.99	90.95	191,985.41
Net Block									
At March 31, 2014	116,954.38	584.96	-	-	-	910.42	687.53	762.46	119,899.75
At March 31, 2015	119,482.48	575.12	62,347.81	6,624,984.66	10,150,473.52	711.09	851.46	1,001.89	16,960,428.03

Part of the amount paid for purchase of land for Bhopal substation was under protest. The government of Madhya Pradesh had refunded INR 91,096.88 thousands to the Company during the previous year.

Intangible assets

(Rs. in Thousands)		
Particulars	Software & Licenses	Total
Cost		
At April 1, 2013	1,375.76	1,375.76
Additions	-	-
Disposals	-	-
At April 1, 2014	1,375.76	1,375.76
Additions	-	-
Disposals	-	-
At March 31, 2015	1,375.76	1,375.76
Depreciation		
At April 1, 2013	54.73	54.73
Charge for the year	454.00	454.00
Disposals	-	-
At March 31, 2014	508.73	508.73
Charge for the year	454.00	454.00
Disposals	-	-
At March 31, 2015	962.73	962.73

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 11: Loans and advances
(Unsecured, considered good)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs In Thousands	Rs In Thousands	Rs In Thousands	Rs In Thousands
Capital advances (Covered by bank guarantees)	17,461.21	162,894.56	-	-
Security deposit	18,130.67	14,898.13	-	-
Advances recoverable in cash or kind	-	-	1,544.67	380.00
Other loans and advances				
Tax Deducted at Source on Income	-	-	-	256.91
Prepaid Expenses	-	-	16,133.51	-
Total	35,591.88	177,792.69	17,678.18	636.91

Note 12: Deferred tax asset (net)

	31 March 2015	31 March 2014
	Rs In Thousands	Rs In Thousands
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation for the financial reporting	470,970.51	417.84
Gross deferred tax liability (A)	470,970.51	417.84
Deferred tax assets		
Unabsorbed depreciation	505,803.88	417.84
Gross deferred tax asset (B)	505,803.88	417.84
Net deferred tax asset (B-A)	34,833.37	-

- i. As at 31 March 2015, for the calculation of deferred tax assets/liabilities, the Company has not considered tax holiday available under the Income Tax Act. The management, based on the estimated cash flow workings for the project, believes that since there will be losses in the initial years of the project, no benefit under the Income Tax Act would accrue to the Company in respect of the tax holiday. Management will re-assess this position at each balance sheet date.
- ii. During the year ended March 31, 2015, the Company has recognized deferred tax asset on its tax losses representing unabsorbed depreciation to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The Company had entered into Transmission Services Agreement (TSA) with long term transmission customers which provides for fixed revenues over the transmission license period of 35 years. The management believes that the existence of TSA and the project becoming substantially operational from the current year fulfils the test of virtual certainty as required by AS 22 – Accounting for Taxes on Income.

Note 13: Trade Receivables
(Unsecured, considered good)

	Current	
	31 March 2015	31 March 2014
	Rs In Thousands	Rs In Thousands
Outstanding for a period less than six months from the date they are due for payment	157,938.19	-
Total	157,938.19	-

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 14: Other assets

	Non-current		Current	
	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Unbilled revenue *	-	-	173,079.45	-
Ancilliary cost of arranging the borrowings	76,998.23	50,441.01	13,467.36	62,544.05
Others (refer note 24)	-	-	6,895.16	-
Total	76,998.23	50,441.01	193,441.97	62,544.05

* Unbilled revenue is the transmission charges for the month of March 2015 amounting to Rs. 173079.45 thousand (31 March 2014 - Nil) billed to transmission utilities in the month of April 2015.

Note 15: Cash and bank balances

	Current	
	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts	170,326.14	82,567.98
Total	170,326.14	82,567.98

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 16: Revenue from Operations

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Sale of services		
Income from transmission charges	598,669.57	-
Revenue from operations	598,669.57	-

Note 17: Other Income

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Dividend income on current investments	366.76	-
Miscellaneous Income	55.41	-
Total	422.17	-

NOTE 18: Employee benefit expenses

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Salaries, Wages, Bonus and Commission	4,746.80	-
Contribution to provident fund #	200.72	-
Gratuity Expenses	63.87	-
Staff welfare expenses	131.89	-
Total	5,143.28	-

Provident fund contributions are made by Sterlite Technologies Limited and the Company reimburses Sterlite Technologies Limited for the same.

Note 19: Other expenses

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Power and Fuel	5,718.73	-
Rates and taxes	34.81	1,749.64
Insurance expenses	5,480.41	-
Travelling and conveyance expenses	1,374.56	-
Legal and professional fees	994.61	-
Payment to auditors - as statutory audit fee (including service tax)	842.70	842.70
Consultancy fees (including management fees)	5,482.24	-
Miscellaneous expenses	5,838.25	-
Total	25,766.31	2,592.34

Note 20: Depreciation and amortisation expense

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Depreciation on tangible assets	191,520.15	266.71
Amortisation on intangible assets	454.00	454.00
Total	191,974.15	720.71

Note 21: Finance Cost

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Interest		
- On Term loan from banks and financial institution	434,321.15	-
- To Holding company	837.63	-
- On Acceptances	42,622.63	-
Others		
- Bank charges	679.99	-
- Amortization of ancillary borrowing costs	2,272.31	-
Total	480,733.71	-

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 22: Earnings per share (EPS)

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

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Total operations for the year		
Loss after tax for calculation of basic and diluted EPS (Rs in Thousands)	(68,927.33)	(8,417.98)
Weighted average number of equity shares in calculating basic and diluted EPS (No. Thousands)	600.00	520.04
Earnings per share		
Basic and Diluted (on nominal value of Rs. 10 per share) Rupees/share	(114.88)	(16.19)

Note 23: Capitalisation of expenditure

The expenditure incidental to the setting of the project is treated as pre operative expenditure and included in Capital Work in Progress (CWIP) which is apportioned to the assets on completion of the project and commencement of commercial operations. During the year, the company has capitalised the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP):

Expenses	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Interest on Term Loan	677,032.13	761,623.80
Interest on acceptance and others	145,244.49	127,646.71
Interest on loan from holding company	138,940.54	123,314.41
Bank charges	13,345.32	45,693.69
Employee benefit expense (including gratuity)	57,242.34	54,801.98
Legal and professional fees	25,211.65	34,618.95
Route survey cost	-	1,696.99
Travelling and conveyance expenses	19,238.77	15,696.83
Foreign Currency Exchange loss/(gain)*	163,440.19	(187,186.70)
General expenses	19,865.14	2,382.04
Rates and taxes	4,347.47	2,265.92
Internal audit fees	1,855.06	1,981.40
Rent	888.75	580.25
Total	1,266,651.85	985,116.27

* The Ministry of Corporate Affairs (MCA) issued the amendment dated 29 December 2011 to AS - 11 The Effect of Changes in Foreign Exchange Rate, to allow companies deferral / capitalisation of exchange difference arising on long-term foreign currency monetary items. In accordance with the amendment to AS - 11, the Company has capitalised exchange (gain) / loss arising on long-term foreign currency loan amounting to Rs. 163,440.19 thousands [31 March 2014: (Rs. 187,186.70 thousands)] to the capital work in progress.

Note 24: Contingent liability

	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Entry tax demand*	68,951.54	-
Total	68,951.54	-

* Entry tax demand pertains to demand under the Madhya Pradesh Vat Act, 2002 for payment of entry tax upon completion of assessment by tax authorities for the year 2012-13. The company has preferred an appeal against the demand before Additional Commissioner of Commercial tax, Bhopal. The company is contesting the demand 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 demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of the operations. The company has deposited Rs. 6,895.16 thousands with the tax authorities against the said demand.

Note 25: Capital and other commitments

- As at 31 March 2015, the company has commitment of Rs. 166,011.64 thousands (31 March 2014 - Rs. 2,947,794.50 thousands) relating to the completion of the project, net of capital advances.
- The Company has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Company has committed to transmit power of contracted capacity and has also committed minimum availability of transmission line over the life of the transmission licence. The TSA contains provision for penalties in case of certain defaults.

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 26: Derivative Instruments

The Company has entered into the following derivative instruments:

(a) The following are the outstanding Forward Exchange Contracts entered into by the Company, for hedge purpose, as on 31 March 2015:

Year ended	Currency Type	Foreign Currency (In Thousands)	Amount (In Thousands)	Buy/Sell	No. of contracts (Quantity)
March 31, 2015	US \$	2,500.00	156,477.00	Buy	2
March 31, 2014	US \$	2,500.00	150,249.50	Buy	2

The purpose of entering into these forward contracts is to hedge foreign currency payables/highly probable foreign currency purchases.

(b) Commodity Future contracts to hedge against fluctuation in commodity prices (aluminium):

The following are the outstanding future contracts entered into by the Sterlite Technologies Limited on behalf of the Company as on 31 March 2015:

Year	No. of contracts	Contracted quantity (MT)	Buy/Sell
31 March 2015	4	136	Buy
31 March 2014	5	1,950	Buy

(c) Interest rate swap contracts outstanding as at 31 March 2015 to hedge against exposure to variable interest outflow on loans :

Year	Currency type	No. of contracts	Foreign currency In Thousands (Nominal amount)	Period of Contract	Floating rate	Fixed rate
31 March 2015	US \$	1	23,773.49	13 Feb 2013 to 30 Dec 2015	USD 6 Month Libor	1.045%
31 March 2015	US \$	1	41,403.59	31 Dec 2015 to 27 Dec 2017	USD 6 Month Libor	1.950%
31 March 2014	US \$	1	23,773.49	31 Dec 2015 to 27 Dec 2017	USD 6 Month Libor	1.045%
31 March 2014	US \$	1	41,403.59	31 Dec 2015 to 27 Dec 2017	USD 6 Month Libor	1.950%

(d) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Category	Currency type	31 March 2015		31 March 2014	
		Foreign currency In Thousands	Amount Rs. In Thousands	Foreign currency In Thousands	Amount Rs. In Thousands
External commercial borrowing	US \$	42,115.06	2,636,015.40	29,638.21	1,781,250.25
Import Creditors for Fixed Assets	US \$	2,130.09	133,324.04	15,630.78	939,406.56
Buyer's Credit	US \$	1,296.54	81,151.51	1,296.54	77,921.83

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 27: Gratuity

The Company has a defined benefit gratuity plan which is managed by Sterlite Technologies Limited. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Particulars	31 March 2015 Rs. In Thousands
Defined benefit obligation at the beginning of the year	711.02
Current service cost	460.86
Interest cost	67.12
Actuarial (gain)/loss	189.47
Defined benefit obligation, at the end of the year	1,428.47

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

Particulars	31 March 2015 Rs. In Thousands
Fair value of plan assets at the beginning of the year	-
Expected return on plan assets	-
Contribution by employer	-
Actuarial gain / (loss)	-
Fair value of plan assets at the end of the year	-

Details of defined benefit obligation

Particulars	31 March 2015 Rs. In Thousands
Present value of defined benefit obligation	1,428.47
Fair value of plan assets	-
Plan liability	<u>1,428.47</u>

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

Particulars	March 31, 2015 Rs. In Thousands
Discount rate	7.98%
Expected rate of return on plan asset	-
Employee turnover	10.00%
Expected rate of salary increase	8.00%
Actual rate of return on plan assets	-

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.

Note 28: Value of imports calculated on CIF basis

Particulars	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Capital goods	32,592.48	2,844,239.65
Total	<u>32,592.48</u>	<u>2,844,239.65</u>

Note 29: Expenditure in foreign currency

Particulars	31 March 2015 Rs In Thousands	31 March 2014 Rs In Thousands
Route survey cost	-	1,866.69
Travel expenses	-	219.53
Interest paid	66,696.21	19,901.73
Bank Charges	3,348.38	8,621.09
Total	<u>70,044.59</u>	<u>30,609.04</u>

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 30: Related party disclosures

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

(a) Related parties where control exists

Sterlite Grid Limited	Immediate holding company
Sterlite Power Grid Ventures Limited	Intermediate holding company
Sterlite Technologies Limited	Intermediate holding company
Twin Star Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

(b) Other related parties with whom transactions have taken place during the year

Sterlite Grid 2 Limited	Fellow subsidiary company
Jabalpur Transmission Company Limited	Fellow subsidiary company

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

Particulars	Holding company		Fellow subsidiary company	
	2014-15	2013-14	2014-15	2013-14
	Rs In Thousands	Rs In Thousands	Rs In Thousands	Rs In Thousands
Transactions during the year:				
Management fee charged (excluding service tax)	20,000.00	20,000.00	-	-
Purchase of goods (Conductor)	117,782.10	533,773.57	-	-
Purchase of goods (OPGW Cables)	8,801.11	45,829.09	-	-
Interest on unsecured loan	139,778.16	123,314.41	-	-
Sale of goods (Conductor)	-	-	2,662.39	-
Unsecured loan taken	2,561,100.00	499,380.00	25,000.00	-
Issue of equity shares	-	1,790.00	-	-
Securities premium on issue of equity shares	-	1,333,830.00	-	-
Closing balances:				
Unsecured loan	4,368,644.96	1,807,544.96	25,000.00	-
Management fees payable (net of TDS)	80,528.40	60,303.60	-	-
Interest payable (net of TDS)	407,348.46	281,548.11	-	-
Margin Money Payable	2,625.47	85,900.83	-	-
Other payables	30,857.12	5,347.48	-	-
Payable for purchase of fixed assets	37,724.18	367,009.38	-	-
Advance outstanding against capital goods	-	21,236.20	-	-

Disclosure in respect of material related party transaction during the year:

Particulars	Relationship	31 March 2015	31 March 2014
		Rs In Thousands	Rs In Thousands
1 Management Fees (exclusive of service tax)			
Sterlite Grid Limited	Immediate holding company	20,000.00	20,000.00
2 Purchase of goods (Conductor) (net of excise duty and sales tax)			
Sterlite Technologies Limited	Intermediate holding company	109,346.60	533,773.57
Sterlite Grid Limited	Immediate holding company	8,435.49	-
3 Purchase of goods (OPGW Cables)			
Sterlite Technologies Limited	Intermediate holding company	8,801.11	45,829.09
4 Sale of goods (Conductor)			
Jabalpur Transmission Company Limited	Fellow Subsidiary	2,662.39	-
5 Unsecured loan taken			
Sterlite Grid Limited	Immediate holding company	2,561,100.00	499,380.00
Sterlite Grid 2 Limited	Fellow Subsidiary	25,000.00	-
6 Interest on unsecured loan			
Sterlite Grid Limited	Immediate holding company	139,778.16	123,314.41

BHOPAL DHULE TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 31: Segment reporting

The Company's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single business and geographical segment and accordingly the disclosures of AS-17 have not been separately given.

Note 32: Commissioning of Project elements

During the year, the Company has successfully commissioned the following elements of the project. Accordingly, an amount of Rs. 1,70,28,942.99 thousands has been transferred from Capital work in progress to Fixed assets under the heads Building-substations, Substations and Transmission lines

- i. Bhopal - Indore Power Transmission Line
- ii. Bhopal - Bhopal Power Transmission Line
- iii. Aurangabad - Dhule Power Transmission Line
- iv. Dhule - Vadodara Power Transmission Line
- v. Dhule - Dhule Power Transmission Line
- vi. Substation located at Bhopal
- vii. Substation located at Dhule

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 fixed assets at the time of settlement.

Note 33: Key assumptions for impairment evaluation

As required by Accounting Standard-28 - Impairment of Assets, the Company has determined the recoverable amounts of the transmission assets on the basis of the value in use by estimating the future cash flows over the license period of the transmission assets. For such estimation, management has used certain key assumptions which are as follows:

- i. Additional tariff to be claimed from customers in respect of cost overruns incurred due to force majeure events and changes in laws as permitted by the respective Transmission Services Agreement (TSA);
- ii. Tax adjusted discounting rate of 10%;
- iii. Recoverability of the metal value (as adjusted for inflation) in the project cost at the end of license period;
- iv. Availability of transmission lines at 99.75% throughout the license period;
- v. Inflation rate of 6.98% for escalable tariff for future periods.

Based on management evaluation, these assumptions are considered reasonable as at March 31, 2015 and the recoverable amounts are higher than the carrying values of the transmission assets. The Company has also obtained valuation report from an external consultant in order to arrive at the conclusion that as per AS-28, the recoverable amounts are higher than the respective carrying values of the transmission assets as at March 31, 2015. These assumptions will be reassessed on a periodic basis for the purpose of determination of the recoverable amounts of the transmission assets. Any change in key assumptions could have a material effect on the recoverable amounts of the transmission assets.

The Company is in the process of filing petition with Central Electricity Regulatory Commission (CERC) for claim of additional tariff. In respect of additional tariff to be claimed, the Management has taken a legal opinion that based on facts and circumstances, the Company is legally entitled as per terms of TSA to claim the amount. The additional tariff that the Company will eventually receive will depend on CERC approving the Company's claim and the amount.

Note 34: Previous year's figures

Previous year's figures have been regrouped and reclassified wherever necessary to conform to this year's classification.

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May 2015

For and on behalf of the Board of Directors of
Bhopal Dhule Transmission Company Limited

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : 16 May 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : 16 May 2015

JABALPUR TRANSMISSION COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	5,500.00	5,500.00
Reserves and surplus	4	1,482,030.02	1,483,627.55
		1,487,530.02	1,489,127.55
Non-current liabilities			
Long-term borrowings	5	12,419,794.50	8,093,742.52
Trade payables	6	80,528.40	60,303.60
Other long term liabilities	6	321,832.12	248,019.20
Long-term provisions	7	722.02	419.76
		12,822,877.04	8,402,485.08
Current liabilities			
Other current liabilities	8	2,412,020.87	2,248,740.77
Short-term provisions	7	950.59	2,039.31
		2,412,971.46	2,250,780.08
TOTAL		16,723,378.52	12,142,392.71
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	13,842.59	2,681.78
Capital work-in-progress (Refer note 16)		16,169,969.20	10,965,411.38
		16,183,811.79	10,968,093.16
Long-term loans and advances	10	368,035.97	935,938.50
Other non-current assets	11	23,291.46	-
		16,575,139.22	11,904,031.66
Current assets			
Cash and bank balances	12	141,526.29	215,244.79
Short-term loans and advances	10	200.98	23,116.26
Other current assets	11	6,512.03	-
		148,239.30	238,361.05
TOTAL		16,723,378.52	12,142,392.71

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Jabalpur Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

JABALPUR TRANSMISSION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EXPENSES:			
Other expenses	13	842.70	1,603.61
Total expenses		842.70	1,603.61
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)			
		(842.70)	(1,603.61)
Depreciation expense	14	1,233.92	366.96
Loss before tax		(2,076.62)	(1,970.57)
Tax expense:			
Current tax		-	1,740.72
Deferred tax		-	1,832.21
Earlier year tax		(479.09)	-
Total tax expense		(479.09)	3,572.94
Loss for the year		(1,597.53)	(5,543.51)
Earnings per equity share	15		
(nominal value of share Rs.10 each [31 March 2014 Rs.10 each])			
Basic and diluted			
Computed on the basis of loss for the year		(2.90)	(11.52)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

For and on behalf of the Board of Directors of
Jabalpur Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

JABALPUR TRANSMISSION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Cash flow from operating activities		
Net loss as per the statement of profit and loss	(1,597.53)	(5,543.51)
Adjustment for Taxation	(479.09)	3,572.94
	(2,076.62)	(1,970.57)
Non cash adjustments to reconcile loss before tax to net cash flows :-		
- Depreciation	1,233.92	366.96
	1,233.92	366.96
Operating loss before working capital changes	(842.70)	(1,603.61)
Movements in working capital :		
- Decrease in Long term loans and advances	(81.00)	(22.50)
- Decrease/(Increase) in Short term loans and advances	22,346.11	(1,281.30)
- Increase in Other assets	(3,199.25)	-
- Increase in long term trade payables	20,224.80	20,224.80
- Increase in long term provisions	302.26	257.23
- Decrease in short term trade payables	-	(4,766.82)
- Decrease in short term provisions and current liabilities	(5,672.62)	(13,439.02)
Changes in working capital	33,920.30	972.39
Cash generated from operations	33,077.60	(631.22)
Direct taxes Paid (Net of Refunds)	-	(1,814.40)
Net cash flow from / (used in) operating activities (A)	33,077.60	(2,445.62)
Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress and capital advances)	(3,549,325.07)	(5,921,427.06)
Income from investments	4,382.34	18,094.56
Investment in bank fixed deposit having maturity for more than 3 months but less than 12 months	(9,802.90)	(2,893.42)
Net cash flow used in investing activities (B)	(3,554,745.63)	(5,906,225.92)
Cash flow from financing activities		
Proceeds from long-term borrowings	4,181,061.98	6,629,767.72
Finance costs	(742,915.35)	(511,745.56)
Net Cash flow from financing activities (C)	3,438,146.63	6,118,022.16
Net (Decrease)/Increase in cash and cash equivalents (A + B + C)	(83,521.40)	209,350.62
Cash and cash equivalents as at beginning of year	212,351.37	3,000.75
Cash and cash equivalents as at end of the year	128,829.97	212,351.37

JABALPUR TRANSMISSION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Components of Cash and cash equivalents:		
Balance with banks:		
- On current accounts	128,829.97	212,351.37
Total cash and cash equivalents (Note 12)	128,829.97	212,351.37

Summary of significant accounting policies 2.1

As per our report of even date

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

For and on behalf of the Board of Directors of
Jabalpur Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 1: Nature of operations

Jabalpur Transmission Company Limited ('the Company') is a wholly owned subsidiary of Sterlite Grid Limited. The Company is a developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, finalizing, construction and maintenance of power transmission lines which include establishment of two 765 kV single / double circuit transmission lines that would respectively connect the states of Madhya Pradesh and Chattisgarh. Company would operate and maintain the transmission system for a minimum period tenure of 35 years.

The Company was incorporated on 8 September 2009 under the Companies Act, 1956 as a wholly owned subsidiary of PFC Consulting Limited (PFCCL), (A wholly owned subsidiary of Power Finance Corporation Limited, a Govt. of India Undertaking.). Certificate for Commencement of Business was issued on 22 February 2010. Consequent to the selection of Successful Bidder as per "Guidelines for Determination of Tariff by bidding process for procurement of power by Distribution Licenses" issued by Ministry of Power, Government of India, dated 19 January 2005 (as amended from time to time) and as per bidding documents (as amended from time to time), the Company was transferred to Sterlite Grid Limited vide Share Purchase Agreement dated 31 March 2011. After transfer the Company ceases to be a subsidiary of PFCCL.

Note 2: Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Note 2.1: Summary of significant accounting policy

(a) Use of estimates

The preparation of the financial statements are in conformity with the Indian GAAP that requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 9 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(c) Depreciation

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. The change in useful lives did not have any material impact on financial statements of the company.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

Nature of assets	Useful life considered	Useful life specified in Schedule II of the Companies Act, 2013
Furniture and fittings	7.5 years*	10 years
Data processing equipments	4 years*	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years
Plant and Machinery	2 years*	15 years
Office equipments	4 years*	5 years

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

(d) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(e) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculations on detailed budget calculations. These budgets have been prepared for the entire project life. For periods beyond 5 years, a long term growth rate is calculated and applied to future cash flows after the fifth year.

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 company 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 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.

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(f) Foreign currency transactions

- i. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- iii. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
- iv. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

(g) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to Company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend:

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

(h) Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when an employee renders the related service. The company has no obligation, other than the contribution payable to the provident fund.

The Company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The company 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 company 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 statement of profit and loss and are not deferred.

(i) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(j) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(k) Derivative Instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

Gains and losses from designated and effective hedging instruments are included in the same line as the gains and losses from the hedged items such as sales revenue or cost of goods sold as the case may be. Gains and losses on other derivatives are included in other income or other expenditure as the case may be.

The Company enters into commodity futures contracts (aluminum contracts). These commodity futures contracts are rolled over in case the period of the contracts is less than the period of underlying transactions. On roll over, the Company has to pay/receive the differential amount, in case aluminum prices have gone down/up (loss/profit). The loss/profit relates to the acquisition or construction of fixed assets and it is adjusted to the carrying cost of such fixed assets.

(l) Cash and cash equivalent

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(m) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(o) Measurement of EBITDA

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

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 3: Share capital

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Authorised shares (No. Thousands)		
2,000 (31 March 2014: 2,000) equity shares of Rs.10 each	20,000.00	20,000.00
Issued, subscribed and fully paid-up shares (No. Thousands)		
550 (31 March 2014: 550) equity shares of Rs. 10 each fully paid - up.	5,500.00	5,500.00
Total issued, subscribed and fully paid-up share capital	5,500.00	5,500.00

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

	31 March 2015		31 March 2014	
	No. Thousands	Rs. in Thousands	No. Thousands	Rs. in Thousands
At the beginning of the year	550.00	5,500.00	369.00	3,690.00
Issue during the year	-	-	181.00	1,810.00
Outstanding at the end of the year	550.00	5,500.00	550.00	5,500.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Grid Limited, Holding Company	550.00	100%	550.00	100%

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

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Grid Limited, Holding Company	550.00	100%	550.00	100%

Note 4: Reserves and surplus

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Securities premium		
Balance as per last financial statements	1,490,185.00	462,550.00
Add: Premium on issue of equity shares	-	1,027,635.00
Closing balance	1,490,185.00	1,490,185.00
Deficit in the statement of profit and loss		
Balance as per last financial statements	(6,557.45)	(1,013.94)
Loss for the year	(1,597.53)	(5,543.51)
Net deficit in the statement of profit and loss	(8,154.98)	(6,557.45)
Total reserve and surplus	1,482,030.02	1,483,627.55

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 5: Long-term borrowings

	Non - current portion		Current maturities	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Term loan				
Indian rupee loan from banks (Secured)	6,136,182.57	4,474,724.09	137,200.00	274,400.00
Indian rupee loan from financial institution (Secured)	1,806,400.00	1,625,010.00	38,000.00	45,790.00
Domestic bills discounting (Secured)	-	372,493.45	-	-
Buyer's credit (Secured)	355,364.88	274,967.93	-	-
Others				
Loan from holding company (Unsecured)	4,121,847.05	1,346,547.05	-	-
	12,419,794.50	8,093,742.52	175,200.00	320,190.00
The above amount includes				
Secured borrowings	8,297,947.45	6,747,195.47	175,200.00	320,190.00
Unsecured borrowings	4,121,847.05	1,346,547.05	-	-
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(175,200.00)	(320,190.00)
Net amount	12,419,794.50	8,093,742.52	-	-

1 Indian rupee term loan from banks and financial institution carries interest at the rate of SBI base rate + 2.00% p.a. 65% of total loan amount is repayable in 46 structured quarterly installments in accordance with amortisation schedule. Balance 35% of the total loan amount shall be repayable as a bullet repayment as per amortisation schedule such that door to door tenure of facility is 15 years and 9 months.

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.

2 Buyer's Credit carries interest 0.50% to 2.00% p.a (excluding hedging premium). This facility has been sanctioned as sub limit of the rupee term loan and have the same securities as described above. This facility has a term of 6 months and will get converted into rupee term loan on maturity. Hence this has been classified under long term borrowing.

3 The unsecured loan from Holding company carries interest rate at 10.25% p.a till 30 September 2014 and thereafter at Nil rate. This loan is either repayable as per mutually agreed terms or convertible into equity share capital as per mutually agreed terms subject to approval from lenders of the term loan. Others terms and conditions of this loan will be subject to approval from term loan lenders.

Note 6: Other long-term liabilities

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Trade Payables		
Management Fees payable to Holding company (Refer note 23)	80,528.40	60,303.60
Other liabilities		
Interest payable to Holding company (Refer note 23)	321,832.12	248,019.20
Total	402,360.52	308,322.80

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 7: Provisions

	Long-term		Short-term	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Provision for employee benefits				
Provision for gratuity (Refer note 20)	722.02	419.76	-	-
Provision for leave benefits	-	-	950.59	280.56
Other provisions				
Provision for income tax	-	-	-	1,758.75
Total	722.02	419.76	950.59	2,039.31

Note 8: Other current liabilities

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Current maturities of long term borrowings (Refer note 5)	175,200.00	320,190.00
Interest accrued but not due on borrowings	-	190.28
Payables for purchase of fixed assets *	2,183,066.46	1,712,151.53
Margin money payable	46,612.73	204,016.42
Service tax payable	30.00	-
TDS payable	2,908.46	9,766.71
Others	4,203.22	2,425.83
Total	2,412,020.87	2,248,740.77

* The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

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JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 9:Tangible assets
(also refer note 25)

Particulars	(Rs. in Thousands)					
	Freehold land	Plant and Machinery	Data Processing Equipments	Furniture and Fittings	Office Equipment	Total
Cost						
At April 1, 2013	799.33	-	1,941.76	358.04	169.36	3,268.49
Additions	-	-	66.97	0.00*	133.88	200.86
Disposals	-	-	-	-	-	-
At March 31, 2014	799.33	-	2,008.73	358.04	303.24	3,469.34
Additions	9,429.59	2,675.41	28.39	18.81	242.54	12,394.74
Disposals	-	-	-	-	-	-
At March 31, 2015	10,228.92	2,675.41	2,037.12	376.85	545.78	15,864.08
Depreciation						
At April 1, 2013	-	-	358.06	38.13	24.42	420.61
Charge for the year	-	-	322.04	21.49	23.43	366.96
Disposals	-	-	-	-	-	-
At March 31, 2014	-	-	680.10	59.62	47.85	787.57
Charge for the year	-	840.43	334.36	23.11	36.02	1,233.92
Disposals	-	-	-	-	-	-
At March 31, 2015	-	840.43	1,014.46	82.73	83.87	2,021.49
Net Block						
At March 31, 2014	799.33	-	1,328.63	298.42	255.39	2,681.78
At March 31, 2015	10,228.92	1,834.98	1,022.66	294.12	461.91	13,842.59

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 10: Loans and advances

(Unsecured, considered good)

	Non-current		Current	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Capital advances (covered by bank guarantees)	367,290.67	935,855.50	-	-
Security deposits	164.00	83.00	-	-
Advances recoverable in cash or kind	-	-	200.98	1,035.00
Other loans and advances				
Tax Deducted at Source on Income	581.30	-	-	569.17
Prepaid expenses #	-	-	-	21,504.00
Balances with Central Excise Authorities	-	-	-	8.09
Total	368,035.97	935,938.50	200.98	23,116.26

Prepaid expense balance is the interest paid but not due on domestic bills discounting.

Note 11: Other assets

	Non-current		Current	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Unamortised expenditure				
- Ancillary cost of arranging the borrowings	23,291.46	-	2,871.64	-
Others				
- Interest accrued on fixed deposit	-	-	441.14	-
- Others (Refer note 19)	-	-	3,199.25	-
Total	23,291.46	-	6,512.03	-

Note 12: Cash and bank balances

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts	128,829.97	212,351.37
Other bank balances		
Deposit with original maturity for more than 3 months but less than 12 months	12,696.32	2,893.42
Total	141,526.29	215,244.79

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 13: Other expenses

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Rates and taxes	-	929.45
Payment to auditor (including service tax)		
- Statutory audit fees	842.70	674.16
Total	842.70	1,603.61

Note 14: Depreciation expense

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Depreciation on tangible assets	1,233.92	366.96
Total	1,233.92	366.96

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JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 15: Earning per share

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
The following reflects the loss and share data used in the basic and diluted EPS computation		
Total operations for the year		
Loss after tax for calculation of basic and diluted EPS (Rs in Thousands)	(1,597.53)	(5,543.51)
Weighted average number of equity shares in calculating basic and diluted EPS (No. Thousands)	550.00	481.19
Earnings per share		
Basic and diluted (on nominal value of Rs. 10 per share) Rupees/share	(2.90)	(11.52)

Note 16: Capitalisation of expenditure

The expenditure incidental to the setting of the project is treated as pre operative expenditure and included in Capital Work in Progress (CWIP) which will be apportioned to the assets on completion of the project and commencement of commercial operations. During the year, the company has capitalised the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP):

Expenses	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Interest on Term Loan (net)	872,389.25	506,451.59
Interest on loan from holding company	82,014.35	151,896.94
Bank charges	7,527.91	9,682.39
Legal and professional fees	30,330.73	28,643.86
Employees' benefit expenses (including gratuity)	44,580.36	37,353.68
Route survey cost	37.74	1,224.29
Conveyance and travelling	10,153.77	7,036.12
Foreign Currency Exchange Difference *	14,657.68	(6,103.02)
General expenses	11,093.88	4,331.06
Rates & taxes	836.36	1,687.78
Rent	1,055.00	439.50
Total	1,074,677.03	742,644.19

* The Ministry of Corporate Affairs (MCA) issued the amendment dated 29 December 2011 to AS - 11 The Effect of Changes in Foreign Exchange Rate, to allow companies deferral / capitalisation of exchange difference arising on long-term foreign currency monetary items. In accordance with the amendment to AS- 11, the Company has capitalised exchange (gain) / loss arising on long-term foreign currency loan amounting to Rs. 14,657.68 thousands [31 March 2014: (Rs. 6,103.02 thousands)] to the capital work in progress.

Note 17: Capital and other commitments

- As at 31 March 2015, the Company has commitments of Rs. 747,280.18 thousands (31 March 2014: Rs 3,968,866.17 thousands) relating to the completion of 765 kV S/C and D/C transmission lines, net of capital advances.
- The Company has entered into transmission service agreements (TSA) with long term transmission customers pursuant to which the Company has committed to transmit power of contracted capacity and has also committed minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 18: Derivative instruments

The Company has entered into the following derivative instruments:

(a) Commodity Future contracts to hedge against fluctuation in commodity prices (aluminum):

The following are the outstanding future contracts entered into by the Sterlite Technologies Limited on behalf of the Company as on 31 March 2015:

Year	No. of contracts	Contracted quantity (MT)	Buy/Sell
31 March 2015	8	1,449	Buy
31 March 2014	5	9,525	Buy

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Category	Currency type	31 March 2015		31 March 2014	
		Foreign currency In Thousands	Amount Rs. In Thousands	Foreign currency In Thousands	Amount Rs. In Thousands
Payable for purchase of fixed assets	US \$	411.54	25,758.34	1,789.05	107,521.38
Buyer's Credit	US \$	5,677.59	355,364.88	4,575.19	274,967.93

Note 19: Contingent Liability

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Entry tax demand*	31,992.49	-
Total	31,992.49	-

* Entry tax demand pertains to demand under the Madhya Pradesh Vat Act, 2002 for payment of entry tax upon completion of assessment by tax authorities for the year 2012-13. The company has preferred an appeal against the demand before Additional Commissioner of Commercial tax, Bhopal. The company is contesting the demand 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 demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of the operations. The company has deposited Rs. 3,199.25 thousands with the tax authorities against the said demand.

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 20: Gratuity

The Company has a defined benefit gratuity plan which is managed by Sterlite Technologies Limited . Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Particulars	31 March 2015 Rs. In Thousands
Defined benefit obligation at the beginning of the year	419.76
Current service cost	217.82
Interest cost	39.63
Actuarial (gain)/loss	44.81
Past service cost	-
Benefits paid	-
Defined benefit obligation, at the end of the year	722.02

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

Particulars	31 March 2015 Rs. In Thousands
Fair value of plan assets at the beginning of the year	-
Expected return on plan assets	-
Contribution by employer	-
Benefits paid	-
Actuarial gain / (loss)	-
Fair value of plan assets at the end of the year	-

The Company expects to contribute Rs. Nil (31 March 2014: Rs. Nil) to its defined benefit gratuity plan in 2015-16.

Details of defined benefit obligation

Particulars	31 March 2015 Rs. In Thousands
Present value of defined benefit obligation	722.02
Fair value of plan assets	-
Plan liability	722.02

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

Particulars	31 March 2015 Rs. In Thousands
Discount rate	7.98%
Expected rate of return on plan asset	-
Employee turnover	10.00%
Expected rate of salary increase	8.00%
Actual rate of return on plan assets	-

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.

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 21: Value of imports calculated on CIF basis

	31 March 2015	31 March 2014
	Rs In Thousands	Rs In Thousands
Capital goods	25,758.34	435,992.10
Total	25,758.34	435,992.10

Note 22: Expenditure in foreign currency (Accrual Basis)

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Interest paid	2,558.83	-
Route survey cost	-	1,224.29
Travel and conveyance	-	16.53
Total	2,558.83	1,240.82

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JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 23: Related party disclosures

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

(a) Related parties where control exists

Sterlite Grid Limited	Immediate holding company
Sterlite Power Grid Ventures Limited	Intermediate holding company
Sterlite Technologies Limited	Intermediate holding company
Twin Star Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

(b) Other related parties with whom transactions have taken place during the year

Bhopal Dhule Transmission Company Limited	Fellow subsidiary
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(B) The transactions with related parties during the year and their outstanding balances are as follows:-

Particulars	Holding Company		Fellow subsidiary	
	2014-15 Rs. in Thousands	2013-14 Rs. in Thousands	2014-15 Rs. in Thousands	2013-14 Rs. in Thousands
Transactions during the year				
Management fee payable (exclusive of service tax)	20,000.00	20,000.00	-	-
Interest on unsecured loan	82,014.35	151,896.94	-	-
Unsecured loan availed	2,775,300.00	261,955.00	-	-
Purchase of conductors (Net of excise duty and sales tax)	1,327,528.20	1,580,134.60	2,662.39	-
Issue of equity shares	-	1,810.00	-	-
Premium received on equity shares	-	1,027,635.00	-	-
Advance for purchase of Conductor	-	41,234.39	-	-
Closing balances				
Unsecured loan	4,121,847.05	1,346,547.05	-	-
Management fees payable (net of TDS)	80,528.40	60,303.60	-	-
Advance outstanding against capital goods	75,937.64	75,937.64	-	-
Payable for purchase of fixed assets	1,821,498.69	737,028.01	2,662.39	-
Margin Money Payable	46,612.73	204,016.42	-	-
Interest payable (net of TDS)	321,832.12	248,019.20	-	-
Other payables	8,151.78	12,611.65	-	-

Disclosure in respect of material related party transaction during the year:

Particulars	Relationship	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
1 Management Fees (exclusive of service tax)			
Sterlite Grid Limited	Immediate holding company	20,000.00	20,000.00
2 Interest on unsecured loan			
Sterlite Grid Limited	Immediate holding company	82,014.35	151,896.94
3 Unsecured loan availed			
Sterlite Grid Limited	Immediate holding company	2,775,300.00	261,955.00
4 Purchase of conductors (net of excise duty and sales tax)			
Sterlite Grid Limited	Immediate holding company	1,327,528.20	1,089,704.43
Sterlite Technologies Limited	Intermediate holding company	-	490,430.17
Bhopal Dhule Transmission Company Limited	Fellow Subsidiary	2,662.39	-
5 Issue of equity shares			
Sterlite Grid Limited	Immediate holding company	-	1,810.00
6 Premium received on equity Shares			
Sterlite Grid Limited	Immediate holding company	-	1,027,635.00
7 Advance for purchase of Conductor			
Sterlite Technologies Limited	Intermediate holding company	-	41,234.39

JABALPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 24: Segment reporting

The Company's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single business and geographical segment and accordingly the disclosures of AS-17 have not been separately given.

Note 25: Key assumptions for impairment evaluation

As required by Accounting Standard-28 - Impairment of Assets, the Company has determined the recoverable amounts of the transmission assets on the basis of the value in use by estimating the future cash flows over the license period of the transmission asset. For such estimation, management has used certain key assumptions which are as follows:

- i. Additional tariff to be claimed from customers in respect of cost overruns incurred due to force majeure events and changes in laws as permitted by the respective Transmission Services Agreement (TSA);
- ii. Tax adjusted discounting rate of 10.1%;
- iii. Recoverability of the metal value (as adjusted for inflation) in the project cost at the end of license period;
- iv. Availability of transmission lines at 99.75% throughout the license period;
- v. Inflation rate of 6.98% for escalable tariff for future periods.

Based on management evaluation, these assumptions are considered reasonable as at March 31, 2015 and the recoverable amounts are higher than the carrying values of the respective transmission assets. The Company has also obtained valuation report from an external consultant in order to arrive at the conclusion that as per AS-28, the recoverable amounts are higher than the respective carrying values of the transmission assets as at March 31, 2015. These assumptions will be reassessed on a periodic basis for the purpose of determination of the recoverable amounts of the transmission assets. Any change in key assumptions could have a material effect on the recoverable amounts of the respective transmission asset.

The Company has filed petition with Central Electricity Regulatory Commission (CERC) for claim of additional tariff. In respect of additional tariff claimed, the Management has taken a legal opinion that based on facts and circumstances; the Company is legally entitled as per terms of TSA to claim the amount. The additional tariff that the Company will eventually receive will depend on CERC approving the Company's claim and the amount.

Note 26: Previous years figures

Previous year's figures have been regrouped and reclassified wherever necessary, to conform to this year's classification.

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May, 2015

**For and on behalf of the Board of Directors of
Jabalpur Transmission Company Limited**

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : 16 May, 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : 16 May, 2015

RAPP TRANSMISSION COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	42,911.10	500.00
Reserves and surplus	4	(552.54)	(29.17)
		42,358.56	470.83
Share application money pending allotment		-	42,411.10
Non-current liabilities			
Long-term borrowings	5	782,468.50	-
Trade Payables	6	10,638.80	526.40
		793,107.30	526.40
Current liabilities			
Trade payables		-	3,499.87
Other current liabilities	7	352,187.87	5,114.84
		352,187.87	8,614.71
TOTAL		1,187,653.73	52,023.04
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	83.32	27.18
Capital work-in-progress (Refer note 17)		812,103.80	50,108.80
		812,187.12	50,135.98
Long-term loans and advances	9	350,959.40	-
Other non-current assets	11	16,781.66	-
		1,179,928.18	50,135.98
Current assets			
Trade receivables	10	-	1,884.96
Cash and bank balances	12	1,182.76	2.10
Other current assets	11	6,542.79	-
		7,725.55	1,887.06
TOTAL		1,187,653.73	52,023.04

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For and on behalf of the Board of Directors of
RAPP Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

RAPP TRANSMISSION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EXPENSES			
Other expenses	13	513.97	-
Total Expenses		513.97	-
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		(513.97)	-
Depreciation and amortisation expense	14	9.40	1.02
Loss for the year		(523.37)	(1.02)
Earnings per equity share [Nominal value of shares Rs. 10 (31 March 2014 : Rs. 10)]	15		
Basic and diluted Computed on the basis of loss for the period		(2.46)	(0.02)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

**For and on behalf of the Board of Directors of
RAPP Transmission Company Limited**

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May, 2015

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : 16 May, 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : 16 May, 2015

RAPP TRANSMISSION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
A.Cash flow from operating activities		
Loss before tax	(523.37)	1.02
	(523.37)	1.02
Non cash adjustments for to reconcile loss before tax to net cash flows :-		
- Depreciation and amortization expense	9.40	1.02
	9.40	1.02
Operating loss before working capital changes	(513.97)	2.04
Movements in working capital :		
- Increase in long term loans and advances	(45.00)	-
- (Increase)/Decrease in trade receivables	1,884.96	(1,884.96)
- Increase in other current assets	(5,816.76)	-
- Increase in trade payables	6,612.53	4,026.27
- Increase/(Decrease) in other current liabilities	1,679.92	(3,985.43)
Changes in working capital	4,315.65	(1,844.12)
Net cash generated/(used) in operating activities (A)	3,801.68	(1,842.08)
B. Cash flow from investing activities		
Purchase of fixed assets	(749,022.22)	(40,567.30)
Net cash used in investing activities (B)	(749,022.22)	(40,567.30)
C. Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	42,411.10
Proceeds from long-term borrowings	782,468.50	-
Finance Costs	(36,067.32)	-
Net cash flow from financing activities (C)	746,401.18	42,411.10
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,180.64	1.72
Cash and cash equivalents as at beginning of the year	4.16	2.44
Cash and cash equivalents as at end of the year	1,184.81	4.16
Components of cash and cash equivalents:		
Balance with banks:		
- On current accounts	1,182.76	2.10
Cash and cash equivalent in cash flow statement (Note 12)	1,182.76	2.10

As per our report of even date

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

For and on behalf of the Board of Directors of
RAPP Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

RAPP TRANSMISSION COMPANY LIMITED**Notes to financial statements for the period ended 31 March 2015****NOTE 1: CORPORATE INFORMATION**

RAPP Transmission Company Limited ('the Company') is a wholly owned subsidiary of Sterlite Grid 2 Limited. The Company is a developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, finalizing, construction and maintenance of power transmission lines which include establishment of a 400 kV double circuit transmission line that would respectively in the states of Rajasthan. The transmission lines would be commissioned within 24 months and the Company would operate and maintain the same for a minimum period tenure of 35 years thereafter.

The Company was incorporated on 20 December 2012 under the Companies Act, 1956 as a wholly owned subsidiary of PFC Consulting Limited (A wholly owned subsidiary of Power Finance Corporation Limited, a Government of India Undertaking)(PFCCL). Consequent to the selection of Successful Bidder as per "Guidelines for Determination of Tariff by bidding process for procurement of power by Distribution Licenses" issued by Ministry of Power, Government of India, dated 19 January 2005 (as amended from time to time) and as per bidding documents (as amended from time to time), the Company was transferred to Sterlite Grid 2 Limited vide Share Purchase Agreement dated 12 March 2014. After transfer the Company ceases to be a subsidiary of PFCCL.

NOTE 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Note 2.1 Summary Of Significant Accounting Policies**(a) Use of estimates**

The preparation of the financial statements are in conformity with the Indian GAAP that requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) Depreciation and amortisation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

Nature of Assets	Useful life considered	Useful life specified in Schedule II of the Companies Act, 2013
Data Processing Equipments	4 years	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years
Office Equipments	4 years	5 years
Furniture and fittings	7.5 years	10 years

RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

(d) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(e) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(f) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(g) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(h) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(i) Measurement of EBITDA

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

RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 3: SHARE CAPITAL

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Authorised shares (No. Thousands)		
50,00,000 (31 March 2014 : 50,000) equity shares of Rs. 10/- each	50,000.00	500.00
Issued,subscribed and fully paid-up shares (No. Thousands)		
42,91,110 (31 March 2014 : 50,000) equity shares of Rs. 10/- each	42,911.10	500.00
Total issued, subscribed and fully paid-up share capital	42,911.10	500.00

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

	31 March 2015		31 March 2014	
	No.	Rs. in Thousands	No.	Rs. in Thousands
At the beginning of the period	50,000.00	500,000.00	-	-
Issued during the year	4,241,110.00	42,411,100.00	50,000.00	500.00
Outstanding at the end of the year	4,291,110.00	42,911,100.00	50,000.00	500.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015		31 March 2014	
	No.	% holding	No.	% holding
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited), Holding company	4,291,110.00	100%	50,000.00	100%

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

	31 March 2015		31 March 2014	
	No.	% holding	No.	% holding
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited), Holding company	4,291,110.00	100%	50,000.00	100%

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(29.17)	(28.15)
Loss for the year	(523.37)	(1.02)
Net deficit in the Statement of Profit and Loss	(552.54)	(29.17)
Total	(552.54)	(29.17)

RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 5: LONG-TERM BORROWINGS

	Non - current portion	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Term Loans		
India rupee Term Loan from Banks (Secured)	410,000.00	-
Domestic bills discounting (Secured)	237,368.50	-
Other		
Loan from holding company (Unsecured) (Refer note 18)	135,100.00	-
	782,468.50	-
The above amount includes		
Secured borrowings	647,368.50	-
Unsecured borrowings	135,100.00	-
Net Amount	782,468.50	-

- 1 Indian rupee term loan from bank carries interest at the rate of Bank of India base rate + 1.55% p.a. 65% of total loan amount is repayable in 46 structured quarterly installments in accordance with amortisation schedule. Balance 35% of the total loan amount shall be repayable as a bullet repayment as per amortisation schedule such that door to door tenure of facility is 15 years.
The term 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 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 licence) 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.
- 2 Domestic bill discounting carries interest at the rate 10.00%. This facility has been sanctioned as a sublimit of the rupee term loan and have the same securities as described above. This facility has a term of 1,080 days and gets converted into rupee term loan on maturity. Hence this has been classified as long term borrowings.
- 3 The unsecured loan from holding company is interest free. This loan is either repayable as per mutually agreed terms or convertible into equity share capital as per mutually agreed terms subject to approval from lenders of the term loan. Others terms and conditions of this loan will be subject to approval from term loan lenders.

NOTE 6: OTHER LONG-TERM LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Trade payable		
Management Fees payable to Holding company (Refer note 18)	10,638.80	526.40
Total	10,638.80	526.40

NOTE 7: OTHER CURRENT LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Trade payables	-	3,499.87
Other liabilities		
Payables for purchase of fixed assets* (Refer note 18)	345,393.10	-
Service tax payable	3,272.25	-
TDS payable	1,084.62	4,956.72
Others	2,437.90	158.12
	352,187.87	5,114.84
Total	352,187.87	8,614.71

*The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

Note 8: TANGIBLE ASSETS

Particulars	(Rs. in Thousands)			
	Data Processing Equipments	Furniture and Fittings	Office Equipment	Total
Cost				
At April 1, 2013				
Additions	7.00	21.20	-	28.20
Disposals	-	-	-	-
At March 31, 2014	7.00	21.20	-	28.20
Additions	13.50	45.29	6.76	65.55
Disposals	-	-	-	-
At March 31, 2015	20.50	66.49	6.76	93.75
Depreciation				
At April 1, 2013	-	-	-	-
Charge for the year	0.64	0.38	-	1.02
Disposals	-	-	-	-
At March 31, 2014	0.64	0.38	-	1.02
Charge for the year	4.55	4.00	0.86	9.41
Disposals	-	-	-	-
At March 31, 2015	5.19	4.38	0.86	10.43
Net Block				
At March 31, 2014	6.36	20.82	-	27.18
At March 31, 2015	15.31	62.11	5.90	83.32

RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 9: LONG TERM LOANS AND ADVANCES
(Unsecured, Considered good)

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Capital advances (Refer note 18)	350,914.40	-
Security deposits	45.00	-
Total	350,959.40	-

NOTE 10: TRADE RECEIVABLES
(Unsecured, Considered good)

	Current	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Outstanding for a period less than six months from the date they are due for payment	-	1,884.96
Total	-	1,884.96

NOTE 11: OTHER ASSETS

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands	Rs. in Thousands
Unamortised expenditure				
- Ancillary cost of arranging the borrowings	16,781.66	-	726.03	-
Others				
Reimbursement of Expenses (Refer note 18)	-	-	5,816.76	-
Total	16,781.66	-	6,542.79	-

NOTE 12: CASH AND BANK BALANCES

	Current	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts	1,182.76	2.10
Total	1,182.76	2.10

RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 13: OTHER EXPENSES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Rates and taxes	289.25	-
Payment to auditor (including service tax)		-
- Statutory audit fees	224.72	-
Total	513.97	-

NOTE 14: DEPRECIATION EXPENSE

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Depreciation of tangible assets	9.40	1.02
Total	9.40	1.02

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RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 15: EARNING PER SHARE (EPS)

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
The following reflects in loss and share data used in the basic and diluted EPS computation		
Total operations for the year		
Loss after tax for calculating basic and diluted EPS (Rs in Thousands)	(523.37)	(1.02)
Weighted average number of equity shares in calculating basic and diluted EPS (No. Thousands)	212.67	50.00
Earnings Per Share		
Basic and diluted (On Nominal Value of Rs. 10 Per Share) Rupees/share	(2.46)	(0.02)

NOTE 16: CAPITAL AND OTHER COMMITMENTS

- As at 31 March 2015, the Company has a commitment of Rs. 1,684,048.74 thousands (31 March 2014 - Nil) relating to the completion of 400 kV D/C Quad transmission line, net of capital advances.
- The Company has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Company has committed to transmits power of contracted capacity and has also committed minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain default.

NOTE 17: CAPITALIZATION OF EXPENDITURE

The expenditure incidental to the setting of the project is treated as pre operative expenditure and included in Capital Work in Progress (CWIP) which will be apportioned to the assets on completion of the project and commencement of commercial operations. During the year, the company has capitalised the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP):

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Interest on Term Loan (net)	18,559.63	833.95
Employees' benefit expenses	222.35	6,062.72
Bank Charges	841.95	0.34
Rates and taxes	3,270.82	-
Legal and Professional fees	11,648.94	38,639.22
Conveyance and Travelling expenses	669.35	100.99
General Expenses	786.29	3,371.57
Total	35,999.33	50,108.80

RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 18: RELATED PARTY DISCLOSURES

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

(a) Related parties where control exists

Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company
Sterlite Power Grid Ventures Limited	Intermediate holding company
Sterlite Technologies Limited	Intermediate holding company
Twin Star Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

(b) Other related parties with whom transactions have taken place during the year

Sterlite Grid Limited	Fellow Subsidiary
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(B) The transactions with related parties during the year and their outstanding balances are as follows:-

Particulars	Holding Company		Fellow subsidiary	
	2014-15 Rs. in Thousands	2013-14 Rs. in Thousands	2014-15 Rs. in Thousands	2013-14 Rs. in Thousands
Transactions during the year				
Purchase of capital goods and services	704,423.25	-	-	-
Advances for purchase of capital goods and services	475,760.00	-	-	-
Management fee payable (exclusive of service tax)	10,000.00	520.55	-	-
Unsecured loan availed	135,100.00	-	-	-
Issue of equity shares	42,411.10	500.00	-	-
Share application money received	-	42,411.10	-	-
Outstanding balances				
Share application money pending allotment	-	42,411.10	-	-
Unsecured loan	135,100.00	-	-	-
Management fees payable (net of TDS)	10,638.80	-	-	-
Payable for purchase of fixed assets	345,064.69	-	-	-
Advance outstanding against capital goods and services	350,914.40	-	-	-
Other payables	-	3,499.87	-	-
Other receivables	4,106.62	-	1,710.14	-

Disclosure in respect of material related party transaction during the year:

Particulars	Relationship	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
1 Purchase of capital goods and services			
Sterlite Power Grid Ventures Limited	Intermediate holding company	704,423.25	-
2 Advances for purchase of capital goods and services			
Sterlite Power Grid Ventures Limited	Intermediate holding company	475,760.00	-
3 Management fee payable (exclusive of service tax)			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	10,000.00	520.55
4 Unsecured loan availed			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	135,100.00	-
5 Issue of equity shares			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	42,411.10	500.00
5 Share Application Money Received			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company		42,411.10

RAPP TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 19: SEGMENT REPORTING

The Company's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single business and geographical segment and accordingly the disclosures of AS-17 have not been separately given.

NOTE 20: PREVIOUS YEARS FIGURES

Previous year's figures have been regrouped and reclassified wherever necessary, to conform to this year's classification.

The previous year figures were audited by a firm of chartered accountant other than S R B C & CO LLP.

As per our report of even date

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

**For and on behalf of the Board of Directors of
RAPP Transmission Company Limited**

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May, 2015

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : 16 May, 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : 16 May, 2015

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	59,543.00	500.00
Reserves and surplus	4	(554.46)	(20.40)
		58,988.54	479.60
Share application money pending allotment		-	59,043.00
Non-current liabilities			
Long-term borrowings	5	879,200.00	-
Trade Payables	6	10,971.26	858.86
		890,171.26	858.86
Current liabilities			
Trade payables	6	-	5,825.58
Other current liabilities	7	1,557.18	291.94
		1,557.18	6,117.52
TOTAL		950,716.98	66,498.98
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		295.00	53.05
Capital work-in-progress (Refer note 16)		97,869.45	60,870.82
		98,164.45	60,923.87
Long-term loans and advances	9	805,420.00	-
Other non-current assets	11	29,101.90	-
		932,686.35	60,923.87
Current assets			
Trade receivables	10	-	5,552.67
Cash and bank balances	12	6,589.55	2.44
Short-term loans and advances	9	571.29	20.00
Other current assets	11	10,869.79	-
		18,030.63	5,575.11
TOTAL		950,716.98	66,498.98

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Purulia & Kharagpur Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : May 16, 2015

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : May 16, 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : May 16, 2015

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EXPENSES			
Other expenses	13	513.97	-
Total Expenses		513.97	-
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)			
		(513.97)	-
Depreciation and amortisation expense	14	20.09	1.24
Loss for the year		(534.06)	(1.24)

Earnings per equity share 15
[Nominal value of shares Rs. 10 (31 March 2014 : Rs. 10)]

Basic and diluted
Computed on the basis of loss for the period (2.01) (0.02)

Summary of significant accounting policies 2.1

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

As per our report of even date

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

**For and on behalf of the Board of Directors of
Purulia & Kharagpur Transmission Company Limited**

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : May 16, 2015

Place : New Delhi
Date : May 16, 2015

Place : New Delhi
Date : May 16, 2015

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015

	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
A. Cash flow from operating activities		
Loss before tax	(534.06)	(1.24)
	(534.06)	(1.24)
Non cash adjustments for to reconcile loss before tax to net cash flows -		
- Depreciation expense	20.09	1.24
	20.09	1.24
Operating loss before working capital changes	(513.97)	-
Movements in working capital :		
- Increase in short term loans and advances	(551.29)	(20.00)
- Increase in long term loans and advances	(20.00)	-
- Decrease/ (increase) in trade receivables	5,552.67	(5,552.67)
- Increase in other current assets	(9,866.47)	-
- Increase/ (decrease) in trade payables	4,286.82	(30,731.44)
- Increase /(decrease) in current liabilities	777.01	(13,340.12)
Changes in working capital	178.74	(49,644.23)
Net cash used in operating activities (A)	(335.23)	(49,644.23)
B. Cash flow from investing activities		
Purchase of fixed assets	(823,681.53)	(9,398.76)
Investments in bank deposits (having original maturity of more than 12 months)	(5,000.00)	-
Net cash used in investing activities (B)	(828,681.53)	(9,398.76)
C. Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	59,043.00
Proceeds from long term loan from financial institution	559,200.00	-
Proceeds from long term loan from immediate holding company	320,000.00	-
Finance Cost	(48,596.13)	-
Net cash flow from financing activities (C)	830,603.87	59,043.00
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,587.11	0.01
Cash and cash equivalents as at beginning of the period / year	2.44	2.44
Cash and cash equivalents as at end of the period / year	1,589.55	2.45
Components of cash and cash equivalents:		
Balance with banks:		
- On current accounts	1,589.55	2.44
Cash and cash equivalent in cash flow statement (Note 12)	1,589.55	2.44

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : May 16, 2015

For and on behalf of the Board of Directors of
Purulia & Kharagpur Transmission Company Limited

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : May 16, 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : May 16, 2015

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 1: CORPORATE INFORMATION

Purulia Kharagpur Transmission Company Limited ('the Company') is a subsidiary of Sterlite Grid 2 Limited. The Company is a developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, construction and maintenance of power transmission lines which include establishment of two 400 kV Double Circuit transmission line, that would strengthen the transmission system in the Indian states of West Bengal and Jharkhand. The transmission lines would be commissioned within 28 months and the Company would operate and maintain the same for a minimum tenure of 35 years thereafter.

The Company was incorporated on 15 December 2012 under the Companies Act, 1956 as a wholly owned subsidiary of PFC Consulting Limited (A wholly owned subsidiary of Power Finance Corporation Limited, a Government of India Undertaking) (PFCCCL). Consequent to the selection of Successful Bidder as per "Guidelines for Determination of Tariff by bidding process for procurement of power by Distribution Licenses" issued by Ministry of Power, Government of India, dated 19 January 2005 (as amended from time to time) and as per bidding documents (as amended from time to time), the Company was transferred to Sterlite Grid 2 Limited vide Share Purchase Agreement dated 9 December 2013. After transfer the Company ceases to be a subsidiary of PFCCCL.

NOTE 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Note 2.1 Summary Of Significant Accounting Policies

(a) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period.

Difference between the actual result and estimates are recognized in the year in which the results are known or materialized. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) Depreciation and Amortization

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

Nature of assets	Useful life considered	Useful life specified in Schedule II of the Companies Act, 2013
Furniture and fittings	7.5 years	10 years
Data processing equipments	4 years	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years
Office equipments	4 years	5 years

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

(d) Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(e) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(f) Cash and cash equivalents

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(g) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(h) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(i) Measurement of EBITDA

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

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 3: SHARE CAPITAL

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Authorised shares (No. Thousands)		
60,00,000 (31 March 2014 : 50 thousand) equity shares of Rs. 10/- each	60,000.00	500.00
Issued, subscribed and fully paid-up shares (No. Thousands)		
59,54,300 (31 March 2014 : 50 thousand) equity shares of Rs. 10/- each	59,543.00	500.00
Total issued, subscribed and fully paid-up share capital	59,543.00	500.00

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

	31 March 2015		31 March 2014	
	No. Thousands	Rs. in Thousands	No. Thousands	Rs. in Thousands
At the beginning of the period	50,000.00	500,000.00	-	-
Issued during the year	5,904,300.00	59,043,000.00	50,000.00	500,000.00
Outstanding at the end of the year	5,954,300.00	59,543,000.00	50,000.00	500,000.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited, Holding Company)	5,954,300.00	100%	50,000	100%

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

	31 March 2015		31 March 2014	
	No. Thousands	% holding	No. Thousands	% holding
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited, Holding Company)	5,954,300.00	100%	50,000	100%

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(20.40)	(19.16)
Loss for the period	(534.06)	(1.24)
Net deficit in the Statement of Profit and Loss	(554.46)	(20.40)
Total	(554.46)	(20.40)

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 5: LONG-TERM BORROWINGS

	Non - current portion	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Term Loan		
India rupee Term Loan from Bank (Secured)	559,200.00	-
Other		
Loan from holding company (Unsecured) (Refer note 18)	320,000.00	-
	879,200.00	-
The above amount includes		
Secured borrowings	559,200.00	-
Unsecured borrowings	320,000.00	-
Net Amount	879,200.00	-

- 1 Indian rupee term loan from bank carries interest at the rate of Bank of India base rate + 1.55% p.a. 65% of total loan amount is repayable in 46 structured quarterly installments in accordance with amortisation schedule. Balance 35% of the total loan amount shall be repayable as a bullet repayment as per amortisation schedule such that door to door tenure of facility is 15 years.
- The term 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 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 licence) 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.
- 2 The unsecured loan from holding company is interest free. This loan is either repayable as per mutually agreed terms or convertible into equity share capital as per mutually agreed terms subject to approval from lenders of the term loan. Others terms and conditions of this loan will be subject to approval from term loan lenders.

NOTE 6: OTHER LONG-TERM LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. In Thousands
Trade payable		
Management Fees payable to Holding company (Refer note 18)	10,971.26	858.86
Total	10,971.26	858.86

NOTE 7: OTHER CURRENT LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Trade payables *	-	5,825.58
Other liabilities		
Sundry creditors for capital goods purchased *	488.23	-
Service tax payable	-	2.98
TDS payable	318.06	200.91
Others	750.89	88.05
	1,557.18	291.94
Total	1,557.18	6,117.52

*The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

Note 8: TANGIBLE ASSETS

Particulars	(Rs. in Thousands)			
	Data Processing Equipments	Furniture and Fittings	Office Equipment	Total
Cost				
At April 1, 2013				
Additions	15.20	39.09	-	54.29
Disposals	-	-	-	-
At March 31, 2014	15.20	39.09	-	54.29
Additions	-	208.54	53.50	262.04
Disposals	-	-	-	-
At March 31, 2015	15.20	247.63	53.50	316.33
Depreciation				
At April 1, 2013				
Charge for the year	0.57	0.67	-	1.24
Disposals	-	-	-	-
At March 31, 2014	0.57	0.67	-	1.24
Charge for the year	5.07	5.02	10.00	20.09
Disposals	-	-	-	-
At March 31, 2015	5.64	5.69	10.00	21.33
Net Block				
At March 31, 2014	14.63	38.42	-	53.05
At March 31, 2015	9.56	241.94	43.50	295.00

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 9: LOANS AND ADVANCES
(Unsecured, Considered good)

	Non-current		Current	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Capital advance (Refer note 18)	805,400.00	-	-	-
Security deposit	20.00	-	-	20.00
Advances receivable in cash or kind	-	-	571.29	-
Total	805,420.00	-	571.29	20.00

NOTE 10: TRADE RECEIVABLES
(Unsecured, Considered good)

	Current	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Outstanding for a period less than six months from the date they are due for payment	-	5,552.67
Total	-	5,552.67

NOTE 11: OTHER ASSETS

	Non-current		Current	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Unamortised expenditure				
Ancilliary cost of arranging the borrowings	29,101.90		982.15	-
Others				
Reimbursement of Expenses (Refer note 18)	-	-	9,866.47	-
Interest accrued on fixed deposit	-	-	21.17	-
	-	-	9,887.64	-
Total	29,101.90	-	10,869.79	-

NOTE 12: CASH AND BANK BALANCES

	Current	
	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts	1,589.55	2.44
Other bank balances		
Deposit with original maturity for more than 12 months	5,000.00	-
Total	6,589.55	2.44

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 13: OTHER EXPENSES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Rates and taxes	289.25	-
Payment to auditor (including service tax)		
- Statutory audit fees	224.72	-
Total	513.97	-

NOTE 14: DEPRECIATION EXPENSE

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Depreciation of tangible assets	20.09	1.24
Total	20.09	1.24

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PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 15: EARNING PER SHARE (EPS)

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

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Total operations for the year		
Loss after tax for calculating basic and diluted EPS	(534.06)	(1.24)
Weighted average number of equity shares in calculating basic and diluted EPS (No. Thousands)	266.25	50.00
Earnings Per Share		
Basic and diluted (On Nominal Value of Rs. 10 Per Share) Rupees/share	(2.01)	(0.02)

NOTE 16: CAPITALIZATION OF EXPENDITURE

The expenditure incidental to the setting of the project is treated as pre operative expenditure and included in Capital Work in Progress (CWIP) which will be apportioned to the assets on completion of the project and commencement of commercial operations. During the year, the company has capitalised the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP):

Expenses	31 March 2015	31 March 2014
	Rs. In Thousands	Rs. In Thousands
Interest on Term Loan (net)	18,490.91	-
Employees' benefit expenses	509.72	5,211.53
Rates and taxes	746.17	2,600.00
Legal and Professional fees	11,038.71	47,044.29
Bank Charges	207.15	0.56
Conveyance and Travelling expenses	890.61	489.99
General expenses	1,502.68	5,485.12
Total	33,385.95	60,831.49

NOTE 17: CAPITAL AND OTHER COMMITMENTS

- As at 31 March 2015, the Company has a commitment of Rs. 32,21,608.48 thousands (31 March 2014 - Nil) relating to the completion of 400 kV D/C Quad transmission lines, net of capital advances.
- The Company has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Company has to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain default.

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 18: RELATED PARTY DISCLOSURE

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

(a) Related parties where control exists

Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company
Sterlite Power Grid Ventures Limited	Intermediate holding company
Sterlite Technologies Limited	Intermediate holding company
Twin Star Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

(b) Other related parties with whom transactions have taken place during the year

Sterlite Grid Limited	Fellow Subsidiary
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(B) The transactions with related parties during the year and their outstanding balances are as follows:-

Particulars	Holding Company		Fellow subsidiary	
	2014-15 Rs. in Thousands	2013-14 Rs. in Thousands	2014-15 Rs. in Thousands	2013-14 Rs. in Thousands
Transactions during the year				
Advances for purchase of capital goods and services	805,402.12	-	-	-
Management fee payable (exclusive of service tax)	10,000.00	849.31	-	-
Unsecured loan availed	320,000.00	-	-	-
Issue of equity shares	59,043.00	500.00	-	-
Share Application Money Received	-	59,043.00	-	-
Outstanding balances				
Share application money pending allotment	-	59,043.00	-	-
Unsecured loan	320,000.00	-	-	-
Advance outstanding against capital goods and services	805,402.12	-	-	-
Management fees receivable (net of TDS)	10,971.26	858.86	-	-
Other payables	-	5,676.32	-	-
Other receivables	7,995.49	-	1,870.98	-

Disclosure in respect of material related party transaction during the year:

Particulars	Relationship	31 March 2015	31 March 2014
		Rs. in Thousands	Rs. in Thousands
1 Advances for purchase of capital goods and services			
Sterlite Power Grid Ventures Limited	Intermediate holding company	805,402.12	-
2 Management fee payable (exclusive of service tax)			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	10,000.00	849.31
3 Unsecured loan availed			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	320,000.00	-
4 Issue of equity shares			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	59,043.00	500.00
4 Share application money received			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	-	59,043.00

PURULIA & KHARAGPUR TRANSMISSION COMPANY LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 19: SEGMENT REPORTING

The Company's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single business and geographical segment and accordingly the disclosures of AS-17 have not been separately given.

NOTE 20: PREVIOUS YEARS FIGURES

Previous year's figures have been regrouped and reclassified wherever necessary, to conform to this year's classification.

The previous year figures were audited by a firm of chartered accountant other than S R B C & CO LLP.

As per our report of even date

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

For and on behalf of the Board of Directors of
Purulia & Kharagpur Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : May 16, 2015

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : May 16, 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : May 16, 2015

NRSS XXIX TRANSMISSION COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs. in Thousands	31 March 2014 Rs. in Thousands
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	197,170.00	500.00
Reserves and surplus	4	(2,114.17)	(27.04)
		195,055.83	472.96
Long-term borrowings	5	19,100.00	-
Other long term liabilities	6	-	9,952.70
		19,100.00	9,952.70
Current liabilities			
Other current liabilities	7	4,720.07	41.45
TOTAL		218,875.90	10,467.11
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	419.11	-
Capital work-in-progress (Refer note 14)		215,704.06	10,447.71
		216,123.17	10,447.71
Long-term loans and advances	9	148.50	-
		216,271.67	10,447.71
Current assets			
Cash and bank balances	10	2,604.23	19.40
TOTAL		218,875.90	10,467.11

Summary of significant accounting policies

2.1

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

As per our report of even date

For S R B C & CO LLP

Firm Registration No. 324982E
Chartered Accountants

**For and on behalf of the Board of Directors of
NRSS XXIX Transmission Company Limited**

per Paul Alvares

Partner
Membership Number : 105754

Place : Pune
Date : 16 May, 2015

Ajay Bhardwaj

Director
DIN: 05246313

Place : New Delhi
Date : 16 May, 2015

Pankaj Priyadarshi

Director
DIN: 06518413

Place : New Delhi
Date : 16 May, 2015

NRSS XXIX TRANSMISSION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note	31 March 2015 Rs. in Thousands	29 July 2013 to 31 March 2014 Rs. in Thousands
EXPENSES			
Other expenses	11	2,077.79	27.04
Total Expenses		2,077.79	27.04
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)			
		(2,077.79)	(27.04)
Depreciation and amortisation expense	12	9.34	-
Loss for the period		(2,087.13)	(27.04)
Earnings per equity share	13		
[Nominal value of shares Rs. 10 (31 March 2014 : Rs. 10)]			
Basic and diluted			
Computed on the basis of loss for the period		(13.23)	(0.54)
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

**For and on behalf of the Board of Directors of
NRSS XXIX Transmission Company Limited**

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May, 2015

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : 16 May, 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : 16 May, 2015

NRSS XXIX TRANSMISSION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	31 March 2015	29 July 2013 to 31
	Rs. in Thousands	March 2014
		Rs. in Thousands
A. Cash flow from operating activities		
Loss before tax	(2,087.13)	(27.04)
Non cash adjustments for to reconcile loss before tax to net cash flows :		
- Depreciation and amortization expense	9.34	-
	9.34	-
Operating loss before working capital changes	(2,077.79)	(27.04)
Movements in working capital :		
- Increase in long term loans and advances	(148.50)	-
- (Decrease)/increase in other long term liabilities	(9,952.70)	9,952.70
- Increase in current liabilities	1,631.51	41.45
Change in working capital	(8,469.69)	9,994.15
Net cash (used in)/flow from operating activities (A)	(10,547.48)	9,967.11
B. Cash flow from investing activities		
Purchase of fixed assets	(202,637.70)	(10,447.71)
Net cash used in investing activities (B)	(202,637.70)	(10,447.71)
C. Cash flow from financing activities		
Proceeds from long term loan from immediate holding company	19,100.00	-
Proceeds from issuance of equity share capital	196,670.00	500.00
Net cash flow from financing activities (C)	215,770.00	500.00
Net increase in cash and cash equivalents (A + B + C)	2,584.82	19.40
Cash and cash equivalents as at beginning of the year	19.40	-
Cash and cash equivalents as at end of the year	2,604.22	19.40
Components of cash and cash equivalents:		
Balance with banks:		
- On current accounts	694.98	19.40
Cheque / drafts on hand	1,909.25	-
Cash and cash equivalent in cash flow statement (Note 10)	2,604.23	19.40

As per our report of even date

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

For and on behalf of the Board of Directors of
NRSS XXIX Transmission Company Limited

per Paul Alvares
Partner
Membership Number : 105754

Ajay Bhardwaj
Director
DIN: 05246313

Pankaj Priyadarshi
Director
DIN: 06518413

Place : Pune
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

Place : New Delhi
Date : 16 May, 2015

NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 1: CORPORATE INFORMATION

NRSS XXIX Transmission Company Limited ('the Company') is a wholly owned subsidiary of Sterlite Grid 2 Limited. The Company is a developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, finalizing, construction and maintenance of power transmission lines which include establishment of two 400 kV Double Circuit transmission lines and a sub stations that would strengthen the northern region transmission system. One transmission lines would be commissioned within 34 months and the other transmission line and a substation would be commissioned within 50 months and the Company would operate and maintain the same for a minimum period tenure of 35 years thereafter.

The Company was incorporated on 29 July 2013 under the Companies Act, 1956 as a wholly owned subsidiary of REC Transmission Projects Company Limited ("REC TPCL") a wholly owned subsidiary of Rural Electrification Corporation Limited ("REC"). The certificate of commencement of Business issued on 29 October 2013. Consequent to the selection of Successful Bidder as per "Guidelines for Determination of Tariff by bidding process for procurement of power by Distribution Licenses" issued by Ministry of Power, Government of India, dated 19 January 2005 (as amended from time to time) and as per bidding documents (as amended from time to time), the Company was transferred to Sterlite Grid 2 Limited vide Share Purchase Agreement dated 4 August 2014. After transfer the Company ceases to be a subsidiary of REC TPCL.

NOTE 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financials statements to comply in all material respects with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Note 2.1 Summary Of Significant Accounting Policies

(a) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Difference between the actual result and estimates are recognized in the year in which the results are known or materialized. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Fixed Assets

Tangible fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalisation criterion are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

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.

Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) Depreciation and amortisation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

Nature of assets	Useful life considered	Useful life specified in Schedule II of the Companies Act, 2013
Data processing equipments	4 years	Servers and networks - 6 years and Desktops, laptops, etc. - 3 years
Office equipments	4 years	5 years

NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

(d) Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period they occur.

(e) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(f) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(g) Cash and cash equivalents

Cash and Cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(h) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(i) Measurement of EBITDA

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

NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 3: SHARE CAPITAL

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Authorised shares (No. Thousands)		
2,00,00,000 (31 March 2014 : 50 thousand) equity shares of Rs. 10 each	200,000.00	500.00
Issued, subscribed and fully paid-up shares (No. Thousands)		
1,97,17,000 (31 March 2014 : 50 thousand) equity shares of Rs. 10 each	197,170.00	500.00
Total issued, subscribed and fully paid-up share capital	197,170.00	500.00

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

	31 March 2015		31 March 2014	
	No.	Rs. in Thousands	No.	Rs. in Thousands
At the beginning of the period	50,000.00	500.00	-	-
Issued during the year	19,667,000.00	196,670.00	50,000.00	500.00
Outstanding at the end of the year	19,717,000.00	197,170.00	50,000.00	500.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015		31 March 2014	
	No.	% holding	No.	% holding
REC Transmission Projects Company Limited	-	-	50,000	100%
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited), Holding company	19,717,000	100%	-	-

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

	31 March 2015		31 March 2014	
	No.	% holding	No.	% holding
REC Transmission Projects Company Limited	-	-	50,000	100%
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited), Holding company	19,717,000	100%	-	-

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(27.04)	-
Loss for the period	(2,087.13)	(27.04)
Net deficit in the Statement of Profit and Loss	(2,114.17)	(27.04)
Total	(2,114.17)	(27.04)

NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 5: LONG-TERM BORROWINGS

	Non - current portion	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Other		
Loan from Holding company (Unsecured) (Refer note 16)	19,100.00	-
Total	19,100.00	-

The unsecured loan from holding company is interest free. This loan is either repayable or convertible into equity share capital as per mutually agreed terms.

NOTE 6: OTHER LONG-TERM LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Trade payable	-	9,952.70
Total	-	9,952.70

NOTE 7: OTHER CURRENT LIABILITIES

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Sundry creditors for capital goods purchased*	3,047.10	-
TDS payable	260.66	18.98
Others	1,412.30	22.47
Total	4,720.06	41.45

* The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

Note 8: TANGIBLE ASSETS

	(Rs. in Thousands)		
Particulars	Data Processing Equipments	Office Equipment	Total
Cost			
At April 1, 2014	-	-	-
Additions	-	-	-
Disposals	-	-	-
At March 31, 2014	-	-	-
Additions	16.00	412.45	428.45
Disposals	-	-	-
At March 31, 2015	16.00	412.45	428.45
Depreciation			
At April 1, 2014	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
At March 31, 2014	-	-	-
Charge for the year	0.07	9.27	9.34
Disposals	-	-	-
At March 31, 2015	0.07	9.27	9.34
Net Block			
At March 31, 2014	-	-	-
At March 31, 2015	15.93	403.18	419.11

NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 9: LONG TERM LOANS AND ADVANCES
(Unsecured, Considered good)

	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Security deposits	148.50	-
Total	148.50	-

NOTE 10: CASH AND BANK BALANCES

	Current	
	31 March 2015	31 March 2014
	Rs. in Thousands	Rs. in Thousands
Cash and cash equivalents		
Balance with banks:		
On current accounts	694.98	19.40
Cheque / drafts on hand	1,909.25	-
Total	2,604.23	19.40

NOTE 11: OTHER EXPENSES

	31 March 2015	29 July 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Rates and taxes	1,909.25	-
Payment to auditor (including service tax)		
- Statutory audit fees	168.54	-
Other administration and general expenses	-	19.40
Total	2,077.79	19.40

NOTE 12: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2015	29 July 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Depreciation of tangible assets	9.34	-
Total	9.34	-

NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 13: EARNING PER SHARE (EPS)

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

	31 March 2015	29 July 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Total operations for the year		
Loss after tax for calculating basic and diluted EPS	(2,087.13)	(27.04)
Weighted average number of equity shares in calculating basic EPS (No. Thousands)	157.76	50.00
Earnings Per Share		
Basic and diluted (On Nominal Value of Rs. 10 Per Share) Rupees/share	(13.23)	(0.54)

NOTE 14: CAPITALIZATION OF EXPENDITURE

The expenditure incidental to the setting of the project is treated as pre operative expenditure and included in Capital Work in Progress (CWIP) which will be apportioned to the assets on completion of the project and commencement of commercial operations. During the year, the company has capitalised the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP):

	31 March 2015
	Rs. in Thousands
Employees' benefit expenses	1,369.12
Rates and taxes	6,614.45
Legal and Professional fees	200,817.24
Conveyance and Travelling expenses	1,514.44
General expenses	3,563.86
Total	213,879.11

NOTE 15: CAPITAL AND OTHER COMMITMENTS

The Company has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Company has to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain default.

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NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 16: RELATED PARTY DISCLOSURES

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

Related parties where control exists

From 29 July 2013 to 3 August 2014

REC Transmission Projects Company Limited	Holding company
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From 4 August 2014 to 31 March 2015

Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company
Sterlite Power Grid Ventures Limited	Intermediate holding company
Sterlite Technologies Limited	Intermediate holding company
Twin Star Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

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

Particulars	Holding Company	
	2014-15	29 July 2013 to 31 March 2014
	Rs. in Thousands	Rs. in Thousands
Transactions during the year		
Purchase of Capital goods and services	1,896.32	-
Issue of equity shares	197,170.00	-
Unsecured Loans availed	19,100.00	-
Outstanding balances		
Unsecured loan payable	19,100.00	-
Payable for purchase of fixed assets	1,896.32	-
Other payables	-	9,952.70

Disclosure in respect of material related party transaction during the year:

Particulars	Relationship	31 March 2015	29 July 2013 to 31 March 2014
		Rs. in Thousands	Rs. in Thousands
1 Purchase of Capital goods and Services			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	1,896.32	-
2 Issue of equity shares			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	197,170.00	-
3 Unsecured Loan availed			
Sterlite Grid 2 Limited (erstwhile Sterlite Display Technologies Private Limited)	Immediate holding company	19,100.00	-

NRSS XXIX TRANSMISSION COMPANY LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 17: SEGMENT REPORTING

The Company's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single business and geographical segment and accordingly the disclosures of AS-17 have not been separately given.

NOTE 18: PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped and reclassified wherever necessary, to conform to this year's classification.

The previous year figures were audited by a firm of chartered accountant other than S R B C & CO LLP.

As per our report of even date

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

**For and on behalf of the Board of Directors of
NRSS XXIX Transmission Company Limited**

per Paul Alvares
Partner
Membership Number : 105754

Place : Pune
Date : 16 May, 2015

Ajay Bhardwaj
Director
DIN: 05246313

Place : New Delhi
Date : 16 May, 2015

Pankaj Priyadarshi
Director
DIN: 06518413

Place : New Delhi
Date : 16 May, 2015

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
BALANCE SHEET AS AT 31 MARCH 2015

	Notes	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	155.00	155.00
Reserves and Surplus	4	(2,712.79)	605.43
		(2,557.79)	760.43
Non-current liabilities			
Long-term borrowings	5	13,629.70	11,250.00
Deferred tax liabilities (net)	6	-	-
Other long term liabilities	7	990.46	814.42
Long-term provisions	8	44.37	25.55
		14,664.53	12,089.97
Current liabilities			
Short-term borrowings	9	887.46	384.60
Trade payables	10	184.27	385.53
Other current liabilities	10	1,449.56	905.86
Short-term provisions	8	42.29	31.85
		2,563.58	1,707.84
TOTAL		14,670.32	14,558.24
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	11,441.95	8,863.27
Intangible assets	11	360.10	333.51
Capital work-in-progress		1,023.69	1,917.76
		12,825.74	11,114.54
Long-term loans and advances	12	886.30	865.90
Other non-current assets	14	41.97	47.44
		13,754.01	12,027.88
Current assets			
Current investments	15	-	1,658.10
Trade receivables	13	126.07	298.39
Cash and bank balances	16	5.56	17.49
Short-term loans and advances	12	662.00	473.22
Other current assets	14	122.68	83.16
		916.31	2,530.36
TOTAL		14,670.32	14,558.24
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For and on behalf of the board of directors of Speedon Network Limited

per Paul Alvares
Partner
Membership Number: 105754

S Anand
Whole time Director
DIN: 07081405

Anupam Jindal
Director
DIN: 03040078

Place: Pune
Date: May 15, 2015

Place: Mumbai
Date: May 15, 2015

Place: Mumbai
Date: May 15, 2015

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
INCOME			
Revenue from operations (gross)	17	1,369.53	631.19
Less: Excise duty	17	-	-
Revenue from operations (net)		<u>1,369.53</u>	<u>631.19</u>
Other income	18	71.21	58.29
Total Income (I)		<u>1,440.74</u>	<u>689.48</u>
EXPENSES			
Purchase of traded goods		-	10.10
Employee benefits expenses	19	970.39	537.56
Other expenses	20	1,136.84	829.84
Total (II)		<u>2,107.23</u>	<u>1,377.50</u>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		(666.50)	(688.02)
Depreciation and amortization expense	21	1,220.10	948.01
Finance costs	22	1,431.63	922.59
Loss before tax		<u>(3,318.22)</u>	<u>(2,558.62)</u>
Tax Expense:			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		<u>-</u>	<u>-</u>
Loss for the year		<u>(3,318.22)</u>	<u>(2,558.62)</u>
Earnings per equity Share [nominal value of share Rs. 10 (31 March 2013: 10)]	23		
Basic and diluted			
Computed on the basis of Loss for the year		(214.08)	(345.57)

Summary of Significant Accounting Policies

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For and on behalf of the board of directors of Speedon Network Limited

per Paul Alvares
Partner
Membership Number: 105754

S Anand
Whole time Director
DIN: 07081405

Anupam Jindal
Director
DIN: 03040078

Place: Pune
Date: May 15, 2015

Place: Mumbai
Date: May 15, 2015

Place: Mumbai
Date: May 15, 2015

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
A. Cash flow from Operating Activities		
Net Loss as per Statement of Profit and Loss	(3,318.22)	(2,558.62)
Adjustments for:		
Depreciation and amortisation expense	1,220.10	948.01
Net gain on sale of investments	(70.63)	(58.10)
Interest income on bank deposits	-	(0.03)
Profit on sale of assets, net	(0.31)	-
Loss on sale of fixed assets, net	-	0.04
Interest and finance charges	1,431.63	922.59
	2,580.79	1,812.51
Operating loss before working capital changes	(737.43)	(746.11)
Movements in working capital :		
Increase/(decrease) in trade payables	(201.26)	361.81
Increase in long-term provisions	18.83	4.82
Increase in short-term provisions	10.44	30.16
Increase/(decrease) in other long-term liabilities	(11.41)	87.49
Increase/(decrease) in other current liabilities	(27.43)	215.31
Decrease/(increase) in trade receivables	172.32	(112.90)
Increase in other current assets	(39.52)	(69.82)
Decrease/(increase) in long-term loans and advances	(41.12)	(845.57)
Decrease/(increase) in short-term loans and advances	(188.78)	67.46
Change in working capital	(307.93)	(261.24)
Cash used in operations	(1,045.36)	(1,007.35)
Direct taxes refunds received	20.71	-
Net cash used in Operating Activities	(1,024.65)	(1,007.35)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets (including capital work in progress and capital advances)	(2,822.97)	(6,086.07)
Proceeds from sale of fixed assets	2.73	0.83
(Purchase)/Sale of current investments, net	1,728.72	(1,600.00)
Interest income from bank deposits	-	0.03
Net cash used in Investing Activities	(1,091.52)	(7,685.21)
C. Cash flow from Financing Activities		
Repayment of short term loan to holding company	-	(1,116.70)
Proceeds of short term loan from holding company	13.60	-
Proceeds from issue of share capital (including securities premium)	-	3,745.00
Proceeds from term loan from bank	2,698.40	7,500.00
Proceeds from other short term borrowings	489.26	-
Interest paid	(1,097.03)	(1,421.49)
Net Cash flow from Financing Activities	2,104.23	8,706.81
Net Increase/(Decrease) in cash and cash equivalents	(11.94)	14.25
Cash and cash equivalents as at beginning of year	17.49	3.24
Cash and cash equivalents as at year end	5.56	17.49
Components of Cash and cash equivalents:		
Balances with banks on current accounts	5.56	17.49
Cash and cash equivalents in Cash Flow Statement	5.56	17.49

As per our report of even date

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

For and on behalf of the board of directors of
Speedon Network Limited

per Paul Alvares
Partner
Membership Number: 105754

S Anand
Whole time Director
DIN: 07081405

Anupam Jindal
Director
DIN: 03040078

Place: Pune
Date: May 15, 2015

Place: Mumbai
Date: May 15, 2015

Place: Mumbai
Date: May 15, 2015

NOTE 1. CORPORATE INFORMATION

Speedon Network Limited (erstwhile known as Sterlite Networks Limited) (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a wholly owned subsidiary of Sterlite Technologies Limited. The business of the Company is to lay telecom network i.e., to deploy active and passive equipments of last mile and backhaul telecom infrastructure (wire-line) aimed at facilitating the delivery of Voice, Video, Text, Data Services and other related telecom and media services by various service providers to business and households on payment basis.

NOTE 2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 2.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Fixed assets, are stated at cost (net of cenvat), net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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.

Gains or losses arising from derecognition of fixed assets 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 and loss when the asset is derecognised.

(c) Depreciation on tangible fixed assets

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

During the year, the Company has re-assessed the useful lives of certain assets mainly optical fibre cables and active network components to bring those in line with the relevant industry norms. As a result, the depreciation charge for the year ended March 31, 2015 is lower by Rs. 3.07 crores.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Tangible assets	Useful lives estimated by the management (years)	Useful lives as per Schedule II of Companies Act, 2013 (years)
Plant and machinery	1-18 *	Plant and machinery other than continuous process plant - 15 years and for continuous process plant - 25 years
Optical fibre cable (included in Plant and machinery)	18	18
Furniture and fixtures	5 *	10
Office equipment	6 *	5
Data processing equipments	4-6 *	Servers and networks 6 years and desktops and laptops 3 years
Electrical fittings	5 *	10

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

Cost of leasehold improvement is amortised over the estimated useful life or the period of lease whichever is less, on a straight line basis.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Duct taken on Indefeasible Right of Use (IRU) is amortized over the agreement period on a straight line basis.

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortized over the period of the consent/permission on a straight line basis.

Software/ Licences are amortised on a straight line basis over a period of 5 years. Intangible assets not yet available for use and intangible assets amortised over a period exceeding 10 years from the date they are available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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 and loss when the asset is derecognised.

(e) Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 respective asset. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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 company 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 statement of profit and loss.

(h) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(i) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Revenue from one time charges billed to service providers is recognized over the related estimated customer relationship period.

Amount received as one-time cost from developers towards setting up of telecom infrastructure in their premises is recognized as revenue over the period of the agreement with the developers.

Unbilled revenue represents revenue recognized from the bill cycle date to the end of the reporting period. It is billed in subsequent periods as per the agreed terms of billing.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate

(j) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of point 2 above, the company treats a foreign monetary item as “long-term foreign currency monetary item”, if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(k) Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The Company recognises contribution payable to provident fund and superannuation fund as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund.

The company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The company 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 company treats accumulated leave expected to be carried forward beyond twelve months, as 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 as at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(l) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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 tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

(m) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

(q) Measurement of EBITDA

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

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
Notes to financial statements for the year ended 31 March 2015

NOTE 3: SHARE CAPITAL

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Authorised shares 5,000,000 (31 March 2014: 5,000,000) Equity Shares of Rs. 10 each	500.00	500.00
Issued, Subscribed and fully paid-up shares 1,550,000 (31 March 2014: 1,550,000) Equity Shares of Rs. 10 each fully paid - up	155.00	155.00
TOTAL	155.00	155.00

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

	31 March 2015		31 March 2014	
	Nos.	(Rs. in Lacs)	Nos.	(Rs. in Lacs)
At the beginning of the period	1,550,000	155.00	50,000.00	5.00
Issued during the period	-	-	1,500,000.00	150.00
Outstanding at the end of the period	1,550,000	155.00	1,550,000	155.00

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.
The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015		31 March 2014	
	No.	% holding	No.	% holding
Sterlite Technologies Limited, Holding Company	1,550,000	100%	1,550,000	100%

d. Details of shareholders holding more than 5% of shares in the company

	31 March 2015		31 March 2014	
	No.	% holding	No.	% holding
Sterlite Technologies Limited, Holding Company	1,550,000	100%	1,550,000	100%

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Securities Premium account		
Balance as per last financial statements	3,595.00	-
Add: Premium on Issue of equity shares during the year	-	3,595.00
Closing Balance	3,595.00	3,595.00
Deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(2,989.57)	(430.95)
Loss for the year	(3,318.22)	(2,558.62)
Net deficit in the Statement of Profit and Loss	(6,307.79)	(2,989.57)
TOTAL	(2,712.79)	605.43

NOTE 5: LONG-TERM BORROWINGS

	Non Current		Current maturities	
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
From Holding Company (Unsecured) #	3,750.00	3,750.00	-	-
Term loan from Bank of India (Secured) *	9,879.70	7,500.00	318.70	-
TOTAL	13,629.70	11,250.00	318.70	-
Amount disclosed under the head "Other current liabilities" (note 10)	-	-	318.70	-
Net amount	13,629.70	11,250.00	-	-

The company has obtained unsecured borrowing from holding company which carries interest at 10.5% p.a. The loan including the interest is repayable only after final settlement of term loan obtained from Bank of India.

* The term loan represents Indian rupee term loan of Rs. 10,198.40 lakhs which carries interest at 11.75% p.a obtained from Bank of India. Total amount is repayable in 32 equal quarterly instalments calculated on the basis of 3.125% of term loan (principal amount), immediately after expiry of 3 months from COD (i.e. COD is 31 December 2015 as per agreement) . The loan carries moratorium of two years i.e. till 31 December 2015. The term loan is secured by first charge on all immovable assets both present and future pertaining to project, tangible moveable assets, all accounts of the borrower, that may be opened in accordance with the Transaction Documents, and in all funds from time from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Account and a first charge on the receivables.

The loan is also secured by assignment of all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under all the Project Agreements, duly acknowledged and consented to by the counter parties to the Project Agreements if such Project Agreements requires prior consent of such counter parties before creation of Security Interest as within-mentioned, all as amended, varied or supplemented from time to time; the right, title and interest and benefits of the Borrower in, to and under all the Clearances in the name of the Borrower and pertaining to the Project to the the extent the same are assignable; all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the Project Agreements; and all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under all Insurance Contracts and Insurance Proceeds pertaining to the Project.

Loan is also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity till final settlement date.

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
Notes to financial statements for the year ended 31 March 2015

NOTE 6: DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability

Fixed assets: Impact of difference between tax depreciation and depreciation / amortization for financial reporting
Others

Gross deferred tax liability (A)

Deferred tax assets

On account of losses/unabsorbed depreciation *

Gross deferred tax assets (B)

Net deferred tax liability (A-B)

* In the absence of virtual certainty as required by AS-22 'Accounting for taxes on income', the Company has recognised deferred tax asset on accumulated losses and unabsorbed depreciation only to the extent that it has timing differences on depreciation of fixed assets.

31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
424.19	261.51
-	-
424.19	261.51
424.19	261.51
424.19	261.51
-	-

NOTE 7: OTHER LONG-TERM LIABILITIES

Payables for purchase of fixed assets

Unearned revenue

Interest payable to holding company

TOTAL

31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
437.83	667.16
82.02	93.43
470.61	53.83
990.46	814.42

NOTE 8: PROVISIONS

Provision for employee benefits

Provision for gratuity (note 33)

Provision for leave benefits

TOTAL

Long term		Short-term	
31 March 2015 Rs. in Lacs	31 March 2014 Rs. in Lacs	31 March 2015 Rs. in Lacs	31 March 2014 Rs. in Lacs
44.37	25.55	-	-
-	-	42.29	31.85
44.37	25.55	42.29	31.85

NOTE 9: SHORT-TERM BORROWINGS

Buyer's credit from banks (secured)*

Loan from Holding Company (unsecured)#

TOTAL

31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
489.26	-
398.20	384.60
887.46	384.60

* These are secured by hypothecation of fixed assets, trade receivables and other receivables. Buyer's credit is repaid /rolled over after a period of six months and carry interest @ 0.50-1.50%.

The company has obtained unsecured borrowing from holding company which carries interest at 10.5% p.a.

NOTE 10: OTHER CURRENT LIABILITIES

Trade payables (also refer note 28)

Other liabilities

Current maturities of long-term borrowings (note 5)

Interest accrued but not due on borrowings

Interest accrued and due on borrowings

Retention money

Payables for purchase of fixed assets (also refer note 28)

TDS payable

Unearned revenue

Others

TOTAL

31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
184.27	385.53
318.70	-
0.44	5.32
-	2.33
135.77	135.53
769.64	509.12
15.27	15.71
88.93	93.12
120.81	144.73
1,449.56	905.86
1,633.83	1,291.39

NOTE 11: TANGIBLE AND INTANGIBLE ASSETS

(Rs. in Lacs)

Tangible Assets	Leasehold Improvements	Plant and Machinery	Furniture and Fixtures	Data Processing Equipments	Office Equipments	Electrical Fittings	Total
Gross block at 1 April 2013	33.39	5,015.69	11.93	29.59	3.97	0.53	5,095.10
Additions	0.76	4,823.91	0.67	26.87	19.73	-	4,871.94
Disposals	-	0.96	-	-	-	-	0.96
As at 31 March 2014	34.15	9,838.64	12.60	56.46	23.70	0.53	9,966.08
Additions*	-	3,676.21	0.20	9.60	14.98	-	3,701.01
Disposals	-	2.25	-	-	0.76	-	3.01
As at 31 March 2015	34.15	13,512.60	12.80	66.06	37.92	0.53	13,664.08
Depreciation as at 1 April 2013	4.36	201.39	1.41	4.84	0.80	0.10	212.90
Charge for the year	6.75	867.04	2.42	9.80	3.88	0.11	890.00
Disposals	-	0.09	-	-	-	-	0.09
As at 31 March 2014	11.11	1,068.33	3.83	14.64	4.68	0.21	1,102.81
Charge for the year	6.83	1,092.96	2.35	11.08	6.59	0.11	1,119.91
Disposals	-	0.31	-	-	0.28	-	0.59
As at 31 March 2015	17.94	2,160.98	6.18	25.72	10.99	0.32	2,222.12
Net Block							
At 31 March 2014	23.04	8,770.30	8.77	41.82	19.02	0.32	8,863.27
At 31 March 2015	16.21	11,351.62	6.63	40.34	26.94	0.21	11,441.95

(Rs. in Lacs)

Intangible assets	Software/ Licences	Indefeasible Right of Use	Customer Aquisitions	Total
Gross block at 1 April 2013	184.95	98.36	-	283.31
Additions	119.05	-	-	119.05
Disposals	-	-	-	-
As at 31 March 2014	304.00	98.36	-	402.36
Additions*	36.71	-	90.07	126.78
Disposals	-	-	-	-
As at 31 March 2015	340.71	98.36	90.07	529.14
Depreciation at 1 April 2013	7.04	3.80	-	10.84
Charge for the year	51.45	6.56	-	58.01
Disposals	-	-	-	-
As at 31 March 2014	58.49	10.36	-	68.85
Charge for the year	91.20	5.80	3.19	100.19
Disposals	-	-	-	-
As at 31 March 2015	149.69	16.16	3.19	169.04
Net Block				
At 31 March 2014	245.51	88.00	-	333.51
At 31 March 2015	191.02	82.20	86.88	360.10

* Refer Note 25 for amount of expenses capitalised during the year.

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
Notes to financial statements for the year ended 31 March 2015

NOTE 12: LOANS AND ADVANCES
(Unsecured, considered good)

	Non Current		Current	
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Security deposit	169.83	128.84	-	-
Advances receivable in cash or kind	-	-	4.96	23.82
Advances to related parties (refer note 31)	-	-	13.89	6.52
Other loans and advances				
Advance income taxes, including tax deduction at source [Net of provision Rs. Nil (31 March 2014: Rs. Nil)]	52.75	21.63	-	-
Balances with Central Excise Authorities	663.72	715.43	573.69	407.88
Other advances	-	-	69.46	35.00
TOTAL	716.47	737.06	643.15	442.88
	886.30	865.90	662.00	473.22

NOTE 13: TRADE RECEIVABLES
(Unsecured, considered good)

Current	
31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Outstanding for a period less than six months from the date they are due for payment	126.07
TOTAL	126.07
	298.39

NOTE 14: OTHER ASSETS
(Unsecured, considered good)

	Non Current		Current	
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Unbilled revenue	-	-	117.20	77.68
Ancillary cost of borrowings	41.97	47.44	5.48	5.48
TOTAL	41.97	47.44	122.68	83.16

NOTE 15: CURRENT INVESTMENTS

31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
NIL (31 March 2014: 53,050) units of Reliance liquid fund -Treasury plan-Direct Growth Plan*(Quoted)	1,658.10
TOTAL	1,658.10

* Market value of quoted investment is Nil. (31 March 2014: Rs.1,660.00 lacs)

NOTE 16: CASH AND BANK BALANCES

31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Cash and cash equivalents	
Balances with banks on current accounts	17.49
TOTAL	17.49

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
Notes to financial statements for the year ended 31 March 2015

NOTE 17: REVENUE FROM OPERATIONS

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Sale of Traded goods	-	10.11
Sale of Services	1,369.53	621.08
Revenue from operations (gross)	1,369.53	631.19
Less: Excise duty	-	-
Revenue from operations (net)	1,369.53	631.19
Details of traded goods		
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
OLT configuration equipments	-	10.11
TOTAL	-	10.11
Details of services rendered		
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Provision of telecommunication network	1,351.09	621.08
Provision of internet services	18.44	-
TOTAL	1,369.53	621.08

NOTE 18: OTHER INCOME

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Interest income on bank deposits	-	0.03
Net gain on sale of current investments	70.63	58.10
Interest on income tax refund	0.26	-
Profit on sale of assets, net	0.31	-
Miscellaneous income	-	0.16
TOTAL	71.21	58.29

NOTE 19: EMPLOYEE BENEFITS EXPENSE

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Salaries, wages and bonus	884.28	490.42
Contribution to provident fund and superannuation fund	23.53	13.23
Gratuity expenses (refer note 33)	11.98	1.08
Staff welfare expenses	50.60	32.83
TOTAL	970.39	537.56

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
Notes to financial statements for the year ended 31 March 2015

NOTE 20: OTHER EXPENSES

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Network expenses	319.79	232.17
Annual DOT license fees	66.86	-
Power and fuel	73.63	56.75
Repairs and Maintenance		
- Building	12.41	2.93
- Machinery	-	0.04
Sales promotion and marketing	127.00	140.13
Rent	202.04	123.80
Rates and taxes	23.20	18.62
Insurance	29.77	7.07
Travelling and conveyance	106.36	42.43
Legal and professional fees	50.83	117.48
Internal audit fees	25.00	20.50
Payment to auditor (refer details below)	9.75	12.00
Bad debts / advances written off	-	0.71
Loss on sale of fixed assets, net	-	0.04
Telephone charges	21.49	14.80
Membership and subscription expenses	4.23	1.05
Office maintenance charges	23.13	14.83
Recruitment charges	14.22	7.43
Miscellaneous expenses	27.13	17.06
TOTAL	1,136.84	829.84

Payment to auditor

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
As auditor:		
Audit fee	7.50	10.50
Tax audit fee	1.00	0.50
In other capacity:		
Other Services (certification fees)	1.25	1.00
TOTAL	9.75	12.00

NOTE 21: DEPRECIATION AND AMORTIZATION EXPENSES

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Depreciation of tangible assets (refer note 11)	1,119.91	890.00
Amortization of intangible assets (refer note 11)	100.19	58.01
TOTAL	1,220.10	948.01

NOTE 22: FINANCE COST

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Interest		
On term loan from bank	956.39	147.32
On other loans from bank	0.44	
On Loan from Holding company	456.09	772.86
Bank charges	11.19	0.58
Amortization of ancillary borrowing costs	5.48	1.83
Exchange difference to the extent considered as an adjustment to borrowing costs	2.04	-
TOTAL	1,431.63	922.59

NOTE 23: EARNINGS PER SHARE

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

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Loss after tax	(3,318.22)	(2,558.62)
Weighted average number of equity shares in calculating basic and diluted EPS	1,550,000	740,411
Earnings Per Share		
Basic and diluted (On Nominal Value of Rs. 10 Per Share) Rupees/share	(214.08)	(345.57)

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
Notes to financial statements for the year ended 31 March 2015

NOTE 24: OPERATING LEASE

The Company has taken central office premises and guest house on operating leases. The lease terms are from 1 year to 15 years and renewable at the option of the Company. Escalation clauses for scheduled rent increases have been imposed by certain lease agreement. Disclosures in respect of operating leases of central office premises and guest house as per the requirement of AS-19 on Leases, are as under:

- (a) Lease payments recognised in the Statement of Profit and Loss for the year is Rs.202.04 Lacs (31 March 2014: Rs. 123.80 Lacs).
- (b) The future minimum lease payments payable over the next one year is Rs. 255.44 Lacs (31 March 2014: Rs. 209.20 Lacs).
- (c) The future minimum lease payments payable later than one year but not later than five year is Rs. 230.72 Lacs (31 March 2014: Rs. 235.73 Lacs).
- (d) The future minimum lease payments payable later than 5 years is Rs. 129.77 Lacs (31 March 2014: 110.86 Lacs)

NOTE 25: CAPITALIZATION OF EXPENDITURE

During the year, the company has capitalised the following expenses to the cost of fixed assets/Capital Work- in-Progress (CWIP), the expenses disclosed under respective notes are net of amounts capitalised by the company.

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Opening balance of expenditure included in CWIP	43.98	53.33
<u>Add: Additions to CWIP during the year</u>		
Rent	16.36	84.62
Employee benefits expense	499.42	940.65
Finance costs	80.45	115.29
Insurance	3.55	13.27
Foreign exchange difference capitalised*	28.76	35.12
Business Support Service	-	4.26
Miscellaneous Expenses	37.11	37.96
	665.65	1,231.17
Less: Transferred to fixed assets during the year	645.55	1,240.52
Closing Balance of Expenditure in CWIP	64.08	43.98

* The Ministry of Corporate Affairs (MCA) issued the amendment dated 29 December 2011 to AS - 11 The Effect of Changes in Foreign Exchange Rate, to allow companies deferral / capitalisation of exchange difference arising on long-term foreign currency monetary items. In accordance with the amendment to AS- 11, the Company has adjusted exchange loss arising on long-term foreign currency loan amounting to Rs. 28.76 lacs (31 March 2014: Rs. 35.12 lacs) to the value of plant and machinery.

NOTE 26: CAPITAL AND OTHER COMMITMENTS

- (a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances) is Rs. 596.70 Lacs (31 March 2014: Rs. 537.26 Lacs)
- (b) The company has entered into master service agreements (MSAs) with internet service providers pursuant to which the company has committed minimum availability of telecom networks over the period of respective MSAs. The MSAs contain provision for disincentives and penalties in case of certain defaults.

NOTE 27: DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

- (a) There were no derivative instruments taken during the year or outstanding at the end of the year.
- (b) Foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Category	Currency type	31 March 2015		31 March 2014	
		Foreign Currency (in Lacs)	Amount in Rs. (in Lacs)	Foreign Currency (in Lacs)	Amount in Rs. (in Lacs)
Import of goods and services, buyers credit, etc.	US \$	22.34	1,398.35	19.11	1,148.37

NOTE 28: DETAIL OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

Description	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	0.59	2.18
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

NOTE 29: VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Capital goods	205.97	681.38
TOTAL	205.97	681.38

NOTE 30: EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Professional fees	-	20.67
Business development fees	-	9.58
TOTAL	-	30.25

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
Notes to financial statements for the year ended 31 March 2015

NOTE 31: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

a Related parties where control exists:

Sterlite Technologies Limited ('STL')	(Immediate holding company)
Twinstar Overseas Limited, Mauritius	(Intermediate holding company)
Volcan Investments Limited, Bahamas	(Ultimate holding company)

b Other related parties with whom transactions have taken place during the year:

Fellow subsidiary

Maharashtra Transmission Communication Infrastructure Limited ('MTCIL')

Key Managerial Persons ('KMPs')

Mr. Vijay Jain (Executive Director) (ceased to be director from 23 December 2014)

Mr. S. Anand (Whole time Director) (appointed w.e.f. 28 January 2015)

B Transactions with related parties during the year and outstanding balances are as follows:

Particulars	Transactions with STL		Transactions with MTCIL		Transactions with KMPs	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Transactions during the year						
Purchase of fixed assets (inclusive of duties and taxes)	221.48	520.31	-	-	-	-
Issue of shares on conversion of loan taken	-	150.00	-	-	-	-
Securities premium on issue of shares	-	3,595.00	-	-	-	-
Loans taken (principal amount)	13.60	2,628.30	-	-	-	-
Reimbursement of expenses (received or receivable)	74.84	46.14	7.60	6.52	-	-
<u>Sales:</u>						
(a) Sales of traded goods		10.11	-	-	-	-
(b) Services provided	1,295.34	659.86	-	-	-	-
(c) Unbilled revenue	117.20	77.68	-	-	-	-
<u>Remuneration paid to KMPs</u>						
Mr. Vijay Jain	-	-	-	-	106.44	117.66
Mr. S Anand	-	-	-	-	8.18	-
Interest on loans taken	457.18	885.00	-	-	-	-
Closing balances as at year end						
Long term loan taken	3,750.00	3,750.00	-	-	-	-
Short term loan taken	398.20	384.60	-	-	-	-
Amount receivable	115.95	298.39	13.89	6.52	-	-
Interest payable	470.61	59.15	-	-	-	-
Amount payable	26.84	52.99	-	-	-	-

SPEEDON NETWORK LIMITED (Erstwhile 'STERLITE NETWORKS LIMITED')
Notes to financial statements for the year ended 31 March 2015

NOTE 32: SEGMENT REPORTING

Based on guiding principles given in Accounting Standard - 17 on 'Segment Reporting' (AS-17), the activities of the company fall within single business and geographical segment and accordingly, the disclosures of AS-17 have not been separately made.

NOTE 33: GRATUITY

The Company has a defined benefit gratuity plan which is managed by holding company. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in lacs)
Defined benefit obligation at the beginning of the year	25.55	20.73
Current service cost	8.02	8.01
Interest cost	2.41	1.65
Actuarial (gain)/loss	8.38	(4.85)
Benefits paid	-	-
Defined benefit obligation, at the end of the year	44.37	25.55

Details of defined benefit obligation

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Present value of defined benefit obligation	44.37	25.55
Fair value of plan assets	-	-
Plan liability	44.37	25.55

Net employee benefit expense recognised in the Statement of Profit and Loss:

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Current Service cost	8.02	8.01
Interest cost on benefit obligation	2.42	1.65
Net actuarial (gain) / loss recognised	8.38	(4.85)
Expected return on plan assets	-	-
Net benefit expense *	18.82	4.81

* Out of this, amount of Rs. 6.84 lacs (31 March 2014: Rs.3.73 lacs) capitalized during the year. (refer note 25)

Amounts for the current and previous periods are as follows:

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)	31 March 2013 (Rs. in Lacs)
Defined benefit obligation	44.37	25.55	20.73
Plan assets	-	-	-
Surplus / (deficit)	44.37	25.55	20.73
Experience adjustments on plan liabilities	8.38	(4.85)	11.00
Experience adjustments on plan assets	-	-	-

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

Particulars	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Discount rate	7.98%	9.44%
Expected rate of return on plan asset	-	-
Employee turnover	10.00%	2.00%
Expected rate of salary increase	8.00%	5.00%
Actual rate of return on plan asset	-	-

The estimated future salary increase, considered in actuarial valuation, takes into account effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

NOTE 34: ISP BUSINESS

During the year, the Company had obtained Unified License from Department of Telecommunications (DoT) for ISP Category A - All India effective from August 14, 2014. However, the Company decided not to continue the ISP business and hence the License Entry fee of Rs. 30.00 lacs paid in respect of the unified license has been charged off to the statement of profit and loss. The Company has applied to DoT for cancellation of the unified license.

NOTE 35: PREVIOUS YEAR FIGURES

Previous year figures have been regrouped / reclassified where necessary to conform to this year's classification.

As per our report of even date

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

For and on behalf of the board of directors of Speedon Network Limited

per Paul Alvares
Partner
Membership Number: 105754

S Anand
Whole time Director
DIN: 07081405

Anupam Jindal
Director
DIN: 03040078

Place: Pune
Date: May 15, 2015

Place: Mumbai
Date: May 15, 2015

Place: Mumbai
Date: May 15, 2015

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Note	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,228.56	76.28
Reserves and Surplus	4	421.95	357.66
		1,650.50	433.94
Share application money pending allotment	5	-	204.08
Non Current liabilities			
Long-term borrowings	6	670.00	-
Long-term provisions	7	1.92	0.87
		671.92	0.87
Current liabilities			
Trade payables	8	15.21	7.70
Other current liabilities	8	893.87	454.70
Short-term provisions	7	5.24	0.51
		914.31	462.91
TOTAL		3,236.74	1,101.81
ASSETS			
Non-current assets			
Fixed assets			
Intangible assets	9	442.58	468.08
Capital work-in-progress (refer note 18)		2,551.49	532.77
Long-term loans and advances	10	188.77	49.75
Other non-current assets	11	33.40	36.38
		3,216.24	1,086.99
Current assets			
Current investments	12	15.38	-
Cash and bank balances	13	0.94	10.78
Other current assets	11	4.18	4.04
		20.50	14.82
TOTAL		3,236.74	1,101.81

Summary of Significant Accounting Policies

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of
Maharashtra Transmission Communication Infrastructure Limited

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

Omprakash K. Yempal
Chairman
DIN:03477608

K S Rao
Managing Director
DIN:00022533

per Paul Alvares
Partner
Membership Number: 105754

Ravindra D. Chavan
Director
DIN:06537224

Anupam Jindal
Director
DIN:03040078

Khushbu Sanklecha
Company Secretary
Membership Number: A35416

Place: Pune
Date: April 29, 2015

Place: Mumbai
Date: April 29, 2015

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note	1 April 2014 to 31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
Income			
Other income	14	5.98	0.70
Total Income (I)		5.98	0.70
Expenses			
Employee benefits expenses	15	19.06	-
Other expenses	16	16.61	5.41
Total Expenses (II)		35.67	5.41
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(29.70)	(4.71)
Depreciation and amortisation expense	17	25.50	25.50
Finance charges	18	13.63	0.01
Loss before tax		(68.83)	(30.22)
Tax Expense:			
Current tax		-	-
Deferred tax		-	-
Total Tax Expenses		-	-
Loss for the year		(68.83)	(30.22)
Earnings per equity share [nominal value of share Rs. 10]			
Basic and Diluted			
Computed on the basis of loss for the year	19	(2.28)	(56.05)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Paul Alvares
Partner
Membership Number: 105754

Place: Pune
Date: April 29, 2015

For and on behalf of the Board of Directors of
Maharashtra Transmission Communication Infrastructure Limited

Omprakash K. Yempal
Chairman
DIN:03477608

K S Rao
Managing Director
DIN:00022533

Ravindra D. Chavan
Director
DIN:06537224

Anupam Jindal
Director
DIN:03040078

Khushbu Sanklecha
Company Secretary
Membership Number: A35416

Place: Mumbai

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2015

	1 April 2014 to 31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
A. Cash flow from Operating Activities		
Loss for the year	(68.83)	(30.22)
Adjustment for Taxation	-	-
	(68.83)	(30.22)
Adjustments for:		
- Amortization expense	25.50	25.50
- Income from investments	(5.38)	-
- Finance charges	13.63	0.01
	33.75	25.51
Operating profit before working capital changes	(35.08)	(4.71)
Movements in working capital :		
- Increase in long term loans and advances	(139.02)	(49.50)
- Decrease in short term loans and advances	-	4.58
- Increase in long term provisions	1.05	0.87
- Increase in trade payables	7.51	6.84
- Increase in other current liabilities	(1.85)	(108.81)
- Increase in short-term provisions	4.73	0.51
- Increase in other current assets	(0.14)	-
	(127.73)	(145.50)
Change in working capital		
Cash generated from operations	(162.81)	(150.21)
Direct taxes paid	-	-
Net cash used in Operating Activities	(162.81)	(150.21)
B. Cash flow from Investing Activities		
Purchase of fixed assets (including capital work in progress)	(1,553.25)	(45.99)
Net cash used in Investing Activities	(1,553.25)	(45.99)
C. Cash flow from Financing Activities		
Proceeds from term loan	670.00	-
Investments in mutual fund (net)	(15.38)	-
Income from investment in mutual fund	5.38	-
Proceeds from issues of equity shares including securities premium	1,081.31	71.28
Finance charges	(35.09)	(23.01)
Proceeds of share application money pending allotment	-	152.08
Net Cash flow from Financing Activities	1,706.21	200.36
Net Increase in cash and cash equivalents	(9.84)	4.16
Cash and cash equivalents as at the beginning of period	10.78	6.62
Cash and cash equivalent as at the end of the period	0.94	10.78
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Components of Cash and Cash Equivalents:		
Balance with banks on current accounts (refer Note 13)	0.94	10.78
Cash and Cash Equivalent in Cash Flow Statement	0.94	10.78

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: April 29, 2015

For and on behalf of the Board of Directors of Maharashtra Transmission
Communication Infrastructure Limited

Omprakash K. Yempal
Chairman
DIN:03477608

Ravindra D. Chavan
Director
DIN:06537224

Khushbu Sanklecha
Company Secretary
Membership Number: A35416

Place: Mumbai
Date: April 29, 2015

K S Rao
Managing Director
DIN:00022533

Anupam Jindal
Director
DIN:03040078

NOTE 1. CORPORATE INFORMATION

Maharashtra Transmission Communication Infrastructure Limited ('MTCIL' or 'the Company') is a joint venture between Sterlite Technologies Limited ('STL') and Maharashtra State Electricity Transmission Company Limited ('MSETCL'). The Company was incorporated on 9 August 2012. The principal commercial activity of the Company would be making available fibre capacity on lease rental to retail, wholesale and enterprise/corporate customers, drawn from Optical Power Ground Wire (OPGW) network.

NOTE 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 2.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Difference between the actual result and estimates are recognised in the year in which the results are known / materialised. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(b) Tangible fixed assets

Fixed assets, are stated at cost (net of cenvat), net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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.

Gains or losses arising from derecognition of fixed assets 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 and loss when the asset is derecognised.

(c) Depreciation on tangible fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed the depreciation rates for fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The application of Schedule II doesnot have any impact on the financial statements since there are no tangible assets capitalised till 31 March 2015.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Right of way (ROW) pertains to the right granted by Maharashtra State Electricity Transmission Company Limited to the Company to establish communication network in the state of Maharashtra. ROW is amortized on a straight line basis over a period of 20 years for which the right has been granted.

Intangible assets not yet available for use and intangible assets amortised over a period exceeding 10 years from the date they are available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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 and loss when the asset is derecognised.

(e) Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 respective asset. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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 company 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 Statement of Profit and Loss.

(h) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured.

(i) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(j) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against

which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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 tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

(k) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(l) Provisions

A provision is recognised when the company has a present obligation as a result of 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. Provisions are not

discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

(m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an

outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot

be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(n) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

(o) Measurement of EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the

statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortisation expense, finance costs and tax expense.

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 3: SHARE CAPITAL

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Authorised shares 100,000,000 (31 March 2014: 100,000,000) Equity Shares of Rs. 10 each	<u>10,000.00</u>	<u>10,000.00</u>
Issued, Subscribed and fully paid-up shares 12,285,559 (31 March 2014: 762,788) Equity Shares of Rs. 10 each fully paid - up	<u>1,228.56</u>	<u>76.28</u>
TOTAL	<u>1,228.56</u>	<u>76.28</u>

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

	31 March 2015		31 March 2014	
	Nos	Rs. in Lacs	Nos.	Rs. in Lacs
At the beginning of the period	762,788	76.28	50,000	5.00
Issued during the period	11,522,771	1,152.28	712,788	71.28
Outstanding at the end of the period	12,285,559	1,228.56	762,788	76.28

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

A Shareholders' agreement is being executed between STL and MSETCL which provides that capital structure ratio between MSETCL and STL would be 51:49. The composition of MSETCL share would be 24.5% in Equity shares and 24.5% in non-cumulative redeemable preference shares whereas STL's contribution would be 51% in equity only. Because of the above, the effective equity shareholding ratio would be 67.55% and 32.45%. Out of the equity shareholding of 32.45% of MSETCL, 5.96% of equity shares in the Company shall be allotted to it for consideration other than cash (cashless component).

MSETCL shall also be allotted non-cumulative redeemable preference shares of Rs. 13.475 Crs carrying a preference dividend of 15% p.a. Out of these preference shares to be allotted, preference shares of Rs. 2.475 Crs shall be allotted for consideration other than cash (cashless component).

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015			31 March 2014		
	Nos.	Rs. in Lacs	% holding	Nos.	Rs. in Lacs	% holding
Sterlite Technologies Limited (holding company)	8,824,838	882.48	71.83%	389,022	38.90	51.00%

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

	31 March 2015			31 March 2014		
	Nos.	Rs. in Lacs	% holding	Nos.	Rs. in Lacs	% holding
1. Sterlite Technologies Limited	8,824,838	882.48	71.83%	389,022	38.90	51.00%
2. Maharashtra State Electricity Transmission Co. Ltd	3,460,721	346.07	28.17%	373,766	37.38	49.00%
TOTAL	12,285,559	1,228.56	100.00%	762,788	76.28	100.00%

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Capital Reserve*	510.00	510.00
Securities Premium account		
Balance as per last financial statements	-	-
Add: Premium on issue of equity shares	<u>133.11</u>	<u>-</u>
Closing Balance	<u>133.11</u>	<u>-</u>
Deficit in the Statement of Profit and Loss		
Balance as per last financial statements	(152.34)	(122.12)
Loss for the year	<u>(68.83)</u>	<u>(30.21)</u>
Net deficit in the Statement of Profit and Loss	<u>(221.16)</u>	<u>(152.34)</u>
Total reserves and surplus	<u>421.95</u>	<u>357.66</u>

* STL (holding company) had paid an amount of Rs.510 lacs to MSETCL in respect of the Right of Way (ROW) granted by MSETCL to the Company for a period of 20 years to establish communication network in the state of Maharashtra which has been accounted for as Capital contribution from the holding company (also refer Note 9)

NOTE 5: SHARE APPLICATION MONEY PENDING ALLOTMENT

During financial year 2013-14, the company had received an amount of Rs. 104.08 lacs and Rs. 100.00 lacs from STL and MSETCL respectively. The share application money has been used for issuance of 1,040,816 equity shares to STL and 1,000,000 equity shares to MSETCL at face value Rs. 10 per equity share. As at 31 March 2014, the company had sufficient authorised capital to cover resultant issue of equity shares from share application money pending allotment outstanding in the books of account of the company as at the said date.

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 6: LONG-TERM BORROWINGS

	Non - current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Term loan (secured) from Bank of India	670.00	-	-	-
	670.00	-	-	-

During the financial year, the company has obtained Indian rupee term loan amounting to Rs. 670.00 lakhs which carries interest at base rate plus 1.50% p.a from Bank of India. Total amount is repayable in 32 equal quarterly instalments calculated on the basis of 3.125% of term loan (principal amount) immediately after expiry of 6 months from the date of COD (i.e. 31 December 2015).

The loan is secured by the charge on entire network of OPGW telecom network facility running along the MSETCL's 2,801 kms of transmission network, including but not limited to right of way, equipment, stocks and optical fibre cables, whether installed or lying loose or at site or in transit or acquired, relating to the project or which may at any time during the continuance of the term loan facility, being installed or lying loose or in case being in or upon the borrower's premises in the state of Maharashtra, excluding machinery or equipment owned by the Company's contractor.

All the present and future book debts, outstanding, money receivables, claims, bills which are now due and owing or which may any time hereafter during continuance of this term loan facility and owing to the company in course of its business by any person, firm, company or body corporate or by any central or state government or any government body or authority or local authority. All insurance contracts/ proceeds relating to or pertaining to the project and aforementioned project assets.

NOTE 7: PROVISIONS

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Provision for employee benefits				
Provision for gratuity (refer Note 24)	1.92	0.87	-	-
Provision for leave benefit	-	-	5.24	0.51
TOTAL	1.92	0.87	5.24	0.51

NOTE 8: OTHER CURRENT LIABILITIES

	31 March 2015	31 March 2014
	(Rs. in Lacs)	(Rs. in Lacs)
Trade payables#	15.21	7.70
Other liabilities		
Payables for purchase of fixed assets#	888.12	447.09
Payable to STL	0.73	6.17
Payable to MSETCL	-	0.00
TDS payable	2.89	0.40
Others	2.13	1.03
	893.87	454.70
TOTAL	909.07	462.40

* Amount below Rs. 0.01 lacs

The company has not received any intimation from its suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid / payable as required under the said act have not been given.

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 9: FIXED ASSETS

Intangible Assets

(Rs. in Lacs)

Particulars	Right of Way (RoW) *	
	31 March 2015	31 March 2014
Gross block		
Opening balance	510.00	510.00
Additions	-	-
Disposals	-	-
Closing balance	510.00	510.00
Amortisation		
Opening balance	41.92	16.42
Charge for the year	25.50	25.50
Disposals	-	-
Closing balance	67.42	41.92
Net Block		
As at year end	442.58	468.08

* The Right of Way (RoW) pertains to the right granted by MSETCL to the Company for a period of 20 years to establish communication network in the state of Maharashtra. (Also refer Note 4)

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 10 : LOANS AND ADVANCES
(Unsecured, considered good)

	Non-current		Current	
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Security deposit	0.25	0.25	-	-
Advances receivable in cash or kind	-	0.18	-	-
Balances with central excise authorities	188.52	49.32	-	-
TOTAL	188.77	49.75	-	-

NOTE 11: OTHER ASSETS

	Non-current		Current	
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Ancilliary cost of arranging the borrowings	33.40	36.38	4.18	4.04
TOTAL	33.40	36.38	4.18	4.04

NOTE 12: CURRENT INVESTMENTS

	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Other than Trade investments (Quoted) (valued at lower of cost and fair value)		
461.887 (31 March 2014: Nil) units of Reliance liquid fund treasury plan	15.38	-
	15.38	-
Market value of investment: Rs. 15.49 lacs (31 March 2014: Nil)		

NOTE 13: CASH AND BANK BALANCES

	Current	
	31 March 2015 (Rs. in Lacs)	31 March 2014 (Rs. in Lacs)
Balance with banks on current accounts	0.94	10.78
TOTAL	0.94	10.78

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 14: OTHER INCOME

	1 April 2014 to 31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
Net gain on sale of current investments	5.38	-
Miscellaneous income	0.60	0.70
TOTAL	5.98	0.70

NOTE 15: EMPLOYEE BENEFIT EXPENSES

	1 April 2014 to 31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
Salaries, wages and bonus	17.88	-
Contribution to provident fund and superannuation fund	0.64	-
Gratuity expenses (refer Note 24)	0.25	-
Staff welfare expenses	0.29	-
TOTAL	19.06	-

NOTE 16: OTHER EXPENSES

	1 April 2014 to 31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
Telephone expense	1.34	-
Sales promotion	0.14	0.64
Rent	5.02	-
Rates and taxes	1.41	0.22
Travelling and conveyance	0.43	0.10
Legal and professional fees	4.59	2.17
Payment to auditor (refer details below)	1.75	1.00
Advertisement for tender	1.10	1.10
Miscellaneous expenses	0.83	0.16
TOTAL	16.61	5.41
As auditor:		
Audit fee	1.50	1.00
In other capacity :		
Other services (certification fees)	0.25	-
Total	1.75	1.00

NOTE 17: DEPRECIATION AND AMORTIZATION EXPENSE

	1 April 2014 to 31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
Amortization of intangible assets (refer Note 9)	25.50	25.50
TOTAL	25.50	25.50

NOTE 18: FINANCE COST

	1 April 2014 to 31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
Interest		
- On fixed loans	9.55	-
- Others	0.12	-
Bank charges	0.02	0.01
Amortization of ancillary borrowing costs	3.94	-
TOTAL	13.63	0.01

NOTE 19: EARNINGS PER SHARE

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

	31 March 2015 (Rs. in Lacs)	April 2013 to 31 March 2014 (Rs. in Lacs)
Total operations for the year		
Loss after tax	(68.83)	(30.22)
Weighted average number of equity shares in calculating basic EPS (A)	3,013,665	53,906
Share application money pending allotment (B)	-	407,436
Weighted average number of equity shares in calculating diluted EPS (A+B)	3,013,665	461,342
Earnings/ (loss) Per Share (Weighted Average)		
Basic (On nominal value of Rs. 10 per share)	(2.28)	(56.05)
Diluted (On nominal value of Rs. 10 per share) *	(2.28)	(56.05)

* Since the loss per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted loss per share are the same.

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 20: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

a Related parties where control exists:

Sterlite Technologies Limited (STL)	Immediate Holding Company
Twinstar Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company
Maharashtra State Electricity Transmission Co. Ltd (MSETCL)	JV partner

b Other related parties with whom transactions have taken place during the year

Speedon Network Limited (SNL) (Erstwhile 'Sterlite Networks Limited')	Fellow subsidiary
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Particulars	31 March 2015			(Rs. in Lacs) 31 March 2014		
	STL	MSETCL	SNL	STL	MSETCL	SNL
<u>Transactions during the period</u>						
Issue of equity shares	843.58	308.70	-	36.35	34.93	-
Securities premium on issue of equity shares	133.11	-	-	-	-	-
Purchase of fixed assets*	1,927.42	-	-	447.09	-	-
Share Application Money Received	-	-	-	52.08	100.00	-
Short term loan converted into share application money	-	-	-	52.00	-	-
Reimbursement of expenses paid or payable	-	-	7.60	-	-	6.52
Loans & Advances Received	-	-	-	0.12	-	-
<u>Closing balances as on 31 March 2015</u>						
Other payables	0.73	-	13.89	6.17	0.00 #	6.52
Share application money pending allotment	-	-	-	104.08	100.00	-

* Purchases have been made from Consortium with KEC International Ltd as the lead partner and Sterlite Technologies Ltd. as the consortium member. As at the year end, an amount of Rs. 888.12 lacs (31 March 2014: Rs. 447.09 lacs) in respect of the purchases made is payable to KEC International Ltd as lead partner of the consortium.

Amount below Rs. 0.01 lacs

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2015

NOTE 21 : CAPITALIZATION OF EXPENDITURE

The expenditure incidental to the setting of the project is treated as pre-operative expenditure and included in Capital Work in Progress which will be apportioned to the assets on completion of the project and commencement of commercial operations.

Details of pre-operative expenses included in capital work in progress are as follows:

EXPENSE HEADS	31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
Opening balance of expenditure included in CWIP	125.40	39.68
Salaries	71.12	74.17
Other expenses	6.76	11.55
Finance cost	24.45	-
	102.32	85.72
Less: Transferred to fixed assets during the year	-	-
Closing balance of expenditure in CWIP	227.72	125.40

NOTE 22: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) is Rs. 3818.40 Lacs (31 March 2014: Nil)

NOTE 23 : EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	31 March 2015 (Rs. in Lacs)	1 April 2013 to 31 March 2014 (Rs. in Lacs)
Travelling and conveyance	-	0.29
TOTAL	-	0.29

NOTE 24 : GRATUITY

The Company has a defined benefit gratuity plan which is managed by Sterlite Technologies Limited (Holding company). 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. The actuarial valuation for gratuity payable is carried out and amounts are allocated to the company on a systematic basis.

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

Particulars	31 March 2015	31 March 2014
Discount rate	7.98%	9.44%
Expected rate of return on plan asset	-	-
Employee turnover	10.00%	2.00%
Expected rate of salary increase	8.00%	5.00%
Actual rate of return on plan asset	-	-

NOTE 25 : SEGMENT DISCLOSURES

The Company's primary business segment comprises of establishing communication network in the state of Maharashtra, India. Based on the guiding principles given in Accounting Standard - 17 (AS-17) "Segment Reporting", this activity falls within a single primary business and geographical segment and accordingly the disclosures of AS-17 have not separately been given.

NOTE 26: PREVIOUS YEAR FIGURES

Previous year figures have been regrouped / reclassified where necessary to conform to this year's classification.

As per our report of even date

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

per Paul Alvares
Partner
Membership Number : 105754

Place: Pune
Date: April 29, 2015

**For and on behalf of the Board of Directors of Maharashtra
Transmission Communication Infrastructure Limited**

Omprakash K. Yempal
Chairman
DIN:03477608

Ravindra D. Chavan
Director
DIN:06537224

Khushbu Sanklecha
Company Secretary
Membership Number: A35416

Place: Mumbai
Date: April 29, 2015

K S Rao
Managing Director
DIN:00022533

Anupam Jindal
Director
DIN:03040078

STERLITE POWER TECHNOLOGIES PRIVATE LIMITED**BALANCE SHEET AS AT 31 MARCH 2015**

(All amounts in Rupees unless otherwise stated)

	Note	31 March 2015 (Rupees)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	100,000
Reserves and surplus	4	(112,360)
		(12,360)
Current liabilities		
Other current liabilities	5	112,360
TOTAL		100,000
ASSETS		
Current assets		
Cash and bank balances	6	100,000
TOTAL		100,000
Summary of significant accounting policies	2.1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & Co LLP

Firm Registration No. 324982E

Chartered Accountants

For and on behalf of the board of directors of Sterlite Power Technology Private Limited

per Paul Alvares

Partner

Membership Number : 105754

Pravin Agarwal

Director

DIN Number : 00022096

Ankit Agarwal

Director

DIN Number : 03344202

Place : Pune

Date : 30 September 2015

Place : Pune

Date : 30 September 2015

Place : Pune

Date : 30 September 2015

STERLITE POWER TECHNOLOGIES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2015

(All amounts in Rupees unless otherwise stated)

	Note	30 October 2014 to 31 March 2015 (Rupees)
INCOME		
Income		-
EXPENSES		
Other expenses	7	112,360
Total expenses		112,360
Loss before tax		(112,360)
Tax expense		-
Loss for the period		(112,360)
Earnings per equity share	8	
[Nominal value of shares Rs. 10]		
Basic and Diluted		
Computed on the basis of loss for the period		(11.24)
Summary of significant accounting policies	2.1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & Co LLP

Firm Registration No. 324982E
Chartered Accountants

For and on behalf of the board of directors of Sterlite Power Technology Private Limited

per Paul Alvares

Partner
Membership Number : 105754

Pravin Agarwal

Director
DIN Number : 00022096

Ankit Agarwal

Director
DIN Number : 03344202

Place : Pune

Date : 30 September 2015

Place : Pune

Date : 30 September 2015

Place : Pune

Date : 30 September 2015

STERLITE POWER TECHNOLOGIES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015

	30 October 2014 to 31 March 2015 (Rupees)
A. Cash flow from operating activities	
Loss before tax	(112,360)
Operating loss before working capital changes	(112,360)
Movements in working capital :	
- Increase in other current liabilities	112,360
Change in working capital	112,360
Net cash flow from operating activities	-
B. Cash flow from investing activities	-
C. Cash flow from financing activities	
Proceeds of issue of equity shares	100,000
Net cash flow from financing activities	100,000
Net increase in cash and cash equivalents (A + B + C)	100,000
Cash and cash equivalents as at beginning of period	-
Cash and cash equivalents as at end of the period	100,000

Components of cash and cash equivalents:

	31 March 2015 (Rupees)
Balances with banks:	
On current accounts	100,000
Cash and cash equivalent in cash flow statement (Note 6)	100,000

Summary of significant accounting policies

2.1

As per our report of even date

For S R B C & Co LLP

Firm Registration No. 324982E
Chartered Accountants

For and on behalf of the board of directors of Sterlite Power Technology Private Limited

per Paul Alvares

Partner
Membership Number : 105754

Pravin Agarwal

Director
DIN Number : 00022096

Ankit Agarwal

Director
DIN Number : 03344202

Place : Pune

Date : 30 September 2015

Place : Pune

Date : 30 September 2015

Place : Pune

Date : 30 September 2015

STERLITE POWER TECHNOLOGIES PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2015

NOTE 1. CORPORATE INFORMATION

Sterlite Power Technologies Private Limited (the Company) is a private company domiciled in India incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 30 Octo

NOTE 2. BASIS OF PREPARATION

accounting principles in India (Indian GAAP). The Company has prepared these financial statement comply in all material respects with the accounting standards notified under section 133 of the Companies 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

NOTE 2.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to n judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although tl estimates are based on the management's best knowledge of current events and actions, uncertainty al these assumptions and estimates could result in the outcomes requiring a material adjustment to the carr

(b) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

deductible timing differences only to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future tax profits.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred tax liabilities relate to the same tax authority.

(c) Earning Per Share

shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted to reflect the effect of the exercise of all dilutive potential equity shares.

(d) Provisions

that an outflow of resources embodying economic benefits will be required to settle the obligation at the reporting date, a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

(e) Contingent liabilities

the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company, a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash at bank and in hand short-term investments with an original maturity of three months or less.

NOTE 3: SHARE CAPITAL

	31 March 2015
	(Rupees)
Authorised shares	
10,000 equity shares of Rs. 10 each.	100,000
Issued, subscribed and fully paid-up shares	
10,000 equity shares of Rs. 10 each fully paid - up.	100,000
Total issued, subscribed and fully paid-up share capital	100,000

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

	31 March 2015	
	No's	(Rupees)
At the beginning of the period	-	-
Issued during the period	10,000	100,000
Outstanding at the end of the period	10,000	100,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015	
	No's	% holding
Sterlite Technologies Limited (Immediate holding company)	10,000	100%

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

	31 March 2015	
	No's	% holding
Sterlite Technologies Limited (Immediate holding company)	10,000	100%

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015
	(Rupees)
Deficit in the statement of profit and loss	
Balance as per last financial statements	-
Loss for the period	(112,360)
Net deficit in the statement of profit and loss	(112,360)
Total	(112,360)

NOTE 5: OTHER CURRENT LIABILITIES

	31 March 2015 (Rupees)
Others	
- Audit fees payable	112,360
Total	112,360

NOTE 6: CASH AND BANK BALANCES

	31 March 2015 (Rupees)
Cash and cash equivalents	
Balance with banks:	
On current accounts	100,000
Total	100,000

NOTE 7: OTHER EXPENSES

	30 October 2014 to 31 March 2015 (Rupees)
Payment to auditor (including service tax)	
- Statutory audit fees	112,360
Total	112,360

NOTE 8: EARNINGS PER SHARE

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

	30 October 2014 to 31 March 2015 (Rupees)
Total operations for the period	
Loss after tax for calculating basic and diluted EPS	(112,360)
Weighted average number of equity shares in calculating basic EPS and diluted EPS	10,000
Earnings per share	
Basic and Diluted (on nominal value of Rs. 10 per share) Rupees/share	(11.24)

NOTE 9: RELATED PARTY DISCLOSURES

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

(a) **Related parties where control exists**

Holding company

Sterlite Technologies Limited (Immediate holding company)
Twin Star Overseas Limited, Mauritius (Immediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

STERLITE POWER TECHNOLOGIES PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2015

- (b) Other related parties with whom transactions have taken place during the period
None

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

Particulars	Related Party	30 October 2014 to 31 March 2015 (Rupees)
Allotment of equity shares	Sterlite Technologies Limited (Immediate holding company)	100,000

NOTE 10: SEGMENT INFORMATION

Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), the activities of the Company fall within a single primary business and geographical segment and accordingly the disclosures under AS-17 have not been separately given.

NOTE 11: COMPARATIVE FIGURES

The Company was incorporated on 30 October 2014. Hence the Statement of Profit and Loss and Cash Flow Statement are prepared from 30 October 2014 to 31 March 2015. Since this is the first year of the Company, comparative figures for previous year have not been given.

As per our report of even date

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

For and on behalf of the board of directors of Sterlite Power Technology Private Limited

per Paul Alvares
Partner
Membership Number : 105754

Pravin Agarwal
Director
DIN Number : 00022096

Ankit Agarwal
Director
DIN Number : 03344202

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

TWIN STAR TECHNOLOGIES LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

(All amounts in Rupees unless otherwise stated)

	Note	31 March 2015 (Rupees)
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	3	500,000
Reserves and surplus	4	(112,360)
		<u>387,640</u>
Current liabilities		
Other current liabilities	5	112,360
TOTAL		<u>500,000</u>
ASSETS		
Current assets		
Cash and bank balances	6	500,000
TOTAL		<u>500,000</u>
Summary of significant accounting policies	2.1	

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

As per our report of even date

For S R B C & Co LLP

Firm Registration No. 324982E
Chartered Accountants

For and on behalf of the board of directors of Twin Star Technologies Limited

per Paul Alvares

Partner
Membership Number : 105754

Pravin Agarwal

Director
DIN Number : 00022096

Anand Agarwal

Director
DIN Number : 00057364

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

TWIN STAR TECHNOLOGIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2015
(All amounts in Rupees unless otherwise stated)

	Note	21 January 2015 to 31 March 2015 (Rupees)
INCOME		
Income		-
EXPENSES		
Other expenses	7	112,360
Total expenses		112,360
Loss before tax		(112,360)
Tax expense		-
Loss for the period		(112,360)
Earnings per equity share	8	
[Nominal value of share Rs. 10]		
Basic and Diluted		
Computed on the basis of loss for the period		(2.25)
Summary of significant accounting policies	2.1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For and on behalf of the board of directors of Twin Star Technologies Limited

per Paul Alvares
Partner
Membership Number : 105754

Pravin Agarwal
Director
DIN Number : 00022096

Anand Agarwal
Director
DIN Number : 00057364

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

TWIN STAR TECHNOLOGIES LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015

	21 January 2015 to 31 March 2015 (Rupees)
A. Cash flow from operating activities	
Loss before tax	(112,360)
Operating loss before working capital changes	(112,360)
Movements in working capital :	
- Increase in other current liabilities	112,360
Change in working capital	112,360
Net cash flow from operating activities	-
B. Cash flow from investing activities	-
C. Cash flow from financing activities	
Proceeds of issue of equity shares	500,000
Net cash flow from financing activities	500,000
Net increase in cash and cash equivalents (A + B + C)	500,000
Cash and cash equivalents as at beginning of period	-
Cash and cash equivalents as at period end	500,000

Components of cash and cash equivalents:

	31 March 2015 (Rupees)
Balances with banks:	
On current accounts	500,000
Cash and cash equivalent in cash flow statement (Note 6)	500,000

Summary of significant accounting policies 2.1

As per our report of even date

For S R B C & Co LLP

Firm Registration No. 324982E
Chartered Accountants

For and on behalf of the board of directors of Twin Star Technologies Limited

per Paul Alvares
Partner
Membership Number : 105754

Pravin Agarwal
Director
DIN Number : 00022096

Anand Agarwal
Director
DIN Number : 00057364

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

TWIN STAR TECHNOLOGIES LIMITED

Notes to financial statements for the period ended 31 March 2015

NOTE 1. CORPORATE INFORMATION

Twin Star Technologies Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 21 January 2015.

NOTE 2. BASIS OF PREPARATION

accounting principles in India (Indian GAAP). The Company has prepared these financial statements in compliance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

NOTE 2.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts.

(b) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

deductible timing differences only to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future tax profits.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred tax liabilities relate to the same tax authority.

(c) Earning Per Share

shareholders by the weighted average number of equity shares outstanding during the 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 and the weighted average number of shares outstanding during the period are adjusted to reflect the dilution of the equity shares.

(d) Provisions

that an outflow of resources embodying economic benefits will be required to settle the obligation at the reporting date, a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

(e) Contingent liabilities

the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company, which, at the reporting date, gives rise to a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there exists a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash at bank and in hand short-term investments with an original maturity of three months or less.

TWIN STAR TECHNOLOGIES LIMITED**Notes to financial statements for the period ended 31 March 2015****NOTE 3: SHARE CAPITAL**

	31 March 2015
	(Rupees)
Authorised shares	
50,000 equity shares of Rs. 10 each.	500,000
Issued, subscribed and fully paid-up shares	
50,000 equity shares of Rs. 10 each fully paid - up.	500,000
Total issued, subscribed and fully paid-up share capital	500,000

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

	31 March 2015	
	No's	(Rupees)
At the beginning of the period	-	-
Issued during the period	50,000	500,000
Outstanding at the end of the period	50,000	500,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

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

c. Shares held by holding company and their subsidiaries/associates:

	31 March 2015	
	No's	% holding
Sterlite Technologies Limited (Immediate holding company)*	50,000	100%

* Also refer Note 11

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

	31 March 2015	
	No's	% holding
Sterlite Technologies Limited (Immediate holding company)	50,000	100%

NOTE 4 : RESERVES AND SURPLUS

	31 March 2015
	(Rupees)
Deficit in the statement of profit and loss	
Balance as per last financial statements	-
Loss for the period	(112,360)
Net deficit in the statement of profit and loss	(112,360)
Total	(112,360)

NOTE 5: OTHER CURRENT LIABILITIES

	31 March 2015
	(Rupees)
Others	
- Audit fees payable	112,360
Total	112,360

NOTE 6: CASH AND BANK BALANCES

	31 March 2015
	(Rupees)
Cash and cash equivalents	
Balance with banks:	
On current accounts	500,000
Total	500,000

NOTE 7: OTHER EXPENSES

	21 January 2015 to
	31 March 2015
	(Rupees)
Payment to auditor (including service tax)	
- Statutory audit fees	112,360
Total	112,360

NOTE 8: EARNINGS PER SHARE

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

	21 January 2015 to
	31 March 2015
	(Rupees)
Total operations for the period	
Loss after tax for calculating basic and diluted EPS	(112,360)
Weighted average number of equity shares in calculating basic EPS and diluted EPS	50,000
Earnings per share	
Basic and Diluted (on nominal value of Rs. 10 per share) Rupees/share	(2.25)

NOTE 9: RELATED PARTY DISCLOSURES

Related party disclosures as required by AS 18, Related Party Disclosures issued by the ICAI and notified under Rules are given below:-

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

(a) Related parties where control exists

Holding company

Sterlite Technologies Limited (Immediate holding company)
Twin Star Overseas Limited, Mauritius (Immediate holding company)
Volcan Investments Limited, Bahamas (Ultimate holding company)

TWIN STAR TECHNOLOGIES LIMITED**Notes to financial statements for the period ended 31 March 2015**

(b) Other related parties with whom transactions have taken place during the period

None

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

Particulars	Related Party	21 January 2015 to 31 March 2015 (Rupees)
Allotment of equity shares	Sterlite Technologies Limited (Immediate holding company)	500,000

NOTE 10: SEGMENT INFORMATION

Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), the activities of the Company fall within a single primary business and geographical segment and accordingly the disclosures under AS-17 have not been separately given.

NOTE 11: OTHER NOTE

Subsequent to year end, entire share capital of the Company held by Sterlite Technologies Limited has been acquired by Twin Star Overseas Limited on July 04, 2015.

NOTE 12: COMPARATIVE FIGURES

The Company was incorporated on 21 January 2015. Hence the Statement of Profit and Loss and Cash Flow Statement are prepared from 21 January 2015 to 31 March 2015. Since this is the first year of the Company, comparative figures for previous year have not been given.

As per our report of even date

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

For and on behalf of the board of directors of Twin Star Technologies Limited

per Paul Alvares
Partner
Membership Number : 105754

Pravin Agarwal
Director
DIN Number : 00022096

Anand Agarwal
Director
DIN Number : 00057364

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015

Place : Pune
Date : 30 September 2015