



YEARS OF INDIGRID



**POWERING
AHEAD**

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FIVE YEARS OF POWERING AHEAD

India's energy needs set to rise

Despite being among the top three power consumers after China and US, electricity consumption in India is only ~23 GJ per capita - lowest amongst the BRICS nations as of 2020. However, India is at the centre of the world energy stage, acting as the main growth driver of the rising energy demand, accounting for 25% of the global growth. As per International Energy Agency (IEA), it is poised to supercede the European Union by becoming the world's third-largest energy consumer, by 2030. The pace of increase in demand witnessed in India is more than that of any other country, and is likely to remain so for the next two decades.

With the subsequent recovery from the Covid-19 led pandemic, India is re-entering a very dynamic period in its energy development. An expanding economy, population, urbanisation and industrialisation will raise India's energy needs by three times the global average. As its GDP expands, IEA sees India's share in global primary energy consumption likely to increase to 9.8% in 2050 from 6.1% in 2021.

Modernising the national transmission grid

Following the Government's mission of 'Power for All' and higher emphasis on green energy power generation, the nation's transmission and distribution network has entered a new phase of growth. Investments worth US\$ 80 Billion

are expected in India's renewable energy sector over the next four years and building and modernising the national transmission grid will be a key propeller of this growth. The Ministry of New and Renewable Energy (MNRE) has set an ambitious target to increase its non-fossil fuel energy capacities to 500GW by 2030 of which major additions will be from solar, followed by wind.

The domestic power transmission segment is expected to attract investments worth ₹ 3.5 Trillion over the next five years, resulting from changing demand patterns, evolution of electric mobility and integration of grid through GNA (General Network Access) mechanism. In line with the shift in policy focus from conventional sources to renewable power sources, the focus of the transmission segment is towards augmenting infrastructure for evacuation of power generated by renewable energy projects, eliminating the regional disparity.

Considering India's geographic spread of renewable rich states on the western and southern coasts, inter-regional transmission capacity for transmitting power from energy surplus states to deficit states, alongside a load balancing capacity would be required. The need for inter-regional grid connectivity will increase, with a rise in demand for power, even in economically poor regions, as India's economy is expected and poised to grow at 7% to 8% per annum in the coming decade. A clear focus on deploying transmission infrastructure in generation-rich regions is imperative for the modernisation of India's electricity network.

IndiGrid's ability to add value

Completing five years as India's first and largest power sector infrastructure investment trust, IndiGrid is poised to tap the growth prospects in the renewable and power transmission sectors. With half-a-decade-long track-record of accretive acquisitions and resilient operations IndiGrid has grown from ₹ 37 Billion to ₹ 211 Billion. IndiGrid's determined and concerted efforts ensured the fulfilment of organisational goals of predictable, sustainable returns. Backed by a strong balance sheet, prudent asset management, operational excellence and AAA-rated cash flows, we have improved our operations while also growing distributions.

IndiGrid plans to accelerate its growth momentum by further developing its portfolio to enhance unitholder returns. Through a planned acquisition pipeline, systematic and gradual diversification strategy and deepening investor base on equity and debt side, IndiGrid is placed in a steadfast position. With revenue-generating assets portfolio and new acquisition pipeline, we remain committed to address the challenge of growing the transmission network in India by offering and leveraging our unique proposition. IndiGrid maintains a continual focus on providing superior risk-adjusted total returns with stable cash yield and growth, moving ahead with the mission to achieve ₹ 300 Billion of assets.

FROM THE CEO'S DESK



Dear Unitholders,

As we celebrate the 5th anniversary of IndiGrid, the underlying theme has been the stable and accretive growth we have delivered to our unitholders. A CAGR growth of ~49% in topline and ~36% in net distributable cash flow is a testament to IndiGrid's commitment to deliver value to its unitholders.

I thank you for your continued support as a unitholder and am happy to report that we have completed another strong and a milestone year in FY2022. Over the last financial year, we reported over 33% YoY growth in Revenue and 40% YoY growth in EBITDA on the back of accretive acquisitions done over the past year and a half and operational discipline across the portfolio. Today, our asset portfolio consists of 40 transmission lines with a total network length of 7,570 circuit kilometres, 11 substations with 13,550 MVA transformation capacity and 100 MW of solar power capacity across 18 states and one Union Territory with an AUM of over ₹ 210 Billion.

During the last financial year, we focused on improving the reliability of our network through various initiatives and maintained a consistent average availability of ~99.6% across our asset portfolio. Technology has played a cognitive and a meaningful intervention and with the successful implementation of our ambitious digital platform [DigiGrid](#) across the asset portfolio and procurement of advanced Emergency Restoration System (ERS), our management and operational philosophy has taken huge strides toward reliability centric approach. As a result of focused approach on making the transmission lines defect free, the organisation reported one of the lowest trips per line at 0.07 in the most recently concluded quarter i.e. Q4 FY2022.

Last few quarters have also been pivotal in our journey of growing as an inclusive and sustainable organization. During the period under review, we have taken significant strides in promoting inclusive safety and health awareness amongst our stakeholders and support adjoining communities ensuring proactive



As we celebrate the 5th year anniversary of IndiGrid this financial year, there is a feeling of pride along with deep rooted gratitude towards our unitholders, employees, regulators and stakeholders. Not only did we wade through the past couple of years during unprecedented global and volatile times, but we have also been able to successfully stay on course to unlock economic value at IndiGrid consistently. We have spent reasonable efforts on aligning the risk adjusted returns at IndiGrid and today, we remain poised for a much more sustainable and responsible growth at IndiGrid, while being a relevant player in the broader energy space.



reporting and closure of any unsafe incidents and ensuring zero injury accidents. IndiGrid, through its comprehensive ESG and ESMS Framework, is fully committed to ensuring responsible growth and making a difference to all its stakeholders and the environment and society at large. This is a step forward in realising our vision of being the most admired yield vehicle in Asia.

Sustainable return is one of the key features of IndiGrid and in accordance with the same [IndiGreen](#) programme was launched this year. As part of this initiative, we planted Miyawaki forests and fruit orchards with >50,000 trees in Q2 FY2022. The produce from this fruit orchard shall be distributed to the local communities near our sites for the life of this orchard. IndiGreen shall remain as a continuous project for us, and we will continue to grow as many trees in the years to come.

The increased focus on training with over 31,200 hours spent over the last financial year on training manhours through a mix of online and offline training initiative called [IndiGrow](#), which was focused at increasing awareness and sensitivity towards safety via increased focus on safety drills and imbibing a zero harm culture at IndiGrid. The training program also aims at skill development, embracing best practices in the industry and improving efficiency and collaboration at work in day to day operations.

At the portfolio level, more and more alignment of our transmission portfolio with renewable generation linked projects, we remain extremely sensitive to provide an end to end sustainable energy delivery solution to our communities at large.

In July 2021, we completed the acquisition of 100% stake in two solar assets with cumulative capacity of 100 MW (AC) from Fotowatio Renewable Ventures at an enterprise value of ~₹ 6.60 Billion. The acquisition of our first solar asset is an important milestone as this marks the first renewable energy acquisition by any InvIT in the country. Additionally, we have successfully bid for a greenfield ISTS transmission project - Kallam transmission project, bid in November 2021, which will be located in the renewable energy corridor in Osmanabad, and key to evacuating renewable energy in the region. We continue to look at futuristic energy solutions and adjacencies to IndiGrid's portfolio like battery storage which will form an important step towards not only providing holistic energy solutions to the nation but also provide them in an environment friendly and sustainable manner.

On the financial front, we have been fortunate in the enhanced trust from our investors and unitholders. In April

2021, we raised ~₹ 12.84 Billion of equity capital by way of a Rights Issue which was subscribed by over 1.25 times for funding acquisitions and creating leverage headroom for growth. Separately, we launched the Public NCD Issue in May 2021 which was subscribed ~25 times by a diversified pool of investors, resulting in triggering of the option to retain oversubscription of Tranche I Issue upto ₹ 9 Billion, aggregating to ₹ 10 Billion in total. The efforts resulted in a reduction of ~55-60 basis points in our average cost of borrowing, which stood at 7.76% at the end of FY2022, as compared to 8.6% at the end of FY2021. The Net Debt/AUM as of March 31, 2022 stood at ~56%, giving ample headroom to fuel the next leg of growth journey.

IndiGrid's strong balance sheet, prudent asset management and operational excellence are underscored during a global crisis like the COVID-19 pandemic. These strengths, combined with AAA-rated cash flows, have allowed us to sustainably maintain operations and generate superior risk-adjusted returns for our investors. This is also evidenced by meeting the increased annual distribution per unit (DPU) guidance in FY2022 of ₹ 12.75 and increasing the FY2023 guidance by ~3.5% to ₹ 13.20. This is the fifth instance of DPU increase by IndiGrid since its listing in as many years. This is also in line with our strategy of providing superior risk-adjusted returns by delivering predictable DPU and growing it by 3-4% year-on-year.

We have been actively engaging with the regulatory bodies and the government since our listing to streamline regulations for deepening markets for InvITs. The key to InvITs success is to ensure that InvITs have access to diverse and low-cost sources of capital. The recent move to allow subscription of debt securities by FPIs will go a long-way in increasing the availability of well-suited capital for the product. On similar lines, the implementation of reduction in trading lot size to 1 unit is a landmark step by SEBI has led to better liquidity and efficient price discovery of InvITs and REITs in India. IRDAI and PFRDA too have recently enabled insurance companies and pension funds to invest in debt securities issued by InvITs and REITs. The guidelines to raise equity funds via preferential and rights issuance have already been notified in the last financial year.

We believe that InvITs are now poised to address long standing development vs ownership conundrum, and providing both the developers and investors an attractive avenue to participate in India's infrastructure growth story. We are also grateful to Ministry of Finance, SEBI and the regulatory bodies for establishing a robust framework for

InvTs and REITs which will be key to fast track growth of Indian infrastructure sector. It syncs perfectly with the ₹ 100 Trillion National Infrastructure Pipeline (NIP) envisaged by the Government of India and the subsequent National Monetization Pipeline (NMP) aimed at generating funds for NIP via monetisation of operating assets. We firmly believe that not only InvTs be key to success of NMP from a private investment perspective but also filling in for the public investment (both centre and state) in the promulgation of NIP.

With the above backdrop, we see sizable growth opportunities for IndiGrid and expect to further ramp-up our AUM to ₹ 300 Billion over the next few years, given the attractive pipeline – both in the transmission and renewable

sectors. We believe that the energy sector in India is at the cusp of a decadal shift given the change in demand patterns with the advent of electric mobility, supportive regulatory push in form of General Network Access (GNA) and technological advancements like battery storage.

In the end, I would like to extend a note of gratitude to our unitholders for their unwavering commitment and association with IndiGrid. We have been able to effectively navigate through the ups and downs of our journey over the last five years, only with your endearing support and honest guidance. We do look forward to deepening these relations, as we embark on the next leg of our growth journey.

I wish you the best of health and hope that you and your family stay safe.

Warm Regards,

Harsh Shah
Chief Executive Officer

InvTs will be instrumental to India's infrastructure growth story. In conjunction with the National Investment Pipeline and the Monetisation Pipeline, IndiGrid remains committed to grow and contribute to the monetization and development of infrastructure pipeline across the nation



CFO'S STATEMENT



We started this journey with a vision to become the most admired yield vehicle in Asia. As IndiGrid completes 5 years of its listing, I can proudly claim that with nearly US\$ 3 Billion of assets present through the length and breadth of India, a most spectacular 5 year financial performance track record and an inaugural ranking in the Leadership category on Corporate Governance, we seem to be on the right track to achieve what we have set ourselves up for.



Dear Unitholders,

Over the past half a decade or so, when India started with InvITs, it seemed very limited as an investment avenue, both in scope and potential, with high minimum subscription sizes, few funding avenues, limited liquidity and low leverage limits. Since then, thanks to the efforts of all stakeholders and in particular, the regulators, we have truly come a long way with InvITs becoming more mainstream encompassing nearly all infrastructure verticals from transmission, roads, renewables, pipelines, telecom towers and optical fiber. InvITs as an asset class now account for more than US\$ 18 Billion of AUM thereby truly reflecting the strength of its core value proposition of enabling diversified ownership of infrastructure assets across both retail and institutional investors managed professionally with the highest standards of Corporate Governance.

The Indian Infrastructure sector in general and Power sector in particular is witnessing an amped up transformation driven by visionary policy initiatives from the Government of India to deal with the needs of a US\$ 5 Trillion economy in the upcoming future. To this end, the Government of India has laid down its National Infrastructure Pipeline (NIP) vision of more than ₹ 100 Trillion worth infrastructure projects with substantial participation from the private sector. Transmission sector alone is expected to witness investments worth ₹ 3.3-3.5 Trillion over the FY2020-25 period. Underpinned by these strong tailwinds, we see sizable growth opportunities for IndiGrid to further ramp-up our AUM in a value accretive manner while ensuring continued stability and predictability in the platform.

Amidst these exciting times, I am greatly honoured and pleased to lead IndiGrid through the next phase of growth and I am confident that the robust framework and talented team we've created over the last 5 years will propel us to even greater heights.

I want to express my deepest gratitude to our Board of Directors, employees, unitholders, regulators and all other stakeholders for your confidence and trust in IndiGrid and look forward to your continued guidance and support as we continue on our growth journey to achieve many more milestones in the coming years.

Yours Truly,

Jyoti Kumar Agarwal
Chief Financial Officer

INDIGRID – INDIA’S FIRST POWER TRANSMISSION YIELD PLATFORM

Backed by KKR, IndiGrid is India’s first power sector Infrastructure Investment Trust (InvIT), formed in 2016 with the goal of democratising ownership of the power infrastructure in India and providing reliable electricity to all. Five years ago, we embarked on this growth journey, built upon solid fundamentals of transparency, governance, and sustainability to provide superior risk-adjusted returns to unitholders by generating predictable, AAA-rated cash flows from our portfolio assets.



Our Key Driver

IndiGrid has been established with an objective of providing predictable returns and growth to the unitholders by transmitting reliable power across India.



Our Vision

To become the most admired yield vehicle in Asia.



Our Mission

- ₹ 300 Billion AUM
- Predictable DPU with growth
- Best-in-class corporate governance

~₹ **211** Billion*

Total Assets Under Management

18 States
1 Union Territory

Presence across India

40 Transmission Lines
~**7,570** cKms

Total Length Network

AAA Rated

Perpetual Ownership#

11 Substations
~**13,550** MVA

Total Transformation Capacity

~**11,500**

Towers

100 MW (AC)

Solar Generation Capacity

>435,000 MT

Steel and Aluminium

~**30** Years

Average Residual Years of
Contract Life

NOTE

*Value of 100% stake of all projects as per independent valuation report as of March 2022

#All projects except JKTPPL are on BOOM model

ENICL has a TSA term of 25 years from the Licence Date IndiGrid Solar Assets have a PPA term of 25 years from the effective date

CELEBRATING 5 YEARS OF INDIGRID JOURNEY

| | | | |
|-----------------------------------|---|---|------------------------------------|
| DISTRIBUTION SINCE LISTING | ~₹ 29.50 Billion Gross Distribution till date | 20 Quarters of consecutive distribution | 3-4% YoY Growth Run-Rate |
|-----------------------------------|---|---|------------------------------------|

| | | | |
|---|--|--|--|
| EQUITY RAISED SINCE INCEPTION: ₹ 66.36 BILLION | ₹ 28.38 Billion IPO Proceeds | ₹ 25.14 Billion Preferential Issue | ₹ 12.84 Billion Rights Issue |
|---|--|--|--|

| | | | |
|-----------------------------|--|----------------------------------|------------------------------|
| TOTAL RETURNS: 108%* | ₹ 58.50/Unit Predictable DPU | ~16% Annualised Return | 0.06 Beta Low Risk |
|-----------------------------|--|----------------------------------|------------------------------|

* Total return is sum of all distributions since listing (Jun'17) and change in price till Mar 31, 2022
Note: Total Distribution refers to gross distributions since listing till Q4 FY22

Total AUM ~₹ 211 Billion

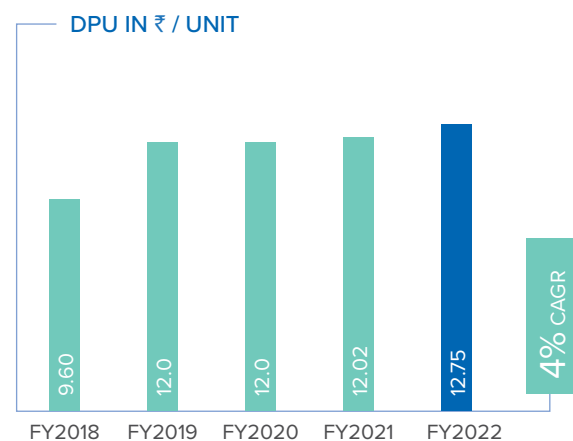
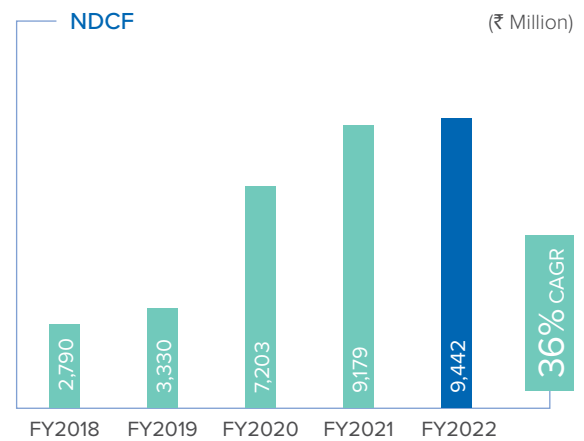
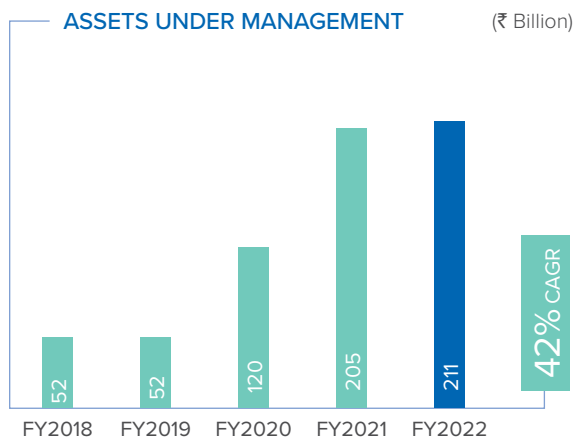
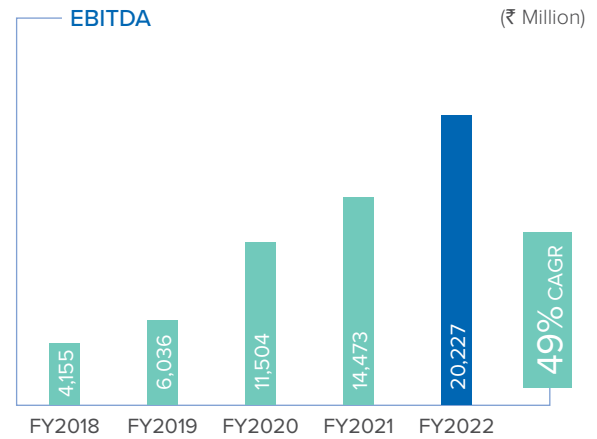
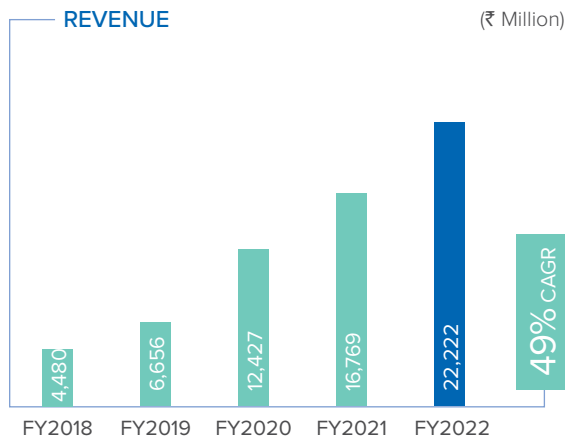
- Initial Asset Portfolio - ₹ 36 Billion
- Acquisitions worth ₹ 175 Billion

Total Equity Raised ₹ 66.36 Billion

- IPO Proceeds - ₹ 28.38 Billion
- Preferential Issue - ₹ 25.14 Billion
- Rights Issue - ₹ 12.84 Billion



TRACK RECORD OF STRONG FUNDAMENTALS



NOTE : NDCF includes reserve created at SPV level



5x INCREASE IN AUM ON ACCOUNT OF ACCRETIVE ACQUISITIONS





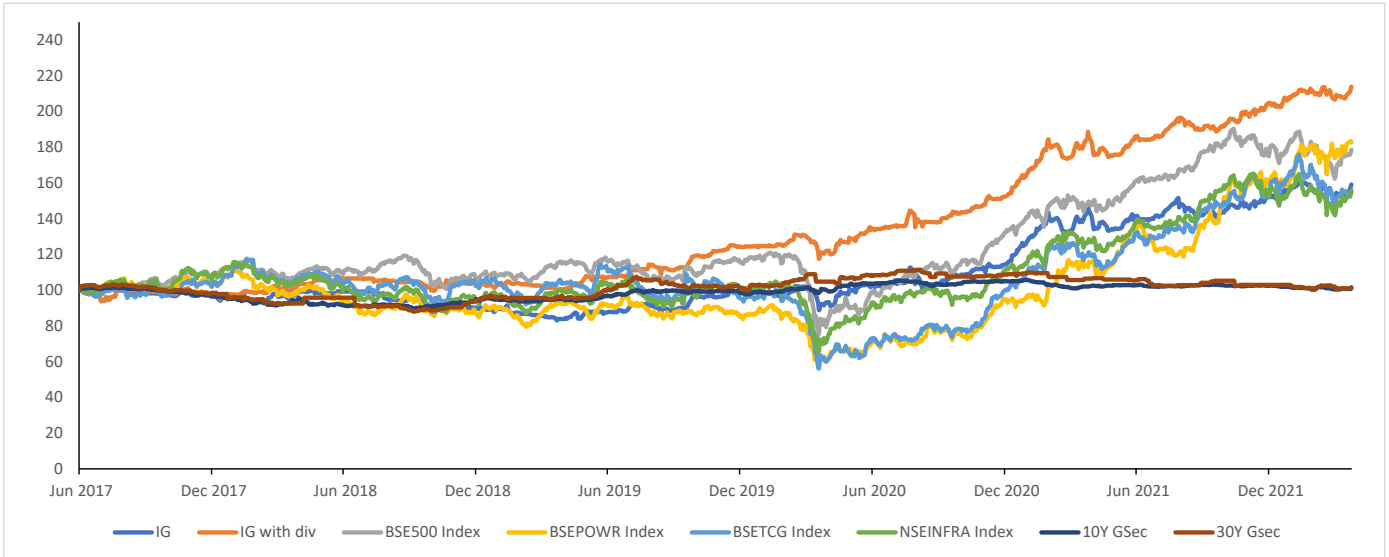
Over the past five eventful years, we have grown from 2 power transmission projects to 14 operational diversified power projects. The sustainable growth has been led by our robust acquisition strategy with thorough due-diligence, systematic diversification and continuous evaluation of acquisition pipeline



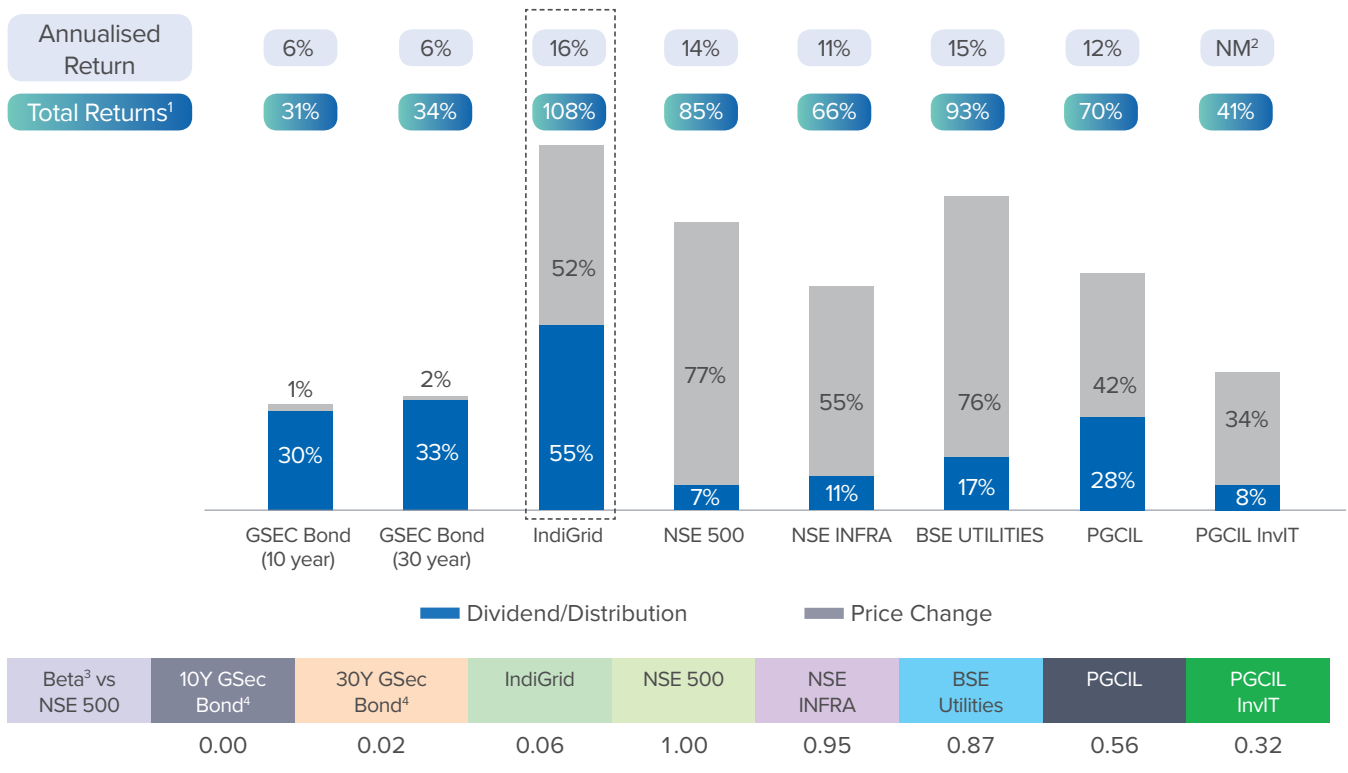
Note: Asset valuation is as of the acquisition date

SUPERIOR RISK-RETURN PROFILE

SUPERIOR RISK-ADJUSTED RETURN



TOTAL RETURNS SINCE IPO



NOTE: Bloomberg
 (1) Total return is sum of all distributions since listing (Jun 6, 2017) and change in price till Mar 31,2022
 (2) Not meaningful given <1 year history
 (3) BETA REFERS TO HISTORICAL RAW BETA CALCULATED ON A WEEKLY BASIS SINCE LISTING OF INDIGRID TO MAR 31,2022
 (4) 10Y GSEC BOND REFERS TO IGB 6.79 15/05/2027 ; 30Y TO IGB 7.06 10/10/46 CORP

MANAGING LIABILITIES PRUDENTLY

AAA

Credit
Rating

>75%

Fixed rate
borrowing

~56%

Net Debt/
AUM

~7.76%

Average
Cost of Debt

70%

Leverage
Cap

LEVERAGE AND BORROWING FRAMEWORK

| AAA RATING | OPTIMISE BORROWING | ASSET-LIABILITY MANAGEMENT |
|---|---|--|
| <ul style="list-style-type: none"> ◦ Leverage cap of 70% ◦ AAA Rating from CRISIL, ICRA, India Ratings | <ul style="list-style-type: none"> ◦ Majority of loans at fixed rate ◦ Diversified sources of borrowing | <ul style="list-style-type: none"> ◦ Focussing on long tenure loans ◦ Well-diversified repayment schedule with no bunching up of repayments |
| LIQUIDITY MANAGEMENT | TRANSPARENCY | POLICY ADVOCACY |
| <ul style="list-style-type: none"> ◦ Maintain a combination of liquid reserve & DSRA ◦ Factoring for working capital management | <ul style="list-style-type: none"> ◦ Unitholders approval for borrowings over 25% of Total Assets ◦ Regular reviews by Investment Committee | <ul style="list-style-type: none"> ◦ FEMA Regulations amended to permit FPIs to invest in debt securities of InvITs and REITs ◦ Insurance companies and NPS schemes enabled to invest in debt securities of InvITs ◦ PFRDA relaxed sponsor rating requirement for investments by NPS schemes into InvIT units ◦ Trading lot size reduced to ONE unit for publicly listed InvITs since Aug'21 |



STRATEGIC ADVANTAGES

Optimal Capital Structure

Availability Based Revenue

Best-in-class Corporate Governance

Minimal Counterparty Risk

Strong Industry Fundamentals

Limited Construction Risk

Sustainable Increase in DPU

ESG Focused Operations

Perpetual Ownership

Robust Asset Pipeline

Experienced Management

Predictable Distribution

ESG AT INDIGRID

Environment

As a responsible organisation, we are continually implementing energy efficiency initiatives. Our constant purpose is to create a balance between operational excellence and environment protection.

Key Focus Area

- Climate Change
- Renewable Energy
- Pollution & Waste
- Bio-diversity



Social

We care about providing a meaningful and engaging operating environment for our employees and stakeholders, and the communities that we operate within, by building a ZERO HARM culture.

Key Focus Area

- Employee Well-being
- Diversity & Inclusion
- Local communities
- Human Rights



Governance

We are committed towards the adoption of best corporate governance practices that goes beyond compliance with the law. We understand the importance of doing business right – each and every day, and conducting ourselves with integrity.

Key Focus Area

- Code of Conduct
- Corporate Behaviour
- Business Ethics



FY2022 AT A GLANCE

100%

Hazardous Waste Disposal Compliance

31,200

Training manhours

~210 Million units

renewable units generated

100%

HSE training

99.52%

Safe manhours

~177,995 tonnes

CO2 avoidance

Note: Solar Assets acquired in July,2021

STAKEHOLDER ENGAGEMENT

At IndiGrid, we remain committed to build constructive relationships with all our stakeholders. Proactively engaging with them enables us to get valuable insights on how we can shape our

business strategy and operations and minimise risks and harm to all parties. We believe in forging long-term relation with stakeholders for collective growth and sustainable future.

ENGAGING WITH OUR STAKEHOLDERS

| STAKEHOLDERS | EFFORTS | IMPACT |
|--------------------------|--|---|
| UNITHOLDERS | <ul style="list-style-type: none"> ○ Organisation website ○ Corporate announcements ○ Annual reports ○ Investor presentations ○ Quarterly and annual calls ○ Unitholder meetings (AGM/EGM) ○ Investor roadshows ○ Communication through newspapers ○ E-Mailers and direct mailers | <ul style="list-style-type: none"> ○ Transparent communication ○ Increased awarenesss about InvITs ○ Increased total return to investors ○ Sustainable growth in distribution |
| EMPLOYEES | <ul style="list-style-type: none"> ○ Flexible Work-Enablement Policy ○ Health & Safety benefits ○ Reward and recognition ○ Talent management ○ Leadership development ○ Employee engagement survey | <ul style="list-style-type: none"> ○ Low attrition rate ○ Growing headcount ○ Positive engagement feedback ○ Diversified and inclusive workforce |
| REGULATORY BODIES | <ul style="list-style-type: none"> ○ Policy advocacy ○ Meetings and industry forums ○ E-mails and digital platforms ○ Compliance reports ○ Regulatory visits | <ul style="list-style-type: none"> ○ Positive regulatory measures like allowing FPIs, insurance companies to invest in debt securities of InvITs, etc. |
| COMMUNITIES | <ul style="list-style-type: none"> ○ CSR initiatives ○ Community support programmes ○ Awareness campaigns ○ Focussed group discussion ○ Local newspaper | <ul style="list-style-type: none"> ○ Harmonious co-existence ○ Limited ROW issues ○ Collective growth |

Employees

During the pandemic, there was an increased focus on overall welfare, well-being, health and safety of the employees. In the face of COVID-19, IndiGrid prioritised people's safety and well-being above all. The biggest challenge that first needed addressing was to ensure the safety of each one of our employees, whether on-the-ground or in remote locations.

Safety: Our Key Priority

With digital readiness, workforce flexibility, transparent and two-way communication, supportive policies and empathy, we ensured that we all stood together in this war. IndiGrid also launched supportive medical packages, vaccination drives and well-being programmes to provide financial assistance to our employees during these tough times. Besides enabling work from home and providing equipment to enable this, we also created a COVID Taskforce for our employees and their families. Participating in comprehensive and multi-dimensional health enhancement programme led our employees to enhance their wellness quotient at the physical, emotional and social level.

Build a transparent and winning culture

A combination of isolation, limited human contact, and fear and anxiety threatened the mental and physical well-being during the pandemic. This underscored the need for a permanent employee support system to care for employee safety, mental health and engagement, and productivity. At IndiGrid, valuing all stakeholders, including employees, regulators, and customers, has been a part of the DNA since our inception. Supportive HR initiatives like Work Enablement Policy, extended insurance and medical claim coverage, vaccination drives, flexible work hours, and other well-being offerings, which helped ease the anxiousness for employees. Weekly townhalls and catch-up sessions were also scheduled to ensure two-way, transparent communication and to instill a sense of collective well being.

AMC Partners & Supply Chain

IndiGrid focussed on reimagining partner management and leveraged our capabilities to adapt to a fast-changing environment. Our dedicated partners, suppliers and vendors worked tirelessly during the challenging time of the pandemic to maintain their supply to our sites across India. Our teams stayed in touch with partner and vendors to allay their fears about the pandemic. With this, we ensured business continuity, addressed critical power needs and also achieved business growth.

Even as power transmission was declared as an “essential service”, there were disruptions in the supply chain as several third-party service providers and vendors faced operational, working capital, and labour issues. While it does not need continuous raw material, but the supply of spare parts for repair is critical. Similarly, the business is significantly dependent on other service providers like tax, valuation, regulatory, diligence. An effective resiliency plan at IndiGrid ensured minimal impact to our overall operations on account of any supply chain issues.

Communities

Continuing our tradition of promoting health and well-being of the communities we operate in, IndiGrid adopted several key measures to fight the pandemic. We continually worked with several NGOs to support affected communities around our locations. We also engaged in supply of daily provisions, masks and other essential items to frontline warriors. Besides, we also engaged in prevention, awareness and sanitisation campaigns and in sensitising local communities regarding the COVID-19 virus.



DELIVERING HOLISTIC PERFORMANCE

FY2022 - Value Accretive Growth

40% YoY

EBITDA Growth

~99.60%

Average availability

0.17

Trips per line

PORTFOLIO GROWTH

- AUM increased to **₹ 211 Billion** post acquisitions
- Acquired solar assets worth **₹ 6.60 Billion** from FRV Holdings
- Acquired its first greenfield transmission project worth **₹ 1.70 Billion** (Kallam transmission)

IMPROVING BALANCE SHEET STRENGTH

- Raised **₹ 12.84 Billion** via Rights Issue (125% subscribed) to maintain a well-capitalised balance sheet and funding future acquisitions
- Raised **₹ 10.00 Billion** via Public NCD Issue (subscribed ~25 times) to diversify sources of debt
- Average cost of borrowing at **7.76%**, with average incremental borrowing rate of 7.31% in FY2022
- Net Debt/AUM at **56%** providing sufficient headroom for growth

RESILIENT ASSET MANAGEMENT

- Average availability maintained at **~99.60%** in FY2022
- Improved reliability through implementation of **DigiGrid** and **Emergency Restoration System**
- Lowest trips per line in FY2022 since inception on the back of preventive maintenance initiatives
- Launched **IndiGreen** program to plant Miyawaki forests and fruit orchards with **>50,000** trees

INDUSTRY STEWARDSHIP

- FEMA Regulations amended to permit **FPIs** to invest in debt securities of InvITs and REITs
- Trading lot size reduced to **ONE** unit for publicly listed InvITs since Aug'21
- **PFRDA** enabled NPS backed pension funds to invest in debt securities of InvITs

GEARING TO MAXIMISE LONG-TERM VALUE CREATION

FY2023 – Key Focus Areas

Superior Returns

Continue to grow total returns to unitholders

Growing DPU

Increase/elongate DPU stream for unitholders

Responsible Growth

Increased focus on ESG

PORTFOLIO GROWTH

- ₹ 400 Billion worth of tenders already notified and ₹ 450 Billion identified under National Monetization Pipeline till FY2025 creating a healthy pipeline for bidding and acquisition respectively
- Focus on acquisition of framework asset Khargone Transmission Limited (KTL), other operational solar and transmission assets
- Evaluate bidding opportunities in power transmission with partners and explore opportunities in adjacent spaces such as utility scale battery storage
- Deliver on increased DPU Guidance of ₹ 13.20 for FY2023

IMPROVING BALANCE SHEET STRENGTH

- Focus on refinancing opportunities with an aim to reduce interest cost and elongate tenures
- Focus on maintaining adequate liquidity to mitigate any uncertainties and unpredictable scenarios

RESILIENT ASSET MANAGEMENT

- Focus on maintaining >99.5% availability across portfolio and maximize incentives
- Self-reliant O&M practices across the portfolio
- Stabilizing DigiGrid across portfolio to improve reliability
- Ensuring world-class EHS and ESG practices across the portfolio

INDUSTRY STEWARDSHIP

- Enabling index inclusion for InvITs/REITs
- Policy initiatives like streamlining tax anomalies and actioning ECB lending
- Focus on increasing awareness about IndiGrid and InvITs

The background of the cover features a landscape with a green field, a small pond, and a line of trees in the distance. Several high-voltage power lines with pylons stretch across the sky from the foreground into the background. A large, semi-transparent blue circle is centered over the image, containing the text 'CORPORATE OVERVIEW' in white, bold, uppercase letters.

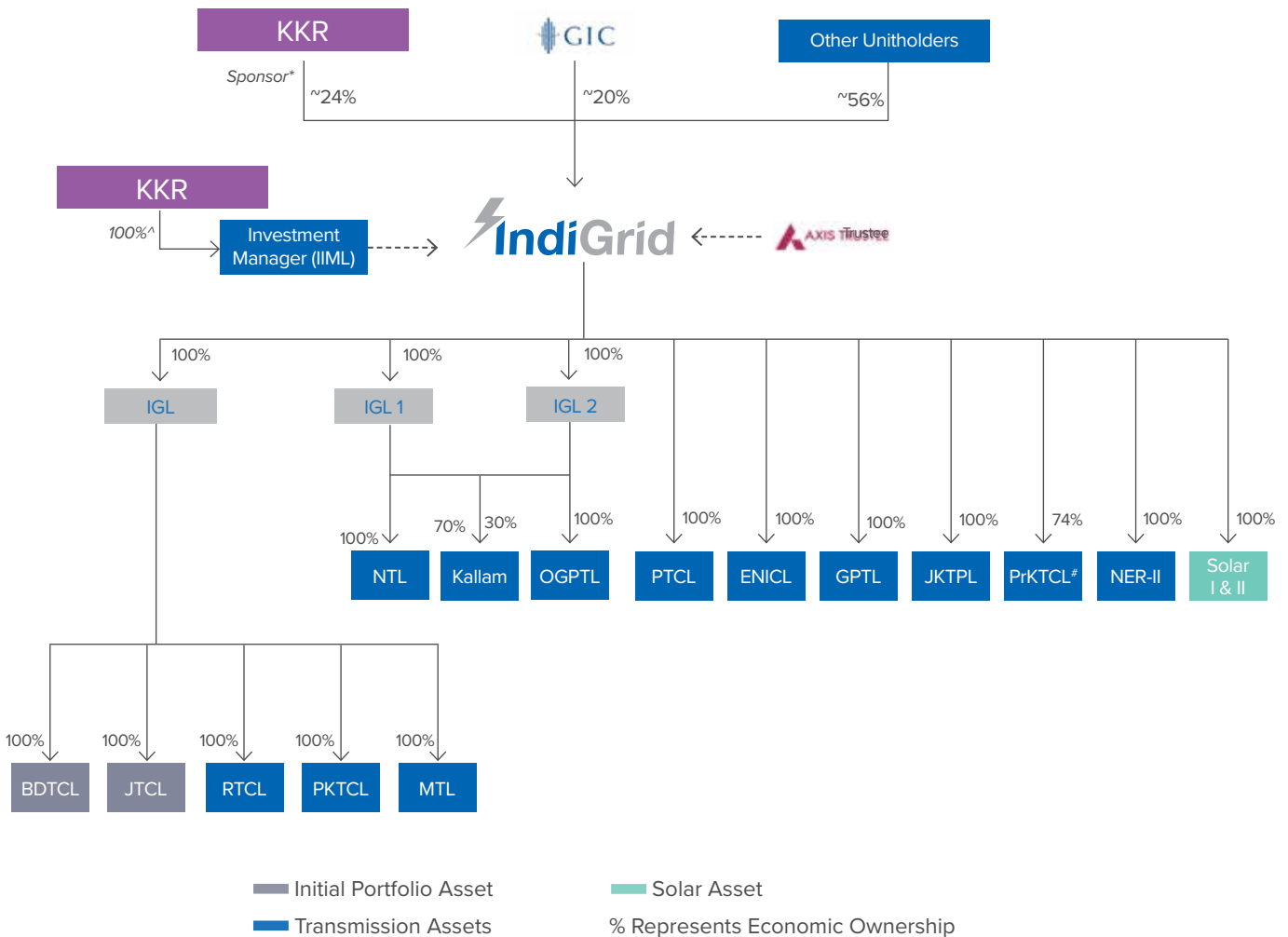
CORPORATE OVERVIEW



ABOUT INDIGRID

IndiGrid was established in 2016 with an objective of providing superior risk-adjusted returns to the unitholders by owning operational power transmission and solar energy assets in India.

INDIGRID'S CORPORATE STRUCTURE



IGL = IndiGrid Limited, IGL1 = IndiGrid 1 Limited, IGL2 = IndiGrid 2 Limited, BDTCL = Bhopal Dhule Transmission Company Limited, JTCL = Jabalpur Transmission Company Limited, RTCL = RAPP Transmission Company Limited, PKTCL = Purulia & Kharagpur Transmission Company Limited, MTL = Maheshwaram Transmission Limited, PTCL = Patran Transmission Company Limited, NTL = NRSS XXIX Transmission Limited, Kallam = Kallam Transmission Limited, OGPTL = Odisha Generation Phase II Transmission Limited, ENICL = East-North Interconnection Company Limited, GPTL = Gurgaon Palwal Transmission Limited, JKTPCL = Jhajjar KT Transco Private Limited, PrKTCL = Parbati Koldam Transmission Company Limited, NER-II = NER II Transmission Limited, Solar I & II = IndiGrid Solar-I (AP) Private Limited and IndiGrid Solar-II (AP) Private Limited

*Sterlite Power Transmission Ltd. is also the sponsor with 0% stake in IndiGrid
 *KKR acquired 26% stake in IIML held earlier by Sterlite Power Transmission Ltd. in Jan 2022

#PrKTCL held in a Joint Venture with Power Grid holding 26% stake

OUR KEY STAKEHOLDERS

Investment Manager

INDIGRID INVESTMENT MANAGERS LTD (IIML)

IndiGrid Investment Managers Limited (IIML) is the Investment Manager for IndiGrid. The Investment Manager is responsible for the operations pertaining to the Trust, such as distribution of cash flows, acquisition/divestment of assets etc.

IIML executed Investment Management Agreement with IndiGrid on November 10, 2016. As per the provisions of the Investment Management Agreement, IIML is empowered to:

- Take all decisions in relation to the management and administration of IndiGrid's assets and the investments of IndiGrid
- Oversee the activities of the Project Manager in terms of the InvIT Regulations and applicable Law
- Issue and allot units, accept subscriptions to units of IndiGrid and issue, transfer units to unitholders or such other persons and undertake all related activities
- Focussed teams engaged in asset management, M&A, capital raising, compliance, engineering and finance & accounting

As on March 31, 2022, KKR owns 100% stake in IIML.

* Independent Director

KKR representative

§ to be replaced by Mr. Jyoti Kumar Agarwal effective July 01, 2022

BOARD OF DIRECTORS

Mr. Tarun Kataria*

Mr. Rahul Asthana*

Mr. Ashok Sethi*

Ms. Jayashree Vaidhyanathan*

Mr. Hardik Shah#

Mr. Harsh Shah§

Ms. Ami Momaya#

Sponsor

1. ESOTERIC II PTE. LTD. (KKR)

Esoteric II Pte. Ltd., an affiliate of KKR, is a sponsor for IndiGrid. In the 3rd Annual General Meeting of IndiGrid held on September 28, 2020, the unitholders approved the induction of Esoteric II Pte. Ltd. as a sponsor (as defined under the InvIT Regulations) by a special majority (> 75% voting). This move marked an extension of IndiGrid's strategic relationship with KKR and is expected to expand IndiGrid's access to long-term capital. KKR's induction has allowed the Trust to leverage KKR's global experience of investment management, along with enhancing its corporate governance standards in line with global standards. KKR had invested ₹ 10.84 Billion in IndiGrid in May 2019 and currently owns an ~24% stake in the platform. Separately, KKR also owns 100% stake in IndiGrid Investment Managers Limited (IIML), the Investment Manager of IndiGrid.

BOARD OF DIRECTORS

Ms. Madhura Narawane

Mr. Tang Jin Rong

KKR – A LEADING GLOBAL INVESTMENT FIRM

- KKR is a leading global investment firm with over 46 years of experience and a strong track record of performance
- It sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds
- It has US\$ 479 Billion of AUM globally (as of March 31, 2022) with offices in 21 cities across 4 continents
- Infrastructure is a core focus for KKR, which has completed ~65 investments and ~US\$ 45 Billion of assets under management
- KKR had established the Asia Pacific Infrastructure team to address the significant and growing infrastructure investment needs across the region

KKR'S STRATEGY TO INVEST IN INDIA

Favourable long-term outlook

- India offers a positive long-term economic outlook given its favourable demographic trends, stable macro-economic indicators and ongoing structural reforms

One of KKR's core markets

- Invested Billions of US dollars in Indian companies across strategies including Private Equity, infrastructure and credit since 2006

Attractive infrastructure investment destination

- Believes India's infrastructure needs over the next 25 years will remain significant
- Demand for infrastructure coincides with an increasingly robust and liberalised regulatory regime, positioning India as a prime investment destination

KKR'S STRATEGY TO INVEST IN ASIA-PACIFIC

PLAY TO KKR'S COMPETITIVE ADVANTAGE

- Extensive Asia-Pacific platform that has delivered positive and consistent investment performance
- Leading global infrastructure platform with deep expertise and a strong track record across several geographies and sub-sectors
- Access to a dedicated team of professionals focussed on value creation and operational enhancements

DIFFERENTIATED INVESTMENT APPROACH

- Track record of leveraging deep local relationships to generate proprietary deal flow
- Strong alignment of interest with our investors

CAPITAL PROTECTION WITH PARTICIPATION IN GROWTH

- Strategy targets existing enterprises and corporate build-up strategy
- Brownfield and platform investments
- Contracted / regulated assets and well-positioned growth-oriented assets
- Yielding assets and reinvesting for growth
- Modest leverage profiles

NOTE: KKR refers to funds, vehicles and/or entities managed and/or advised by Kohlberg Kravis Roberts & Co. L.P. together with its affiliates

US\$ 479 Billion

Assets Under Management globally
(As on March 31, 2022)

Over 40

Investment funds raised since
inception, including 22 private equity
funds

~70%

Of Private Equity investments were
secured on a limited process or
proprietary basis

US\$ 25 Billion

Invested in or committed to own
funds and portfolio companies
alongside clients, as of March 31,
2022

**21 Cities across
4 Continents**

Where we deliver our local expertise
with a global perspective

19 Million

Retirees and pensioners with
exposure to KKR's investments

819,000

People employed worldwide in
private equity, TMT growth equity,
infrastructure, real estate, global
impact, core, balance sheet/stakes,
and special situations portfolio
companies, as of December 31, 2020

117

Portfolio Companies in our private
equity funds that generate US\$ 269
Billion in Annual Revenues, as of
March 31, 2022

2. STERLITE POWER TRANSMISSION LIMITED (SPTL)

SPTL, one of IndiGrid’s sponsor, is a leading global developer of power transmission infrastructure with extensive experience in developing projects spanning across India and Brazil. With an industry-leading portfolio of power conductors, EHV cables and OPGW, Sterlite Power also offers solutions for upgrading, uprating and strengthening existing networks. The company has set new benchmarks in the industry by use of cutting-edge technologies and innovative financing.

Of the 28 power transmission projects developed by Sterlite Power, 10 have been acquired by IndiGrid till date.

With its dedicated teams to ensure best-in-class designing, construction and maintenance of power transmission assets, coupled with the deployment of latest technologies, SPTL has been able to improve efficiency and minimise the impact on the environment during the project construction period.

Trustee

AXIS TRUSTEE SERVICES LIMITED

Axis Trustee Services Limited, registered as an intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, serves as the trustee for IndiGrid.

The Trustee, independent of Sponsor and Investment Manager, is entrusted with the custody of the assets ensuring highest standards of corporate governance. The Trustee has signed a Trust Deed with IndiGrid on October 21, 2016 as amended. As per the provisions, the Trustee is supposed to:

- Approve distribution to unitholders
- Ensure compliance of rights attached to the units
- Oversee voting of unitholders
- Appoint an Investment Manager and Project Manager and delegate its responsibilities to them in writing
- Enter into various agreements, including the Investment Management Agreement, Project Implementation and Management Agreement and other documents
- Ensure that the Investment Manager takes investment decisions in the best interest of the unitholders
- Ensure the Investment Manager performs its obligations in accordance with the InvIT Regulations, oversees activities of the Project Manager and ensures receipt of relevant records and information from the Project Manager
- Employ and pay at the expense of IndiGrid, any agent in any jurisdiction whether attorneys, solicitors, brokers, banks, trust companies or other agents

BOARD OF DIRECTORS

Mr. Pravin Agarwal

Mr. Anoop Seth

Mr. A. R. Narayanaswamy

Mr. Pratik Agarwal

Mr. Manish Agarwal

BOARD OF DIRECTORS

Mr. Rajesh Kumar Dahiya

Mr. Ganesh Sankaran

Ms. Deepa Rath



Project Manager

Last year i.e. FY2021, Sterlite Power Transmission Limited (SPTL) and IndiGrid Limited (IGL) managed the operations and maintenance of our projects. SPTL entered into the Project Implementation and Management Agreement with IndiGrid on November 10, 2016, as amended, to:

- Support operations of IndiGrid's assets as per the terms and conditions of the O&M agreements, either directly or through the appointment and supervision of appropriate agents
- Provide additional services to IndiGrid's assets on the terms and conditions set out in the Project

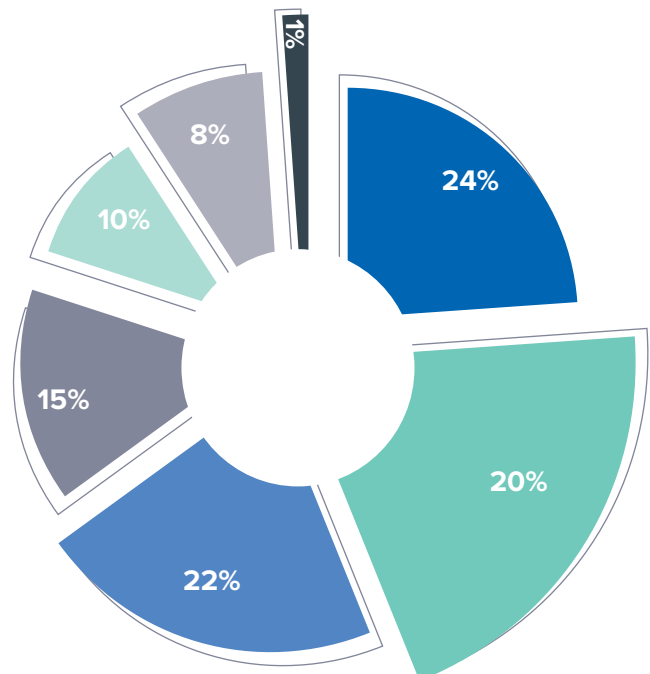
Implementation and Management Agreement. IndiGrid and SPTL decided to discontinue the Project Manager services for all IndiGrid Project SPVs (except NER) effective June 2021. Accordingly, the Investment Manager has executed the Deed of Termination for existing PIMA and a separate PIMA was executed for NER on June 30, 2021. The Investment Manager has also executed a fresh PIMA with IGL for its appointment as a Project Manager for all Project SPVs with effect from June 30, 2021.

Unitholders

As of March 31, 2022; total Foreign Institutional Investors (FII) ownership (including sponsor) in IndiGrid is at ~54%. KKR (Sponsor) owns 24%, GIC owns ~20% while the balance 10% is held by other marquee foreign investors. Domestic Institutional Investors (DII) and corporates hold ~23% of the units which includes 9 insurance companies, 4 mutual funds and 3 employee pension funds. Retail holding is at 22%, which has quadrupled in value since IPO.

UNITHOLDING PATTERN (As on March 31, 2022)

- ◆ 24% KKR (Sponsor)
- ◆ 20% GIC
- ◆ 22% Retail
- ◆ 15% Corporates & Trusts (includes 3 employee pension funds)
- ◆ 10% Other FIIs
- ◆ 8% Insurance (9 insurance companies)
- ◆ 1% Others



AN ESTEEMED BOARD

MR. TARUN KATARIA

Independent Director



Mr. Tarun Kataria has over 30 years of rich experience in banking and capital markets, working across New York, Singapore, Hong Kong and Mumbai. He was appointed as an Additional Independent Director on the board of the Investment Manager on October 29, 2016 and has been serving as an Independent Director since September 22, 2017. Currently, he serves as an independent non-executive director (and Chairman of the nomination and remuneration committee) of Mapletree Logistics Trust Ltd. He is an independent director of Westlife Development Limited, Jubilant Pharma Limited and Global Moats Fund (Mauritius). Additionally he also supports World Wildlife Fund, Singapore as Non-Executive, Senior Advisor, Advisory Council. Previously, he was CEO of Religare Capital Markets Limited, Managing Director and Head of Global Banking and Markets at HSBC India and Vice Chairman of HSBC Securities and Capital Markets Private Limited. He has a Master's degree in Business Administration in Finance from the Wharton School of the University of Pennsylvania. He is also a Chartered Accountant.

MR. RAHUL ASTHANA

Independent Director



Mr. Rahul D. Asthana is a retired IAS officer from the 1978 batch. He was appointed as an Additional Independent Director on the board of the Investment Manager on December 26, 2017 and has been serving as an Independent Director since September 28, 2018. Currently, he also serves as a non-executive director on the board of Aegis Logistics Limited, and NBS International Limited. He is also a director on the board of directors of Mahindra Waste to Energy Solutions Limited and Mahindra Integrated Business Solutions Private Limited. Previously, he has served as the Metropolitan Commissioner of Mumbai, Metropolitan Region Development Authority, Chairman of Mumbai Port Trust and CEO of Brihanmumbai Electric Supply and Transport. He has also served as the Principal Secretary, Energy Department of Government of Maharashtra and was responsible for formulating the renewable energy policy for the State of Maharashtra. He holds a master's degree in business administration in international business from ICPE University of Ljubljana, Slovenia and a Bachelor's degree in technology (aeronautical) from Indian Institute of Technology, Kanpur.

MR. ASHOK SETHI

Independent Director



Mr. Ashok Sethi has over four decades of experience in the power sector with significant knowledge in project execution, operations, commercial, regulatory, advocacy and policy making. He was appointed as an Independent Director on the board of the Investment Manager on October 20, 2020. A B.Tech from IIT Kharagpur, he also did advance management at Ashridge, UK. He currently serves as Non-Executive Chairman of Tata Consulting Engineers Limited. In his last executive role, he served as Chief Operating Officer and Executive Director of Tata Power (2014 to 2019). He was also the Chairman of various subsidiary companies of Tata Power. He holds a Bachelor's degree of technology in Metallurgical Engineering from the Indian Institute of Engineering at Kharagpur. He was awarded CBIP Award 2019 for 'Excellent Contribution in Power Sector and is also a Member of the Institute of Directors.

MS. JAYASHREE VAIDHYANATHAN

Independent Director



Ms. Vaidhyathan has decades of experience in driving product strategy in the Digital Transformation space, product innovation, risk management, M&A, technology delivery and execution. She is currently the CEO of BCT Digital – a global technology company specializing in innovation in predictive analytics, AI and IOT. She also serves as the Independent Director on Board of UTI Asset Management Company as the Chairwoman of the Digital Transformation Committee and serves on the risk and stakeholder management committees. Ms. Vaidhyathan is a three-time winner of the prestigious Stevie Award, including a Lifetime Achievement Award in addition to being Databird Female Executive of the Year, CEO of the year 2020 by Fintech Futures, Top 10 Influential Woman in Technology 2020 by Analyst Insights and has also been listed amongst Fortune's Most Inspiring Women. Ms. Vaidhyathan holds a MBA in Finance & Strategy from Cornell University and a BE in Computer Science & Engineering from Madras University, India. She is also a CFA Charter Holder.

MR. HARDIK SHAH

Non Executive Director



Mr. Shah is a member of the Asia-Pacific Infrastructure team of KKR since 2018 responsible for Infrastructure investments in India. Mr. Shah began his career at Macquarie Group in Sydney where he spent over 10 years across their Sydney and Mumbai offices and was involved in building their India Infrastructure business. More recently, he led Brookfield's India business in India and was responsible for building Brookfield's team and presence. Mr. Shah has led ~US\$ 4 Billion of transactions in India across various infrastructure sectors such as Telecom Towers, Toll Roads, Airports, Energy transportation and Renewable Energy. Mr. Shah holds a post graduate degree from S.P. Jain Institute of Management & Research (Mumbai) and is a CFA Charter holder.

MS. AMI MOMAYA

Non- Executive Director



Ms. Ami Momaya joined KKR in 2022 and is a member of the Asia-Pacific Infrastructure team. Ms. Momaya is responsible for infrastructure investments in India. Ms. Momaya began her career at Morgan Stanley where she spent 17 years across their India and New York offices and was instrumental in building their India infrastructure business. As a part of Morgan Stanley's infrastructure business, Ms. Momaya led transactions across transportation, logistics and renewable energy. Prior to joining the Infrastructure Fund in 2008, Ms. Momaya worked at Morgan Stanley's Investment Banking Division in New York where she focused on buyouts, mergers & acquisitions, initial public offerings and financings in services, outsourcing and payment processing sectors. Ms. Momaya holds a Bachelors in Commerce from Mumbai University and a post graduate degree from the Narsee Monjee Institute of Management Studies (Mumbai).

MR. HARSH SHAH

Chief Executive Officer and Whole-time Director



Mr. Harsh Shah has extensive experience in infrastructure sector across bidding, financing, operations, mergers and acquisitions and regulatory policy. He was appointed as the Chief Executive Officer and Whole-time Director with effect from August 1, 2018. He was instrumental in setting up IndiGrid, India's first infrastructure investment trust in the power transmission sector. He is also a member of the SEBI Advisory Committee for InVITs and REITs. Previously, he served as the Chief Financial Officer of SPTL. Prior to joining Sterlite, he has worked with Larsen & Toubro Limited, L&T Infrastructure Finance Company Limited and Procter & Gamble International Operations Pte. Limited. He holds a master's degree in business administration from National University of Singapore and a Bachelor's degree in electrical engineering from Nirma Institute of Technology, Gujarat University. (Till June 30, 2022)

MR. JYOTI KUMAR AGARWAL

Chief Financial Officer



Mr. Jyoti Kumar Agarwal was appointed as the Chief Financial Officer of the Investment Manager on November 3, 2020. He holds a bachelor's degree in commerce from the University of Calcutta and has been awarded the post graduate diploma in management from the Indian Institute of Management at Calcutta. He is a chartered accountant and has cleared all three levels of CFA from the CFA Institute, USA. He has experience in managing multi-dimensional responsibilities across Corporate Finance, Strategy, M&A, Treasury, Accounting, Tax, Commercial, Secretarial, Legal & Investor Relations functions.

(Chief Executive Officer and Whole-time Director w.e.f. July 01, 2022)

OUR MANAGEMENT TEAM

MR. HARSH SHAH

Chief Executive Officer and Whole-time Director



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(Till June 30, 2022)

MR. JYOTI KUMAR AGARWAL

Chief Financial Officer



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(Chief Executive Officer and Whole-time Director w.e.f. July 01, 2022)

MS. DIVYA BEDI VERMA

Deputy CFO



Ms. Divya Bedi Verma is the Deputy Chief Financial Officer of the Investment Manager. She holds a bachelor's degree in commerce from Delhi University and is a qualified chartered accountant. She has over 22 years of extensive experience in field of business partnership, managing finance operations, FP&A, ERP system implementation, & change management. She has worked in a global multi cultural environment across the manufacturing, publishing and infrastructure industries. She has previously worked with Imaje India Private Limited, Elsevier, ATS Infrastructure Limited and Sterlite Power.

(Chief Financial Officer w.e.f. July 01,2022)

MS. MEGHANA PANDIT

Chief Investment Officer



Ms. Meghana Pandit is the Chief Investment Officer of the Investment Manager. She holds a bachelor's degree in commerce and a master's degree management studies from the University of Mumbai, has cleared all three levels of CFA, CFA Institute (US) and has a post graduate diploma in financial analysis from the Institute of Chartered Financial Analysts of India. She has over 15 years of experience in investment banking, covering the infrastructure sector across private equity transactions, mergers and acquisitions, initial public offerings, qualified institutional placements and infrastructure investment trusts, in sub-sectors such as roads, airports, renewable power, thermal power, ports and real estate. She has previously worked in Essar Steel Limited, Deloitte Financial Advisory Services India Private Limited and IDFC Bank.

MR. SATISH TALMALE

Chief Operating Officer



Mr. Satish Talmale is the Chief Operating Officer of the Investment Manager. He has diverse expertise over 22 years largely in power generation in Thermal (majorly Gas), Renewables and now in Transmission sector. He has gained diversified strategic and operational experience in P&L Management, Business Transformation, Portfolio Risk Management, Services Operations, Project Management, Sales/Commercial Operations and hands-on with EPC/O&M services. He has demonstrated strong expertise in continuous improvements to unlock the value of assets. He has previously worked with Ingersoll Rand as Services Director (MEIA) and prior to that he worked with GE Power (including BHEL-GE JV) for ~14 years in various capacities in engineering, sales, commercial and services including asset management of wind assets across South Asia. He started his career with Larsen & Toubro Limited in Power division and holds B.E (Mechanical) engineering degree along with executive MBA from IIM-Calcutta.

MR. BIGYAN PARIJA

Chief Design Officer



Mr. Bigyan Parija is the Chief Design Officer of the Investment Manager. He holds a bachelor's degree in Mechanical Engineering from Utkal University. He has over 22 years of experience in design and engineering, project management and business acquisition in the power transmission sector. Prior to joining IndiGrid, he was the Senior Vice President - Engineering & Routing of SPTL.

MR. KUNDAN KISHORE

Head – Human Resources



Mr. Kundan Kishore is the Head – Human Resources of the Investment Manager. He has over 11 years of experience across different human resources functions. He holds a bachelor's Degree in engineering (Electrical Engineering) from Rajiv Gandhi Proudyogiki Vishwavidyalaya, Bhopal and has completed the two-year (full-time) post graduate diploma in management (human resource) in 2009 from the International Management Institute. He has previously worked with Bennett, Coleman & Co. Ltd., KEC International Limited and TransUnion CIBIL Limited.

MR. SWAPNIL PATIL

Company Secretary & Compliance Officer



Mr. Swapnil Patil was appointed the Company Secretary on April 23, 2017. He holds a bachelor's degree in commerce and master's degree in law from University of Pune. He is also an associate member of the Institute of Company Secretaries of India. He has previously worked with Tata Motors Limited, Sterlite Technologies Limited and Sterlite Power Transmission Limited. He has several years of experience in statutory compliances, mergers and acquisitions, corporate restructuring, governance, corporate codes and policies, compliance management, fund raising, regulatory liaising, investor relations, litigation and all aspects of secretarial function.

OUR KEY STRATEGIC ENABLERS

IndiGrid’s key strategies have been developed around our core pillars underpinning the strategic aspects of our business and intended to build a resilient and responsible organisation.

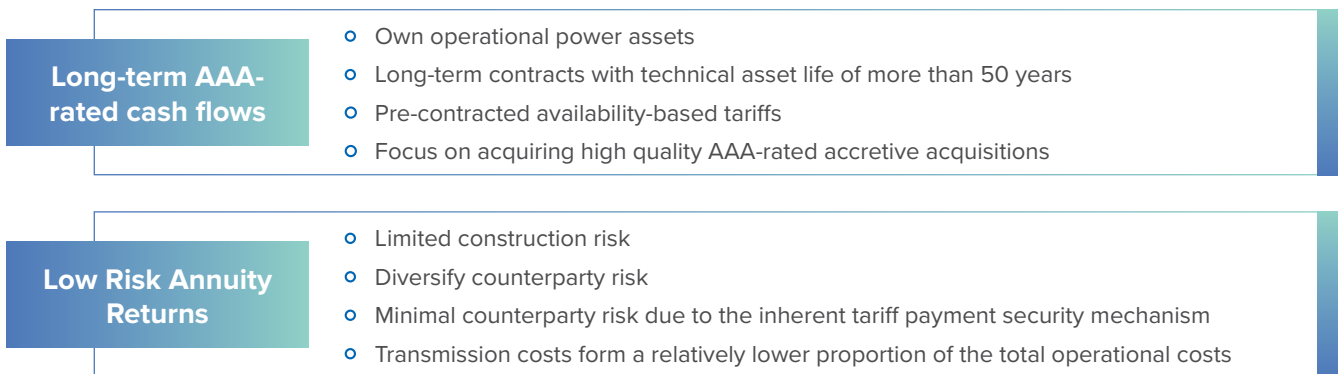
IndiGrid’s main objective is to continue to ensure transmission of reliable power to all while delivering superior risk-adjusted total returns to its unitholders.

At IndiGrid, our key strategy is to achieve our stated objectives and ensure the organisation is on the course of long-term, sustainable and responsible growth. Owing to our resilient business model, we are growing continually and providing superior risk-adjusted returns to unitholders. The Trust is enabling this by investing in long-term stable cash-generating power transmission and solar assets.

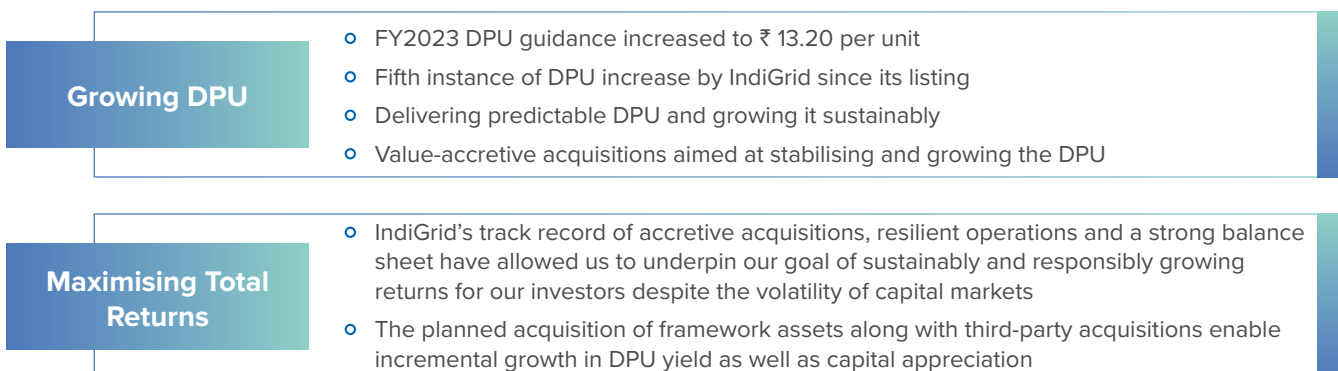
OUR STRATEGIES ARE BUILT ON THE BELOW PILLARS:



Focussed Business Model



Value Accretive Growth



Optimal Capital Structure

Compliance with InvIT Regulations

- 70% leverage cap on borrowings
- Active and prudent liability management by focussing on long tenure loans
- Focus on reducing cost of borrowing

Maximising distribution

- Maximise cash upstreaming to IndiGrid and to its unitholders from SPVs
- Focus on AAA-rated cash flows, accretive acquisitions and resilient operations

Low cost of capital

- Focus on diversifying our sources of debt and elongate tenures in incremental facilities
- Evaluate both private and public markets for debt and equity capital
- Raise pre-emptive capital to maintain headroom for funding future acquisitions
- Appropriate risk policies to manage foreign exchange and market risks

Best-in-Class Corporate Governance

Eligibility and lock-in

- At least 80% of InvIT's assets have to be revenue-generating for one year prior to the acquisition, ensuring operational stability
- Not more than 10% assets of InvIT's can be under construction or liquid assets
- The Sponsor should remain invested and hold at least 15% of units of InvIT for three years after the initial offer of units

Independence

- Quarterly periodic valuation of assets along with physical inspection
- 50% of the Board of Investment Manager to be independent
- Investment Committee comprises of majority Independent Directors
- Independent & Thorough Technical, Financial, Legal & Environment Due Diligence
- 100% stake in Investment Manager held by KKR

Distribution

- At least 90% of the net distributable cash flows needs to be distributed to the unitholders, at least every six months
- Grow DPU in sustainable and steady manner to ensure predictable cash flows to investors
- Quarterly distribution to the unitholders instead of the prescribed half-yearly distribution

Unitholder Rights

- The unitholders have the ability to appoint and remove the Investment Manager
- Any debt raising beyond 25% of asset value also requires unitholder vote
- Majority vote is essential for all Related Party Transactions and exceeding 5% of asset value
- Over 98% approval rate from investors in last 10 unitholders meetings (except one)

OUR ASSET PORTFOLIO

In our short but eventful existence, we have come a long way – from two power transmission projects with 1,930 circuit kilometres and 6,000 MVA transformation capacity to 14 operational power projects consisting of 40 transmission lines (~7,570 cKms), 11 substations (~13,550 MVA capacity) and 100 MW of solar power plants across 18 states and one Union Territory in India.

Since listing, our assets under management (AUM) have increased more than three-fold from ₹ 37 Billion in June 2017 to over ₹ 211 Billion in March 2022. The current portfolio has a total circuit length of approximately ~7,570 cKms (across 40 transmission lines, 7 x 765 kV lines and 30 x 400 kV lines and 3 x 132 kV lines), and 13,550 MVA (across 11 substations) of transformation capacity and 100 MW of solar power plants across 18 states and one Union Territory. Most of the portfolio assets have in place long-term Transmission Services Agreements (TSAs) of 35 years from the scheduled commercial operation date of the relevant portfolio asset, after which we can apply to CERC for extension if not unilaterally extended by CERC.

All our transmission assets are located in strategically important areas for electricity transmission connectivity, delivering power from generating centres to load centres to meet inter-regional power deficits. Once a transmission project has been commissioned, it requires relatively low levels of expenditure to operate and maintain, which means that the assets will have the benefit of owning a critical asset without incurring significant operational costs. The transmission line business enjoys a longer asset life of ~50 years as compared to other infrastructure projects, such as roads. The transmission lines of the portfolio assets are predominantly located in areas where developing alternate lines may be challenging due to the terrain, challenges in obtaining rights of way, limited corridors and

high construction costs. This puts us in an advantageous position to capitalise the opportunities to increase our power transmission capacity through the same corridor by upgrading our existing systems.

The portfolio assets, are owned by us directly or indirectly through our wholly-owned subsidiary, IndiGrid Limited (IGL), IndiGrid 1 Limited (IGL 1) and IndiGrid 2 Limited (IGL 2). Through IGL, IGL1 and IGL 2, 100% legal and economic ownership of BDTCL, JTCL, PKTCL, RTCL, MTL, NTL and OGPTL is held by IndiGrid. PTCL, ENICL, GPTL, JKTPL, PrKTCL, NER-II and Solar I & II are directly owned by IndiGrid.



SNAPSHOT OF PORTFOLIO ASSETS

Diversified Portfolio

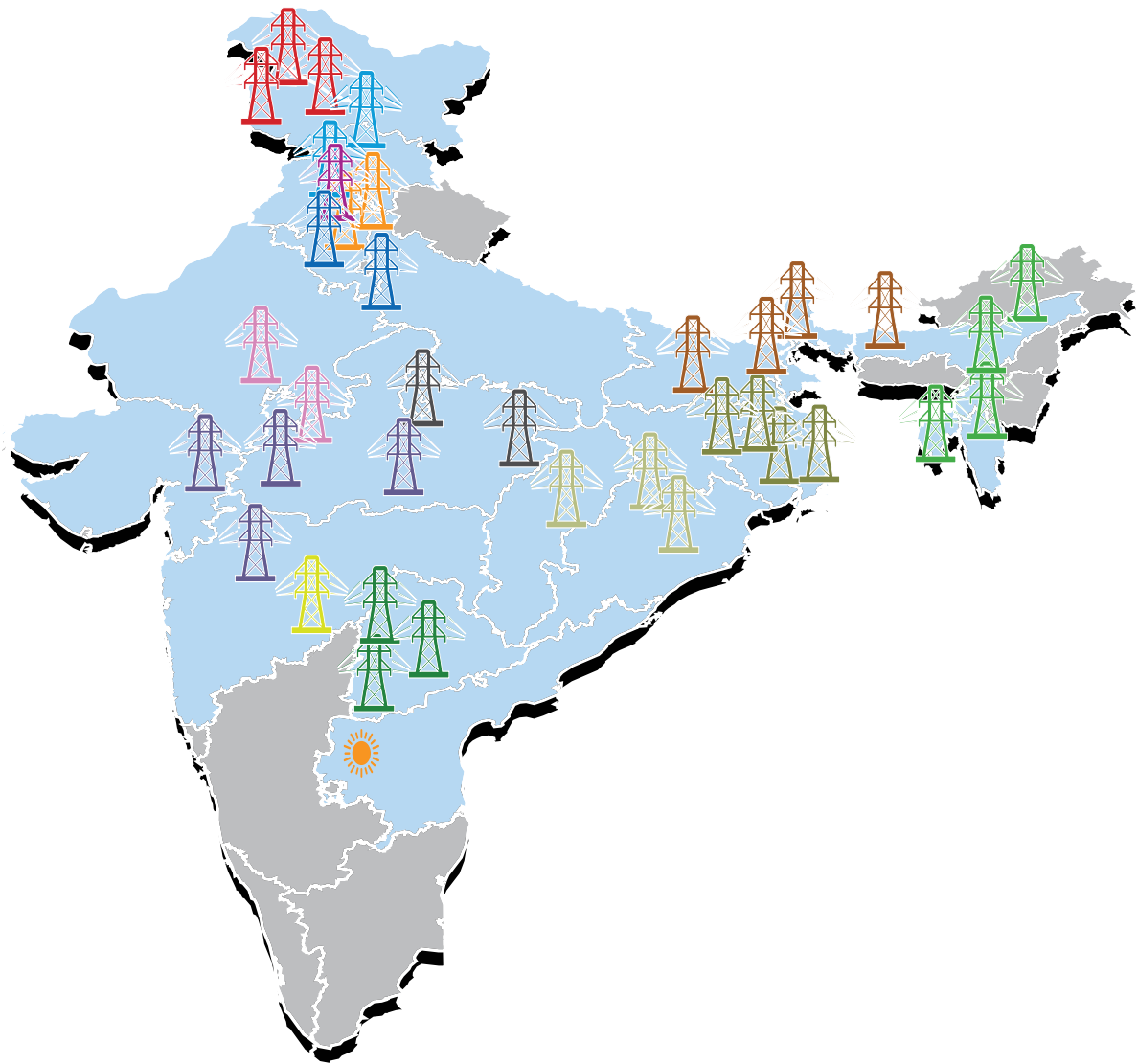
11 operational Inter State TBCB Transmission Projects

1 operational Intra State TBCB Transmission Project
















1 Greenfield Inter State TBCB project

1 operational Regulated Tariff Transmission Project

1 Solar Generation Project



Map not to scale. For illustration purpose only.

-  NTL
-  JKTPL
-  RTCL
-  PrKTCL
-  PTCL
-  GPTL
-  JTCL
-  ENICL
-  NER
-  PKTCL
-  OGPTL
-  MTL
-  BDTCL
-  Kallam
-  Solar I & II

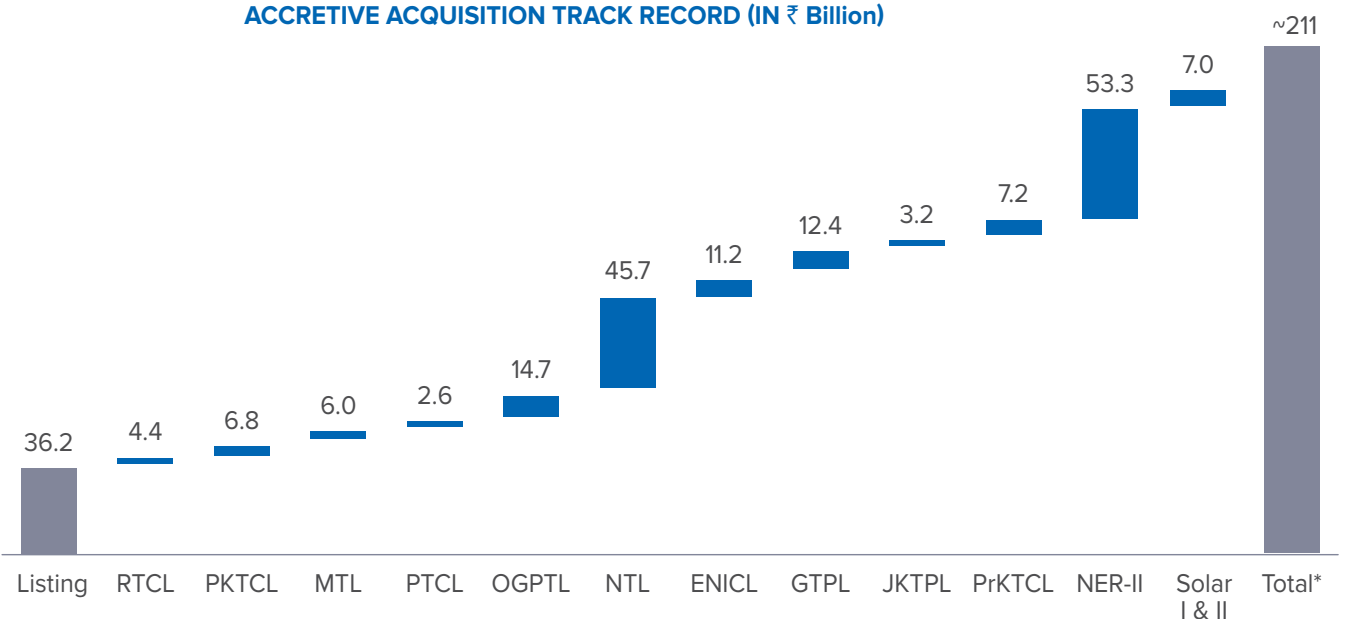
ACQUISITION HISTORY

The Initial Portfolio Assets comprised of two power transmission projects located across four states in India. These projects comprise eight EHV Overhead Power transmission lines, comprising of six 765 kV transmission lines and two 400 kV transmission lines, with a total circuit length of approximately 1,936 cKms, and two sub-stations with 6,000 MVA of transformation capacity.

| August/September 2020 | January 2021 | March 2021 | July 2021 | December 2021 |
|---|---|--|---|--|
| Completed acquisition of Gurgaon-Palwal Transmission Limited from Sterlite Power at an enterprise value of ~₹ 10.20 Billion as part of the Framework Agreement. Also acquired Jhajjar KT Transco Pvt Ltd from Kalpataru Power and Techno Electric at an enterprise value of ₹ 3.10 Billion in September 2020. | Completed acquisition of first cost-plus asset i.e. Parbati Koldam Transmission Ltd. from Reliance Infrastructure. The asset is held under a JV with Power Grid owning 26% in PrKTCL. | Completed one of the largest transmission asset deal in India by acquiring NER-II from Sterlite Power for ₹ 46.25 Billion. | Completed acquisition of 100% stake in two solar assets with cumulative capacity of 100 MW (AC) from Fotowatio Renewable Ventures (FRV) at an enterprise value of ~₹ 6.6 Billion | Forayed into greenfield transmission project with the acquisition of 100% stake in Kallam Transmission Ltd from REC Power with a planned outlay of ₹ 1,700 million |
| March 2020 | June 2019 | August 2018 | February 2018 | |
| Additionally, East North Interconnection Company Limited (“ENICL”) was acquired from Sterlite Power for ~₹ 10.20 Billion. | Successfully completed the acquisition of two power transmission assets, NRSS XXIX Transmission Limited (“NTL”) and Odisha Generation Phase II Transmission Limited (“OGPTL”), from Sterlite Power for an enterprise value of ~₹ 50.25 Billion. | Additionally, as part of our growth strategy of acquiring third-party transmission assets, acquired Patran Transmission Company Limited (“PTCL”) from Techno Electric & Engineering Company Ltd. (“TEECL”), with one substation having 1,000 MVA of transmission capacity in Punjab. | Acquired three power transmission projects i.e. PKTCL, MTL and RTCL from our sponsor as under the ROFO deed. These projects comprise five EHV Overhead Power transmission lines, comprising of five 400 kV transmission lines, with a total circuit length of approximately 1,425 cKms across five states in India. | |

In view of the acquisitions, the Investment Management Agreement executed between ATSL, IIML, IGL, BDTCL and JTCL originally on November 10, 2016 has been amended & restated during the year to include acquired SPVs as parties to the agreement. Further, the Project Implementation and Management Agreement executed between ATSL, SPTL, IIML, IGL, BDTCL, JTCL on November 10, 2016 has been amended & restated to include the SPVs as parties to the agreement, as applicable.

ACCRETIVE ACQUISITION TRACK RECORD (IN ₹ Billion)



Note: AUM is restated as of March 31, 2022

Asset Portfolio



BHOPAL-DHULE TRANSMISSION PROJECT (BDTCL)

BDTCL was incorporated on September 8, 2009. BDTCL entered into a TSA on December 7, 2010 with LTTCs. The BDTCL project was awarded to IGL by the Ministry of Power on January 31, 2011 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain (BOOM) basis. We acquired BDTCL from the Sterlite Sponsor in May 2017. BDTCL project is part of the system strengthening scheme of the Western Region and facilitates the transfer of up to 5,000 MW of electricity from the coal belt in the East, to the energy-deficient regions of western and northern India. BDTCL owns 943 cKms of transmission lines covering six elements and two substations with 2x1500 MVA capacity each. BDTCL operates six EHV overhead transmission lines comprising of four 765 kV Single Circuit and two 400 kV Double Circuit lines commissioned to

strengthen the transmission system in the states of Madhya Pradesh, Maharashtra, and Gujarat. There are also two 765/400 kV Substations at Bhopal (Madhya Pradesh) and Dhule (Maharashtra).

Annual Availability

| | |
|--------|-------|
| FY2015 | 99.8% |
| FY2016 | 99.6% |
| FY2017 | 99.8% |
| FY2018 | 99.9% |
| FY2019 | 99.9% |
| FY2020 | 99.8% |
| FY2021 | 99.0% |
| FY2022 | 99.8% |

Details of BDTCL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|---------------------|------------------------------|------------------------|----------------------------|
| Bhopal-Indore | 176 | 765 kV S/C transmission line | November 19, 2014 | March 2049 |
| Dhule-Aurangabad | 192 | 765 kV S/C transmission line | December 5, 2014 | March 2049 |
| Dhule-Vadodara | 263 | 765 kV S/C transmission line | June 13, 2015 | March 2049 |
| Bhopal-Jabalpur | 259 | 765 kV S/C transmission line | June 9, 2015 | March 2049 |
| Dhule-Dhule | 36 | 400 kV S/C transmission line | December 6, 2014 | March 2049 |
| Bhopal-Bhopal | 17 | 400 kV S/C transmission line | August 12, 2014 | March 2049 |
| Bhopal Substation | - | 2X1,500 MVA 765/400 kV | September 30, 2014 | March 2049 |
| Dhule Substation | - | 2X1,500 MVA 765/400 kV | December 6, 2014 | March 2049 |

Current Status As on March 31, 2022, the BDTCL TSA has a remaining term of ~ 27 years.



JABALPUR TRANSMISSION PROJECT (JTCL)

JTCL was incorporated on September 8, 2009. JTCL entered into a TSA with LTTCs on December 1, 2010 and a TSA on November 12, 2013 with PGCIL (together JTCL TSAs). The JTCL project was awarded to IGL by the Ministry of Power on January 19, 2011 for a 35-year period from the scheduled commercial operation date, on a BOOM basis. We acquired JTCL from our Sterlite Sponsor on May 30, 2017.

JTCL is a part of the system strengthening common for the Western Region and the Northern Region. The project alleviates transmission capacity bottlenecks and expands the reliability and stability of the power grid in western and northern India by providing open access to transmit power from independent power projects in the eastern region of India. The corridors thus created are crucial links, on the basis of which the Central Transmission Utility has entered long-term open-access agreements with several generation companies in the Eastern Region.

JTCL operates two EHV overhead transmission lines of ~995 cKms in Chhattisgarh and Madhya Pradesh comprising one 765 kV double circuit line of 759 cKms from Jabalpur (Madhya Pradesh) to Dharamjaigarh (Chhattisgarh) and one 765 kV single circuit line of 235 cKms from Jabalpur to Bina in Madhya Pradesh.

Annual Availability



Details of JTCL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|---------------------|------------------------------|------------------------|----------------------------|
| Jabalpur-Dharamjaigarh | 759 | 765 kV D/C transmission line | September 14, 2015 | March 2049 |
| Jabalpur-Bina | 235 | 765 kV D/C transmission line | July 1, 2015 | March 2049 |

Current Status As on March 31, 2022, the JTCL TSA has a remaining term ~27 years.



RAPP TRANSMISSION PROJECT (RTCL)

RTCL was incorporated on December 20, 2012. RTCL entered a TSA (the RTCL TSA) with LTTCs on July 24, 2013. The RTCL project was awarded by the Ministry of Power on September 17, 2013 for a 35-year period from the scheduled commercial operation date on a BOOM basis. We acquired RTCL from our Sterlite Sponsor on February 14, 2018.

RTCL strengthens the transmission capability between the northern and western sectors of India's power grid by evacuating electricity from an atomic power plant near Kota in Rajasthan to central Madhya Pradesh. The project was set up to transfer power from the atomic power plant near Kota (Rawalbhatta) in Rajasthan to Shujalpur in Madhya Pradesh to provide the path for the evacuation of electricity generated at RAPP-7 and 8. The project involves operation of one

400 kV Double Circuit transmission line stretching over 400 cKms. RTCL acts as an interregional link between the Northern and the Western region by helping in evacuation of power from the power complex even in case of any grid constraints in the Northern region.

Annual Availability

| | |
|--------|--------|
| FY2016 | 100.0% |
| FY2017 | 99.7% |
| FY2018 | 99.9% |
| FY2019 | 99.8% |
| FY2020 | 99.9% |
| FY2021 | 99.7% |
| FY2022 | 99.8% |

Details of RTCL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|---------------------|------------------------------|------------------------|----------------------------|
| RAPP-Shujalpur | 403 | 400 kV D/C transmission line | March 1, 2016 | February 2051 |

Current Status As on March 31, 2022, the RTCL TSA has a remaining term of ~29 years.



PURULIA & KHARAGPUR TRANSMISSION PROJECT (PKTCL)

PKTCL was incorporated on December 15, 2012. PKTCL entered into a TSA (the PKTCL TSA) with LTTCs on August 6, 2013. The PKTCL project was awarded by the Ministry of Power on September 17, 2013 for a 35-year period from the scheduled commercial operation date on a BOOM basis. We acquired PKTCL from our Sterlite Sponsor on February 14, 2018.

PKTCL supports the interconnection of the West Bengal state grid and the ISTS and facilitates the exchange of additional power between them. It strengthens the transmission system in the Indian states of West Bengal and Jharkhand. PKTCL operates two EHV overhead transmission lines with a total circuit length of approximately 545 cKms in

the states of West Bengal and Jharkhand, comprising one 400 kV D/C line of 323 cKms from Kharagpur (West Bengal) to Chaibasa (Jharkhand) and one 400 kV D/C line of 223 cKms from Purulia (West Bengal) to Ranchi (Jharkhand).

Annual Availability



Details of PKTCL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|---------------------|------------------------------|------------------------|----------------------------|
| Kharagpur-Chaibasa | 323 | 400 kV D/C transmission line | June 18, 2016 | April 2051 |
| Purulia-Ranchi | 223 | 400 kV D/C transmission line | January 7, 2017 | April 2051 |

Current Status As on March 31, 2022, the PKTCL TSA has a remaining term of ~29 years.



MAHESHWARAM TRANSMISSION PROJECT (MTL)

MTL was incorporated on August 14, 2014. MTL entered into a TSA (the MTL TSA) with LTTCs on June 10, 2015. The MTL project was awarded by the Ministry of Power on July 21, 2015 for a 35-year period from the scheduled commercial operation date. The Project was awarded on BOOM basis. We acquired 49% of MTL from the Sterlite Sponsor in February 2018.

MTL constitutes a key component in enabling the southern region of India to draw more power from the rest of the grid and seeks to address the issue of power stability in southern India. The improved grid connectivity has facilitated power procurement from the Inter State Transmission System

(ISTS) network to the beneficiary states Telangana, Tamil Nadu, Seemandhra and Karnataka to meet their electricity demands. MTL operates two EHV overhead transmission lines with a total circuit length of approximately 475 cKms in the state of Telangana.

Annual Availability

| | |
|--------|--------|
| FY2018 | 100.0% |
| FY2019 | 99.9% |
| FY2020 | 99.8% |
| FY2021 | 99.7% |
| FY2022 | 99.9% |

Details of MTL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|--|---------------------|------------------------------|------------------------|----------------------------|
| Maheshwaram-Mehboob Nagar | 196 | 400 kV D/C transmission line | December 14, 2017 | December 2053 |
| Nizamabad-Yeddumailaram (Shankarpalli) | 278 | 400 kV D/C transmission line | October 14, 2017 | October 2053 |
| Mehboob Nagar Substation of TSTRANSCO | - | 2 x 400 kV line bays | - | - |
| Yeddumailaram (Shankarpalli) Substation of TSTRANSCO | - | 2 x 400 kV line bays | - | - |

Current Status As on March 31, 2022, the MTL TSA has a remaining term of ~30.5 years.



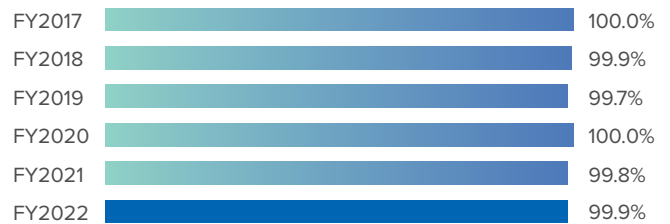
PATRAN TRANSMISSION PROJECT (PTCL)

PTCL was incorporated on December 19, 2012. PTCL entered a TSA (the PTCL TSA) with LTTCs on May 12, 2014. The PTCL project was awarded to Techno Electric & Engineering Co. Ltd. (“TEECL”) by the Ministry of Power on perpetual ownership basis through a letter of intent dated September 8, 2013 for a 35-year period from the scheduled commercial operation date on a BOOM basis. We acquired PTCL from Techno Electric in 2018.

PTCL plays a key role in strengthening the power transmission system in Punjab by meeting the requirement of growing load in Patiala and Sangrur district of Punjab. The project comprises of 400/220 kV substation having 1,000

MVA transformation capacity with 14 bays in Patran, Punjab and LILO of both circuits of Patiala-Kaithal 400 kV double circuit triple snow bird Line of 5 km at Patran.

Annual Availability



Details of PTCL Elements

| Transmission Line/Substation | Transformation Capacity (MVA) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|-------------------------------|---|------------------------|----------------------------|
| Patiala-Kaithal LILO | - | Loop in loop out of both circuits of 400 kV D/C line at Patran | November 12, 2016 | November 2051 |
| Patran Substation | 1,000 | 2X500 MVA, 400/220 kV Substation with 6 nos. 400 kV Bays and 8 nos. 400 kV Bays | November 12, 2016 | November 2051 |

Current Status As on March 31, 2022, the PTCL TSA has a remaining term of ~29.5 years.

NRSS XXIX TRANSMISSION PROJECT (NTL)



NRSS XXIX Transmission Limited (NTL) was incorporated on July 29, 2013. NTL entered into a TSA on January 2, 2014 with LTTCs. The NTL project is held by IGL 1 and was awarded by the Ministry of Power on a perpetual ownership basis with a TSA term of 35 years from the scheduled commercial operation date. We acquired NTL from Sterlite Sponsor on June 04, 2019.

NTL, is one of the largest private sector transmission project awarded in the country. The project is extremely critical to meet the power requirements of Jammu & Kashmir. The NTL project is expected to deliver over 2,000 MW of electricity from Punjab to the Kashmir Valley by strengthening the

transmission system in the states of Jammu and Kashmir and Punjab. NTL consists of three 400 kV Double Circuit transmission lines & one 400/220 kV GIS Substation.

Annual Availability

| | |
|--------|--------|
| FY2017 | 100.0% |
| FY2018 | 99.7% |
| FY2019 | 99.5% |
| FY2020 | 99.5% |
| FY2021 | 99.5% |
| FY2022 | *97.5% |

Details of NTL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|---------------------|-----------------|------------------------|----------------------------|
| Samba-Amargarh | 546 | 400 kV D/C line | September 2, 2018 | September 2053 |
| Uri-Wagoora | 14 | 400 kV D/C line | September 2, 2018 | September 2053 |
| Jalandhar-Samba | 270 | 400 kV D/C line | June 24, 2016 | June 2051 |
| Amargarh Substation | - | 400 kV D/C line | September 2, 2018 | September 2053 |

Current Status As on March 31, 2022, the NTL TSA has a remaining term of ~31.5 years.

*NRSS-29 FY2022 availability was majorly impacted due to forced outage taken to avoid tower collapse situation created due to hill land slide. It is under process for deemed availability certification.



**ODISHA
GENERATION
PHASE-II
TRANSMISSION
PROJECT
(OGPTL)**

Odisha Generation Phase-II Transmission Limited (OGPTL) was incorporated on April 17, 2015 with LTTCs. OGPTL entered into a TSA on November 20, 2015 with LTTCs. The OGPTL project was awarded to IGL 2 by the Ministry of Power on a perpetual ownership basis with a TSA term of 35 years from the scheduled commercial operation date. We acquired OGPTL from the Sterlite Sponsor in July, 2019. The OPGC-J line was commissioned in August 2017 and JR line was commissioned in April 2019 respectively. We acquired OGPTL from our Sponsor on June 28, 2019. OGPTL project is a part of common transmission system for Phase-II Generation Projects and immediate evacuation

system for OPGC Project in Odisha. The project consists of two transmission lines totalling over 700 cKms connecting Odisha and Chhattisgarh.

Annual Availability



Details of OGPTL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|---------------------|-----------------|------------------------|----------------------------|
| Raipur-Jharsuguda | 610 | 765 kV D/C line | April 6, 2019 | April 2054 |
| Jharsuguda-OPGC | 103 | 400 kV D/C line | August 30, 2017 | July 2052 |

Current Status As on March 31, 2022, the OGPTL TSA has a remaining term of ~32 years.

EAST-NORTH INTERCONNECTION PROJECT (ENICL)

East-North Interconnection Company Limited (ENICL) was incorporated on February 1, 2007. ENICL entered into a TSA on August 6, 2009 with LTTCs. The ENICL project was awarded by the Ministry of Power on a perpetual ownership basis with a TSA term of 25 years from the date of issue of the licence by CERC. We acquired ENICL from the Sterlite Sponsor in May 2020.

The project addresses the critical issue of the power shortfall during non-Monsoon months, thereby bringing significant relief to the people of Assam. ENICL operates two 400 kV Double Circuit transmission lines of 896 cKms through challenging terrain in the States of Assam, West Bengal and Bihar. Commonly referred to as the Siliguri Corridor or the Chicken's Neck, the peculiarity of this stretch

is that it is the only land route connecting mainland India with North-East India making it critical from an inter-region power transfer point of view.

Annual Availability

| | |
|--------|-------|
| FY2014 | 99.2% |
| FY2015 | 99.4% |
| FY2016 | 99.6% |
| FY2017 | 99.6% |
| FY2018 | 99.7% |
| FY2019 | 99.8% |
| FY2020 | 99.4% |
| FY2021 | 98.8% |
| FY2022 | 99.7% |

Details of ENICL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|---------------------|-----------------|------------------------|----------------------------|
| Bongaigaon-Siliguri | 438 | 400 kV D/C line | November 12, 2014 | October 2035 |
| Purnia-Biharsharif | 458 | 400 kV D/C line | September 16, 2013 | October 2035 |

Current Status As on March 31, 2022, the ENICL TSA has a remaining term of ~ 13.5 years.

GURGAON-PALWAL TRANSMISSION PROJECT (GPTL)



Gurgaon-Palwal Transmission Limited (GPTL) was incorporated on October 26, 2015. GPTL entered into a TSA on March 4, 2016 with LTTCs. GPTL project was awarded to SGL4 by the Ministry of Power on a perpetual ownership basis with a TSA term of 35 years from the scheduled commercial operation date. We acquired 100% economic ownership of GPTL from Sterlite Sponsor in August 2020.

GPTL is part of Inter State Transmission Scheme (ISTS) network and consists of three gas-insulated substations (GIS) with a total transformation capacity of 3,000 MVA and ~273 circuit kilometres of 400 KV transmission lines. The project is first of its kind vertically mounted GIS framework with a substantial focus on ESG aspects. It is a strategic

asset for ensuring reliable power supply in the region which may reduce the carbon emissions by reducing dependence on DG sets. The land requirement for this project is also substantially reduced with innovatively-designed vertical GIS substation and monopole towers with micro-piling.

Annual Availability



Details of GPTL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|------------------------------|---------------------|-----------------------|------------------------|----------------------------|
| Aligarh-Prithala | 99 | 400 kV D/C | August 6, 2019 | July 2054 |
| Prithala-Kadarpur | 58 | 400 kV D/C | December 7, 2019 | July 2054 |
| Kadarpur-Sohna Road | 21 | 400 kV D/C | March 21, 2020 | July 2054 |
| LILO of Gurgaon Manesar | 2 | 400 kV D/C | March 13, 2020 | July 2054 |
| Neemrana-Dhonanda | 93 | 400 kV D/C | February 25, 2019 | July 2054 |
| Kadarpur Substation | - | 400/220 kV, 2X500 MVA | December 11, 2019 | July 2054 |
| Sohna Substation | - | 400/220 kV, 2X500 MVA | April 13, 2020 | July 2054 |
| Prithala Substation | - | 400/220 kV, 2X500 MVA | August 8, 2019 | July 2054 |
| Dhonanda Substation Bays | - | 2X400 Line Bays | February 25, 2019 | July 2054 |

Current Status As on March 31, 2022, the GPTL TSA has a remaining term of ~32 years.



JHAJJAR KT TRANSCO PROJECT (JKTPL)

Jhajjar KT Transco Pvt Ltd. (JKTPL), is IndiGrid's first intra-state asset. JKTPL is an operational intra state asset awarded on a Design Build Finance Operate and Transfer ("DBFOT") basis, with a contractual period of 25 years and a provision of further 10-year extension. JKTPL was incorporated on May 19, 2010. JKTPL entered into a TSA on May 28, 2020. The project was awarded to Kalpataru Power and Techno Electric based on the competitive bidding process conducted by HVPNL. In October 2020, we completed the acquisition of 100% of the equity shares of JKTPL from KPTL and TEECL.

It is a strategic asset for Haryana state distribution companies and the key evacuation transmission system from the 1,320 MW thermal power plant in Jhajjar. It consists of three 400 kV transmission lines spread across 200 cKms in Haryana with 2 substations with a transformation capacity of 830 MVA each. The project has been operational since 2012 with a robust collection track record and steady receivable cycle.

It is a strategic asset for Haryana state distribution companies and the key evacuation transmission system from the 1,320 MW thermal power plant in Jhajjar. IndiGrid Limited acts as the O&M contractor for this project.

Annual Availability

| | |
|--------|--------|
| FY2012 | 100.0% |
| FY2013 | 99.9% |
| FY2014 | 99.9% |
| FY2015 | 95.5%* |
| FY2016 | 99.8% |
| FY2017 | 99.3% |
| FY2018 | 99.6% |
| FY2019 | 98.2% |
| FY2020 | 99.9% |
| FY2021 | 99.6% |
| FY2022 | 99.9% |

Details of JKTPL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|--|---------------------|---|------------------------|----------------------------|
| Jharli (Jhajjar)-Kabulpur (Rohtak) | 70 | 400 kV D/C line | March 12, 2012 | March 2037 |
| Kabulpur (Rohtak)-Dipalpur (Sonapat) | 134 | 400 kV D/C line | March 12, 2012 | March 2037 |
| Dipalpur Substation Abdullapur-Bawana Line | 1.4 | 400 kV S/C loop in loop out line at 400 kV substation Dipalpur of 400 kV D/C line at from Abdullapur-Bawana | March 12, 2012 | March 2037 |
| Kabulpur (Rohtak) Substation | - | 400 kV/220 kV/132 kV (830 MVA) | March 12, 2012 | March 2037 |
| Dipalpur (Sonapat) Substation | - | 400 kV/220 kV/132 kV (830 MVA) | March 12, 2012 | March 2037 |

Current Status As on March 31, 2022, the JKTPL TSA has a remaining term of ~15 years per initial TSA.

*Agitation at asset site. Force Majeure claimed



PARBATI KOLDAM TRANSMISSION PROJECT (PrKTCL)

Parbati Koldam Transmission Company Limited (“PrKTCL”) is IndiGrid’s first cost-plus regulated asset. PrKTCL is an inter-state operational asset situated in Himachal Pradesh and Punjab, and was awarded on a Build, Own, Operate (“BOO”) basis for the transfer of electricity from Parbati II and Koldam HEPs in Himachal to Ludhiana in Punjab. The Project was a joint venture between Reliance Infrastructure and Power Grid. PrKTCL was incorporated on September 2, 2002.

PrKTCL has entered into various long-term Bulk Power Agreement (BPTA) on March 4, 2010. The Project was awarded as cost plus project with a guaranteed ROE of 15.5% on the approved equity base. In January 2020, we completed the acquisition of 74% of the equity shares of PrKTCL from Reliance Infrastructure Limited. PrKTCL is now

held as a joint venture between IndiGrid (74%) and Power Grid Corporation of India Limited (26%).

PrKTCL operates two transmission lines, subdivided into various revenue-generating elements, with a total circuit length of approximately 458 cKms of 400 kV transmission lines and substations. This transmission project is of very strategic importance and has been constructed for evacuation of the power generated from Hydro-Electric Projects (HEPs) of 2,220 MW which is utilised by northern region states of Uttar Pradesh, Rajasthan, Punjab, Haryana, Jammu & Kashmir, Himachal Pradesh, Delhi, Chandigarh, and Uttarakhand.

Annual Availability



Details of PrKTCL Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|--|---------------------|--|--|----------------------------|
| LILO point of Parbati III HEP to LILO point of Parbati Pooling Station | 4 | 400 kV S/C along with D/C Quad Bundle Line | August 1, 2013 | FY2050 |
| Banala-Nalagarh | 66 | 400 kV S/C along with D/C Quad Bundle Line | October 10, 2014 | FY2050 |
| Banala-Koldam | 63 | 400 kV S/C along with D/C Quad Bundle Line | October 4, 2014 | FY2050 |
| Parbati II-Banala | 14 | 400 kV S/C along with D/C Quad Bundle Line | November 3, 2015 | FY2050 |
| Parbati II-Parbati III | 10 | 400 kV S/C along with D/C Quad Bundle Line | November 3, 2015 | FY2050 |
| Koldam-Ludhiana | 301 | 400 kV D/C, Triple Bundle Line | Ckt I: August 7, 2014 Ckt II: August 14, 2014 | FY2050 |

Current Status As on March 31, 2022, the PrKTCL initial TSA has a remaining term of ~28 years.



NER-II TRANSMISSION PROJECT (NER- II)

NER-II was incorporated as a company on April 21, 2015. NER-II entered the TSA (the “NER TSA”) on December 27, 2016. The project was awarded by the Ministry of Power on February 22, 2017 for a 35-year period from the scheduled commercial operation date of the NTL project, on a BOOM basis. We acquired NER-II from Sterlite Sponsor in March 2021. This project strengthens the power transmission network in the North-Eastern States and address the transmission, sub-transmission, and distribution system needs of the region.

The project consists of two substations, five transmission lines and four bays to meet the rising power demand in

North-Eastern Region of India. The project has 11 elements including two substations of ~1,260 MVA capacity and four transmission lines extending over ~830 circuit kilometres. The asset spans across Assam, Arunachal Pradesh and Tripura and is of strategic importance for the delivery of power in one of the toughest regions in the country and also acts as an important link for power evacuation to Bangladesh.

Annual Availability



Details of NER-II Elements

| Transmission Line/Substation | Route Length (cKms) | Specifications | Actual Commission Date | Expiry Term of Initial TSA |
|--|---------------------|---------------------------|------------------------|----------------------------|
| Silchar-Misa 400 kV | 357 | 400 kV DC | March 1, 2021 | November 2055 |
| BNC-Itanagar 132 kV | 136 | 132 kV DC | April 6, 2021 | November 2055 |
| LIL0 132 kV | 17 | 132 kV DC | April 6, 2021 | November 2055 |
| NEEPCO-PK Bari 132 kV | 48 | 132 kV DC | February 23, 2021 | November 2055 |
| Surajmaninagar-PK Bari 400 kV | 36 | 400 kV DC | January 27, 2021 | November 2055 |
| Surajmaninagar-PK Bari 400/132 kV | 238 | 400/132 kV DC | January 27, 2021 | November 2055 |
| Biswanath-Chariali PG 2 No. of the Line Bays | - | 2 No. of Line Bays 132 kV | April 6, 2021 | November 2055 |
| AGTPP NEEPCO 2 No. 132 kV Line Bays | - | 2 No. of Line Bays 132 kV | February 23, 2021 | November 2055 |
| PK Bari (TSECL) 2 No. 132 kV Line Bays | - | 2 No. of Line Bays 132 kV | February 23, 2021 | November 2055 |
| PK Bari Substation | - | 400/132 kV (2X315 MVA) | January 27, 2021 | November 2055 |
| Surajmaninagar Substation | - | 400/132 kV (2X315 MVA) | January 27, 2021 | November 2055 |

Current Status As on March 31, 2022, the NER-II TSA has a remaining term of ~33.5 years.

*NER overall FY2022 impacted due to asset stabilization activities including SP indemnified events and PK Bari Reactor outage.

NEW ACQUISITION



**SOLAR ASSETS
(SOLAR I & II)**

FRV is an operational 100 MW solar asset located in high radiation zone in the 400 MW Ananthapuram Solar Park in Andhra Pradesh with a contractual period of 25 years at a fixed tariff. The Power Purchase Agreement (PPA) has been signed with SECI on October 16, 2016 at a fixed tariff for 25 years of project life with Solar Energy Corporation of India (“SECI”), a limited liability company owned 100% by the Government of India, as the counterparty. These superior quality projects use Tier I equipment and are eligible to receive a fixed tariff on per unit of electricity generated thus limiting the operational risk. The projects have been operational for more than 2 years and have a robust track record of collections with a healthy plant availability and grid availability.

We completed acquisition of 100% stake in two solar assets with cumulative capacity of 100 MW (AC) from Fotowatio Renewable Ventures (FRV) at an enterprise value of ~₹ 6.60 Billion in July 2021.

Plant Availability



Grid Availability



Details of Solar Elements

| Element | Location | Specifications | Actual Commission Date | Term of PPA |
|------------|--|---|------------------------|---------------------------------|
| Project P2 | Ananthapuram Solar Park, District Kadapa, AP | AC capacity: 50 MW; DC capacity: 68 MWp | July 2018 | 25 years from declared COD date |
| Project P8 | Ananthapuram Solar Park, District Kadapa, AP | AC capacity: 50 MW; DC capacity: 70 MWp | Jan 2019 | 25 years from declared COD date |

Current Status

As on March 31, 2022, the Solar Assets have a remaining PPA term of ~22 years.

*On acquisition of Kallam Transmission Limited (happened in Dec 2021) Refer Media release on 01 Dec 2021

ASSETS IN PIPELINE

KHARGONE TRANSMISSION PROJECT (KTL)

Khargone Transmission Limited (KTL) was incorporated on November 28, 2015. KTL entered into a TSA on March 14, 2016 with LTTCs. The KTL project was awarded to SGL-4

by the Ministry of Power on a perpetual ownership basis with a TSA term of 35 years from the scheduled commercial operation date.

Details of KTL Elements

| Transmission Line/ Substation | Location | Route Length (cKms) | Specifications | Actual / Anticipated Commission Date | Expiry of TSA Term |
|---|------------------------------|---------------------------|---------------------------------|---|-----------------------|
| LILO of Khandwa-Rajgarh Line | Madhya Pradesh, Chhattisgarh | 14 | 400 kV D/C Line | February 2018 | July 2054 |
| Khargone TPP Switchyard Khandwa Pool | Madhya Pradesh | 49 | 400 kV D/C line | March 2020 | July 2054 |
| Khadwa Pool-Indore | Madhya Pradesh | 179 | 765 kV D/C Line | March 2020 | July 2054 |
| Khandwa Pool-Dhule | Madhya Pradesh | 383 | 765 kV D/C Line | December 2021 | July 2054 |
| Khandwa Pooling Station | Madhya Pradesh | - | 3,000 MVA Transmission Capacity | March 2020 | July 2054 |
| 2 Nos. of 765 kV line bays & 7x80 MVAR Switchable line reactors (1 unit as spare) along with 800 Ω NGR and its auxiliaries for Khandwa Pool – Dhule 765 kV D/C at Dhule 765/400 kV Substation | Madhya Pradesh | - | 400/200 kV, 2X500 MVA | December 2021 | July 2054 |

Project progress based on SPTL disclosures

KALLAM TRANSMISSION PROJECT

Kallam was incorporated on May 28, 2020 and was incorporated for the development of a new 400/220kV Substation at Kallam and 400kV Multi circuit transmission line of works in the state of Maharashtra. This project is envisaged on build, own, operate and maintain (“BOOM”) basis for a period of 35 years through tariff based competitive bidding (“TBCB”). Kallam is IndiGrid’s first greenfield transmission project.

The project, with a planned outlay of ₹ ~1700 million, will consist of one substation of 2 x 500 MVA, 400/220 kV near Kallam and 10 Bays with a LILO multi circuit line of ~18 kms. The project will strengthen the transmission system in Maharashtra by improving the grid availability for evacuation & integration of renewable energy in the state. The project is situated in a low-risk plain topography and is proposed to be completed over the next 15-18 months.

INDIA'S TRANSMISSION FRAMEWORK

Total Transmission Network in India*

4,58,258 cKms

Transmission Line Length

11,19,256 MVA

Transformation Capacity

**Note: As per CEA progress report till May 2022 (only commissioned)*

Key Players In India's Transmission Portfolio

INDIA GRID TRUST

~8,190 cKms

Transmission Line Length

~16,550 MVA

Transformation Capacity

**Note: Asset portfolio considering sale of Framework Assets to IGT, excluding solar portfolio and Kallam Transmission As of March 31, 2022*

ADANI TRANSMISSION

~19,300 cKms

Transmission Line Length

~39,500 MVA

Transformation Capacity

(Includes under-construction projects and Essar Power Transmission Company Limited acquisition)

Note: As per ATL Jun 2022 Equity Presentation excluding HVDC

STERLITE POWER (INDIA)

>2,000 cKms

Transmission Line Length

~3,300 MVA

Transformation Capacity

(includes under construction projects, does not include sold or framework assets)

PGCIL

172,437 cKms

Transmission Line Length

474,457 MVA

Transformation Capacity

#Note: As per PGCIL Q4 FY2022 Investor presentation

PGCIL INVIT

~3,700 cKms

Transmission Line Length

~6,630 MVA

Transformation Capacity

*Note: As per PGCIL INVIT IPO prospectus and PGCIL Q4 FY2022 presentation
Source: Company Website, Industry Research*

Other key transmission projects in India

| Project SPV | Stakeholders | Length / Capacity | Project Cost (In ₹ Million) |
|--|--|------------------------------------|-----------------------------|
| MP Power Transmission Package I Limited | Megha Engineering and Infrastructures Limited (under construction) | ~500 ckms, ~3,500 MVA | ~13,000 |
| Rajgarh Transmission Limited | GR Infraprojects Limited (under construction) | ~200 ckms, ~1,000 MVA | ~5,000 |
| Gadag Transmission Limited | Renew Power (under construction) | ~200 ckms, ~1,000 MVA | ~4,000 |
| Koppal Transmission Project | Renew Power (under construction) | ~250 cKms, ~2,500 MVA | ~7,500 |
| Raichur Sholapur Transmission Company Limited | SPatel Engineering Limited, Simplex Infrastructures Limited & BS TransComm Limited (33.3% each) | 210 cKms | 3,000 |
| Kudgi Transmission Limited | Sekura Energy (Agreement to acquire) | 960 cKms | 15,000 |
| Darbhanga - Motihari Transmission Co. Ltd.” | Sekura Energy | ~280 cKms, 1,400 MVA | 17,000 |
| NRSS XXXI (B) Transmission Limited” | Sekura Energy | ~580 cKms | |
| NRSS XXXVI Transmission Limited | Resurgent Power Ventures | ~340 cKms | 4,700 |
| Kohima-Mairani Transmission Limited | China Light and Power” | ~500 ckms; 1,200 MVA | 13,000 |
| KT Satpura Transco Pvt Ltd. | China Light and Power | 200 cKms | 3,400 |
| Western UP Power Transmission Company Limited | Megha Engineering and Infrastructures Limited | 820 cKms; 6,340 MVA | 41,500 |
| South East UP Power Transmission Company Limited | Resurgent Power Ventures | “2,090 cKms; 5,000 MVA” | 80,000 |
| Powerlinks Transmission Limited | PGCIL (49%), Tata Power Ltd. (51%) | 2300 cKms | 7,500 |
| Torrent POWERGRID Limited | PGCIL(26%), Torrent Power Limited (74%) | 710 cKms | 3,500 |
| North-East Transmission Company Limited | PGCIL (26%), ONGC Tripura Power Company Limited (26%), Govt. of Tripura (10%), Govt. of Assam (13%), Govt. of Mizoram (10%), Govt. of Manipur (6%), Govt. of Meghalaya (5%) & Govt. of Nagaland (4%) | 1320 cKms | 22,000 |
| Teesta Valley Power Transmission Limited | PGCIL (26%), Teesta Urja Limited (74%) | 410 cKms | 7,680 |
| Cross Border Power Transmission Company Ltd. | PGCIL (64%), Satluj Jal Vidyut Nigam Ltd (26%) and NEA (10%) | 170 cKms | 2,500 |
| Power Transmission Company Nepal Limited | NEA: 50%, PGCIL: 26%, Hydroelectricity Investment and Development Company Limited (HIDCL):14% and IL&FS Energy: 10% | 80 cKms | 1,000 |
| Bihar Grid Company Limited | PGCIL (50%), Bihar Power (Holding) Company Limited (50%) | 800 cKms; 2,990 MVA | 16,900 |
| Kalinga Bidyut Prasaran Nigam Private Limited | PGCIL (50%), Odisha Power Transmission Corporation Limited (50%) | NA | NA |
| Jaigad Power Transco Ltd | JSW (74%), MSETCL (24%) | 330 cKms | 4,000 |
| Amravati Power Transmission Company Ltd | Rattan India (100%) | 215 cKms | 2,500 |
| Sinnar Power Transmission Company Ltd | Rattan India (100%) | 110 cKms | 1,500 |
| Total | | 13,655 cKms; 25,430 MVA | 2,76,180 |



An aerial photograph of a mountain valley. The foreground shows a lush green valley floor with a rocky stream bed. The middle ground features steep, green hillsides with some rocky patches and a winding road. The background consists of high, rugged mountains partially shrouded in mist or low clouds. A large, semi-transparent blue circle is centered over the image, containing the text 'MANAGEMENT REPORTS' in white, bold, sans-serif capital letters.

MANAGEMENT REPORTS



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Economy

During the first half of FY2022, global economic recovery witnessed growth momentum led by Advanced Economies (AE), massive vaccination programmes and stimulus packages. However, emergence of Omicron variant, persistence of supply chain disruptions, elevated energy and commodity prices weighed on global economic activity during the second half. The global economic environment worsened with Russia-Ukraine conflict and accompanying sanctions. Crude oil prices jumped to 14-year high and remain volatile at elevated levels as of March 2022. Several central banks continue to be on the path of normalization and tightening of monetary policy stances.

Global growth is projected to slow from an estimated 6.1% in CY2021 to 3.6% in CY2022 and CY2023. as the global economy faces major headwinds from several fronts - geopolitical tensions and continuing uncertainty about the pandemic's trajectory.

Key Developments

The global economic environment has drastically altered, with the escalating geopolitical situation clouding the outlook for both growth and inflation in India and across the world warranting a revision in forecasts. Amidst persisting global supply chain disruptions, elevated energy and input prices and tighter labour markets, apprehensions of heightened global financial and commodity market volatility come together in a perfect storm.

Brent crude prices crossed US\$ 130 per barrel on March 8, 2022 and have hovered in the US\$ 100-120 range since mid-March, posing risk to India's economic prospects and putting the global recovery at heightened risk. The Bloomberg commodity index spiked by around 10% since the war erupted on February 24 and 52% on a YoY basis (as on April 5, 2022) as supply concerns exacerbated across commodities. Gold prices crossed US\$ 2,000 per ounce on safe haven demand before some correction. Global food prices were at an all-time high in February 2022 and are expected to harden further in view of potential supply disruptions.

With inflation turning out to be persistent and broad-based and well above targets, major advanced economies (AEs) - US/EU, quickened the pace of unwinding of their ultra-accommodative monetary policies. A number of emerging market economies (EMEs) have been in a tightening mode since 2021, and more are expected to follow. Sovereign bond yields in major AEs had hardened substantially in anticipation of a faster and steeper tightening of policy rates, but geopolitical risks have imparted high volatility as risk sentiment experiences sudden and sizeable shifts by every passing day. Equity markets have seen sharp corrections since the start of the calendar year with the market volatility index rising to a one-year high amidst geopolitical tensions. Currency markets have turned highly volatile in response to these developments, with the US dollar index reaching its highest since June 2020 due to flight to safety.





Outlook

The IMF report projects global growth at 3.6% in CY2022 and CY2023— 80 and 20 basis points lower than in the January forecast, respectively. The outlook has deteriorated, largely because of Ukraine-Russia conflict and subsequent sanctions on Russia. The Ukraine-Russia conflict and frequent and wider-ranging lockdowns in China - including in key manufacturing hubs have dampened the road to global economic recovery. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging. The economic effects of the war are spreading far and wide, mainly through commodity markets, trade and finance interlinkages. Due to sanctions and supply-chain disruptions, commodity prices have risen subsequently hurting lower-income households globally.

IMF'S WORLD ECONOMIC OUTLOOK (APR 2022)

Global Economy Growth



Advanced Economies Growth



Emerging Markets and Developing Economies Growth



Source: : <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

As per IMF's report, inflation is projected to remain elevated for much longer than previous forecast, driven by war-induced commodity price increase and broadening price pressures. For 2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging markets and developing economies. In some advanced economies, including the United States and some European countries, inflation has reached its highest level in more than 40 years, prompting a more aggressive tightening response from central banks.



India Economy

The provisional estimated by National Statistical Office (NSO) in May 2022 pegged India's real GDP growth for FY2022 at 8.7% dragged by deceleration in the fourth quarter due to weakness in private consumption on the back of Omicron wave. Overall, the growth is 1.5% above the pre-pandemic level of 2019-20. On the supply side, real gross value added (GVA) rose by 8.3 per cent in 2021-22, with its major components, including services, exceeding pre-pandemic levels. GDP growth in Q3 FY2022 decelerated to 5.4%.

Real GDP growth (annual % change)



Source: RBI

Available high frequency indicators for year-end quarter exhibit signs of recovery with the fast ebbing of the third Covid wave. Urban demand reflected in domestic air traffic rebounded in March and the pace of contraction in passenger vehicle sales moderated in February. However, rural demand mirrored in two-wheeler and tractor sales contracted in February. Import of capital goods increased robustly in February, although domestic production continued to contract. Merchandise exports remained buoyant and clocked double-digit growth for the thirteenth successive month in March 2022 and reached US\$ 417.8 Billion in FY2022 surpassing the target of US\$ 400 Billion. All categories of imports, however, have risen even faster, leading to merchandise trade deficit at a record annual level of US\$ 192 Billion in FY2022 or 6.1% of GDP.

On the supply side, food grains production touched a new record in FY2022, with both kharif and rabi output crossing the final estimates for FY2021 as well as the targets set for FY2022. The manufacturing PMI remained in expansion zone in March, although it moderated somewhat to 54.0

from 54.9 in February. Services sector indicators – railway freight; e-way bills; GST collections; toll collections; fuel consumption; and electricity demand – were in expansion in February-March. The services PMI continued in expansion mode, inching up to 53.6 in March 2022 from 51.8 in the preceding month.

Headline CPI inflation has witnessed substantial rise in the last few months of the year. CPI inflation was 4.9% in November 2021 but in the last few months has breached the upper tolerance threshold of 6.0%. Recorded CPI was 7.0% in March 2022 and 7.6% in April 2022, reflecting broad-based increase in all its major constituents.

Food inflation has contributed the most with inflation of cereals, milk, fruits, vegetables, spices and prepared meals being the key drivers. Fuel inflation was driven up by a rise in LPG and kerosene prices. Core inflation (i.e. CPI excluding food and fuel) also hardened across all components, dominated by the transport and communication sub-group.

Source: RBI Monetary Policy Report- Apr'22, Jun'22

Key Developments

India's real domestic product (GDP) real gross domestic product (GDP) rose by 8.9% in FY2022, above its pre-pandemic (2019-20) level by just 1.8%. Economic activity, which gained strength in Q2 FY2022 (July-September) with the ebbing of the second wave, has lost pace since Q3 FY2022 (October- December), exacerbated by the spread of the Omicron variant in Q4 (January-March). The beneficial effects of the rapid ebb of infections have, however, been overwhelmed by the geopolitical conflagration since February 2022. Consumer price index (CPI) inflation edged above the upper tolerance band in February 2022 as unfavorable base effects combine with the onset of supply shocks as conflict escalates. While India's direct trade and financial exposures are modest, indirect spillovers from the slowing global economy, the sharp jump in commodity prices across the board and elevated risk aversion and uncertainty owing to geopolitical developments weigh heavily on the outlook.

Outlook

Economic activity which was recovering with the ebbing of the third wave, rapid stride towards universal vaccination, and supportive fiscal and monetary policies presently faces significant headwinds from the exacerbating geopolitical developments and the accompanying sharp rise in global commodity prices and weakening global growth outlook. The key messages from the forward-looking surveys report the consumer confidence rose in the March'22 survey round, although still in the pessimistic zone. For the year ahead, consumers' optimism strengthened further on the back of improved sentiments on the general economic situation, employment and household income.

Optimism in the manufacturing sector for the quarter ahead moderated marginally in the January-March 2022 round of the Reserve Bank's industrial outlook survey due to an ebb in

sentiments on inventory of raw materials and finished goods. Services and infrastructure sectors also reported lower optimism on the overall business situation in Q1 FY2023.

According to the PMI surveys, one year ahead business expectations of firms in the manufacturing sector moderated while those of firms in the services sector remained steady in March 2022.

The real GDP growth is projected at 7.2% for FY2023 as investment activity is expected to be supported by improving capacity utilization, government's capex push and strengthening bank credit. Government of India's National Infrastructure Pipeline (NIP) laying more than ₹ 100 Trillion of infrastructure projects will provide impetus to country's growth.

Upside risks to the baseline trajectory could emanate from stronger and sustained expansion in domestic demand, including for contact-intensive services, a boost to private investment activity from the confluence of government's thrust on capital expenditure, and healthier corporate balance sheets.

Domestic inflation outlook remains uncertain amid tense geopolitical situation and consequent elevated commodity prices. Early results from manufacturing, services and infrastructure sector firms polled in RBI's survey expect further input and output price pressures going forward. Accounting for high price pressures and favourable normal monsoon, RBI projects inflation at 6.7% in FY2023.

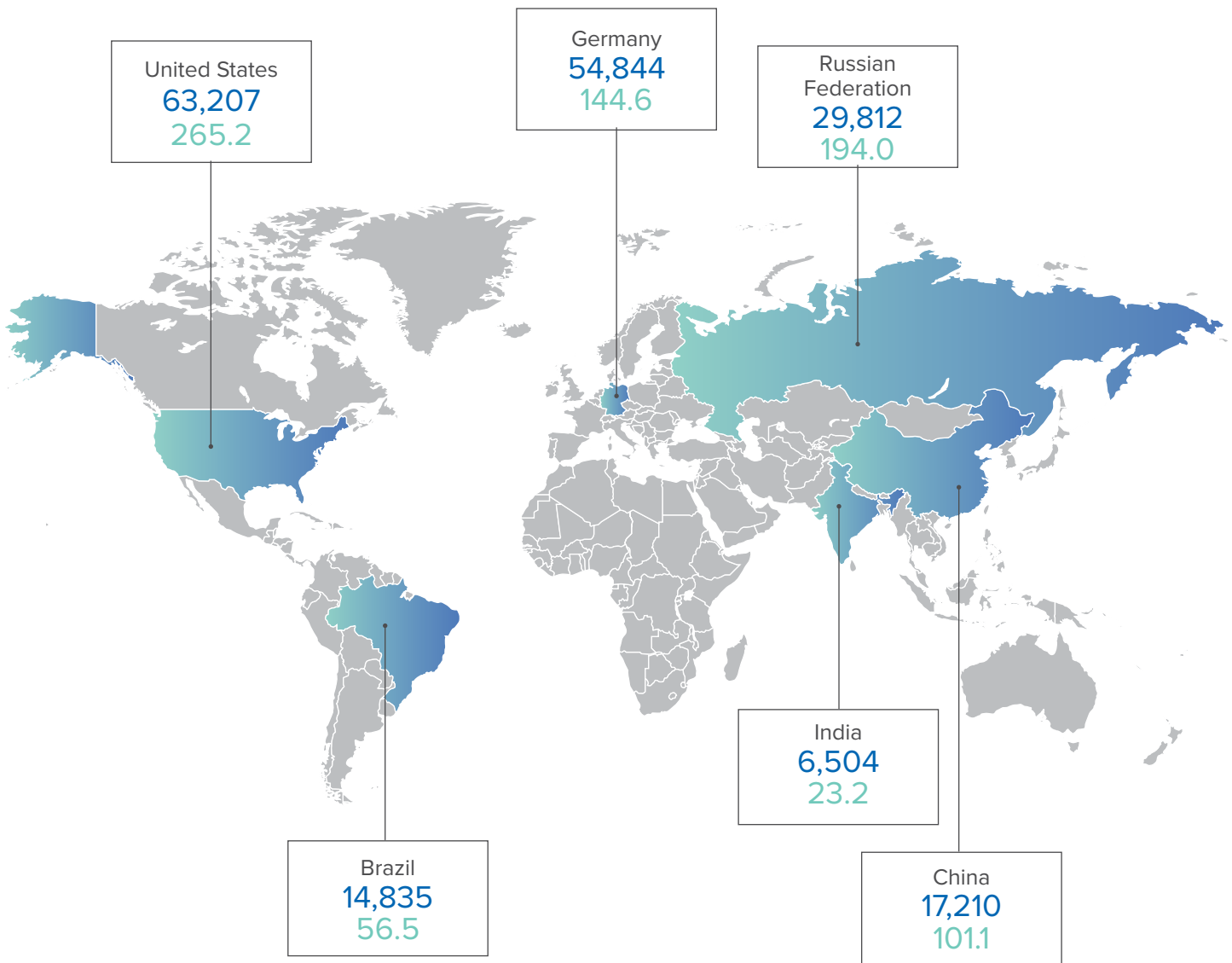
Source: RBI Monetary Policy Report- Apr'22, Jun'22



Industry Overview

India Power Scenario

The power industry is a core sector, fulfilling the energy requirement of several other industries and having a multiplier effect on the economy. India has 5.7% global share in electricity consumption in 2020. In line with this, India was also the third-largest producer of electricity, after China and the US, with 5.8% global share in electricity generation in 2020. Despite being among the top three power consumers in the world, the electricity consumption in India is only 23.2 Gigajoules per capita in 2020. This is lowest among the BRICS (Brazil, Russia, India, China and South Africa) nations. This indicates strong growth potential of the Indian power sector.



■ GDP Per Capita PPP¹ (Current International \$) CY2020

■ Per Capita Consumption² (Gigajoules) CY2020

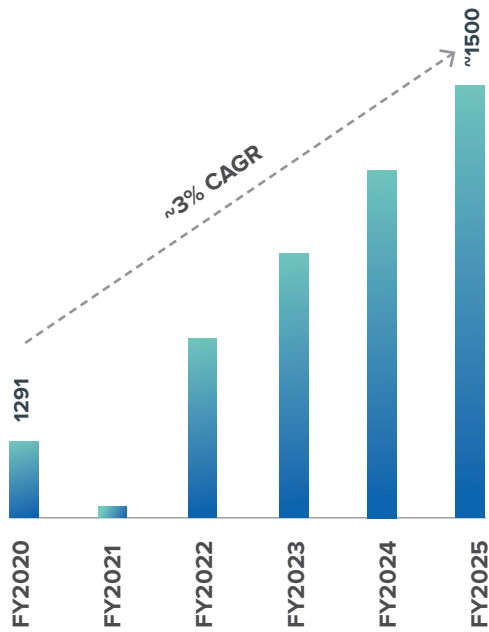
Map not to scale. For Illustration purpose only.

Source: (1) World Bank Data (<https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>)

(2) Statistical Review of World Energy 2021, 2021 | 70th edition (<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2021-full-report.pdf>)

Energy requirement grew at 3.8% CAGR over FY2015-20. Going forward, power demand is estimated to rise at a tepid ~3% CAGR over FY2021-25, majorly because of a decline in power demand in FY2021 on account of the pandemic-wrought downturn. Gradual demand recovery will be driven by a slow uptick in economy, higher residential demand owing to rapid urbanisation and high latent demand, and government push for rural electrification.

Energy requirement growth over next five years
(In Billion units)

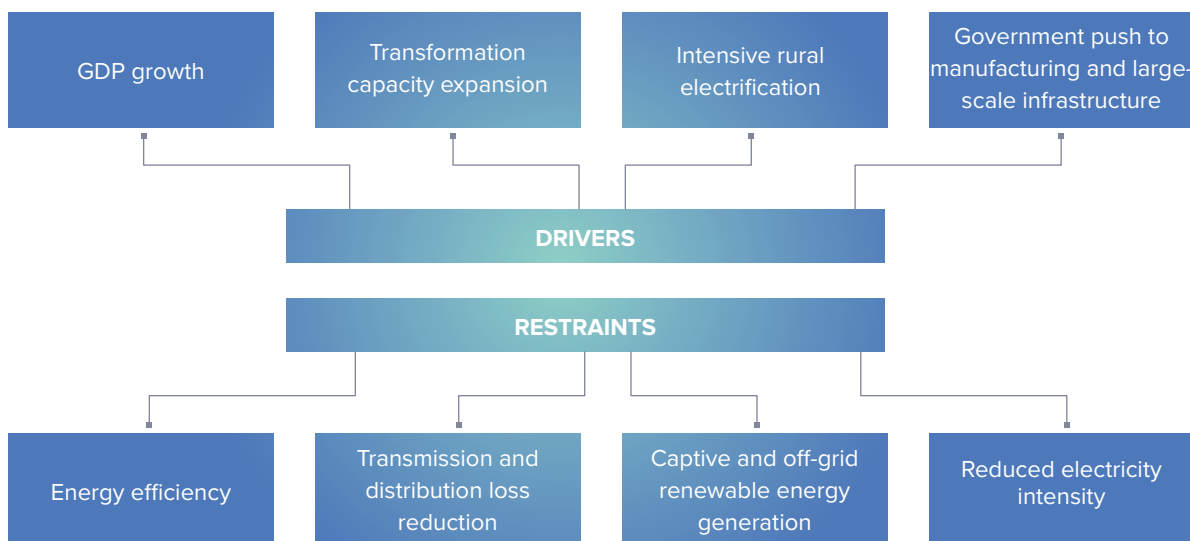


Source: CRISIL Research

The beginning of FY2022 has seen power demand slip again as the nation went into second phase of lockdown to tackle the wave of COVID-19 pandemic. With industries working at limited capacities, offices locked up, and services such as retail, hospitality, and entertainment closed as a part of the containment measures, power demand registered a decline. India's peak electricity demand fell 8.5% in the first half of FY2021 as industrial and commercial activities remained muted amid lockdowns imposed across the country to contain the COVID-19 outbreak. With relaxations now being allowed, the economy is slowly starting to open up with a consequent uptick in power demand.

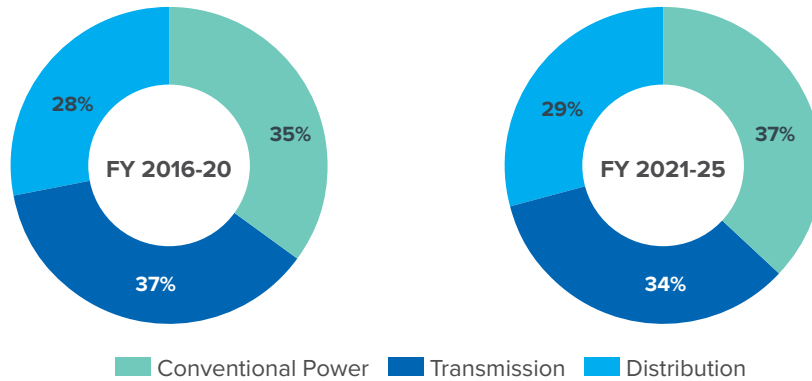
With industrial & commercial activity expected to get restored to normal and economic growth is expected to make a comeback coupled with a low base effect as well as government spending on infrastructure, the power demand is expected to return to positive territory in FY2022. Demand is expected to gradually pick up on the back of healthy recovery in economic growth, expansion in reach via strengthening of transmission and distribution (T&D) infrastructure, and improved power quality, thereby registering ~3% CAGR between FY2021 and FY2025.

Factors influencing power demand



Source: CRISIL Research

Investment in power sector



Source: CRISIL Research

Investment in power generation is expected to marginally increase over the next five years. CRISIL Research projects that over the next five years, India's power sector will receive an investment of ~₹ 9.5-10 Trillion, as compared to ~₹ 8.2 Trillion over FY2016-20 (E). Central & state sectors are expected to drive conventional capacity additions in the next five years primarily led by renewables, whereas the share of private sector capacity addition will remain low due to weak financial condition of players and presence of untied capacities.

Investment in the generation segment is expected to be marginally higher, despite lower capacity addition. The reason being higher capacity addition in the nuclear segment, which is costlier on a per MW basis. Investment in distribution is likely to be subdued in the short-to-medium term on account of the financial stress of state utilities, which accounts for more than 90% share in distribution investment. However, with the Government's focus on alleviating congestion, transmission capacities are expected to witness robust growth. About 330-350 GVA transformation capacity (above 220 kV level) is expected to be added between FY2021 to FY2025 to reach the cumulative transformation capacity of 1,300-1,350 GVA by FY2025. In particular, robust growth is expected in high voltage (HV) lines of 400 kV and 765 kV due to its importance in interstate transmission lines on account of the following Government targets:

- Inter-regional transmission capacity expansion to 145 GW by FY2024 from 102 GW in March 2020
- Ultra-high capacity green energy corridors with expected investments worth ₹ 430 Billion

Thus, the expected improvement in T&D infrastructure coupled with agricultural feeder separation and extensive rural electrification under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) will drive power demand upwards over the next five years.

24/7 Power for All

The Government's schemes like DDUGJY, IPDS, UDAY and Saubhagya are aimed at providing uninterrupted power for all consumers. The Government has sanctioned ₹ 850 Billion to various state governments to strengthen their power infrastructure. These initiatives will improve last-mile connectivity, and solve issues related to distribution of power, billing and collection losses. Although the progress has been noticeable with almost 100% electrification of households and reduction in the technical losses, poorly devised power tariffs, and delays in release of subsidies squeezed state discoms financially affecting their efficiency in power supply. The thrust on renewable energy will ensure that the T&D segment's share in incremental power supply will increase.

Infrastructure development to drive power demand

| | What does it entail | Impact on power sector |
|---|--|---|
| Housing for All and Smart Cities | <ul style="list-style-type: none"> Under Prime Minister Awas Yojana, 8 Million urban and 10 Million rural houses to be constructed over the next five years 100 smart cities have been planned | Rapid urbanisation and rising disposable incomes to boost demand from domestic and commercial categories |
| Make in India and Capital Goods Policy | <ul style="list-style-type: none"> Make in India envisages increase in share of manufacturing in India's GDP from the current 18% to 25% Capital goods policy aims at production of ₹ 750 Billion by 2025 | Support in electricity consumption by industrial and allied segments |
| Infrastructure Development | <ul style="list-style-type: none"> Eastern and western dedicated freight corridors with planned outlay of ₹ 734 Billion Metro rail projects in cities across the country Railway tracks electrification | Power demand from railway segment as well as commercial establishments along the freight corridors to pick up |

Source: Crisil Research

Power Transmission in India

Transmission, an important element in the power delivery value chain, facilitates evacuation of power from generating stations and its delivery to the load centres. In India, the T&D system is a three-tier structure comprising distribution networks, state grids, and regional grids. For efficient dispersal of power to deficit regions, strengthening the transmission system network, enhancing the Inter-State power transmission system and augmentation, the National Grid and enhancement of the transmission system network are required. An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. The T&D system in India operates at several voltage levels:

Extra high voltage (EHV):

**765 kV,
400 kV and
220 kV**

High voltage:

**132 kV and
66 kV**

Medium voltage:

**33 kV, 11 kV, 6.6 kV
and
3.3 kV**

Low voltage

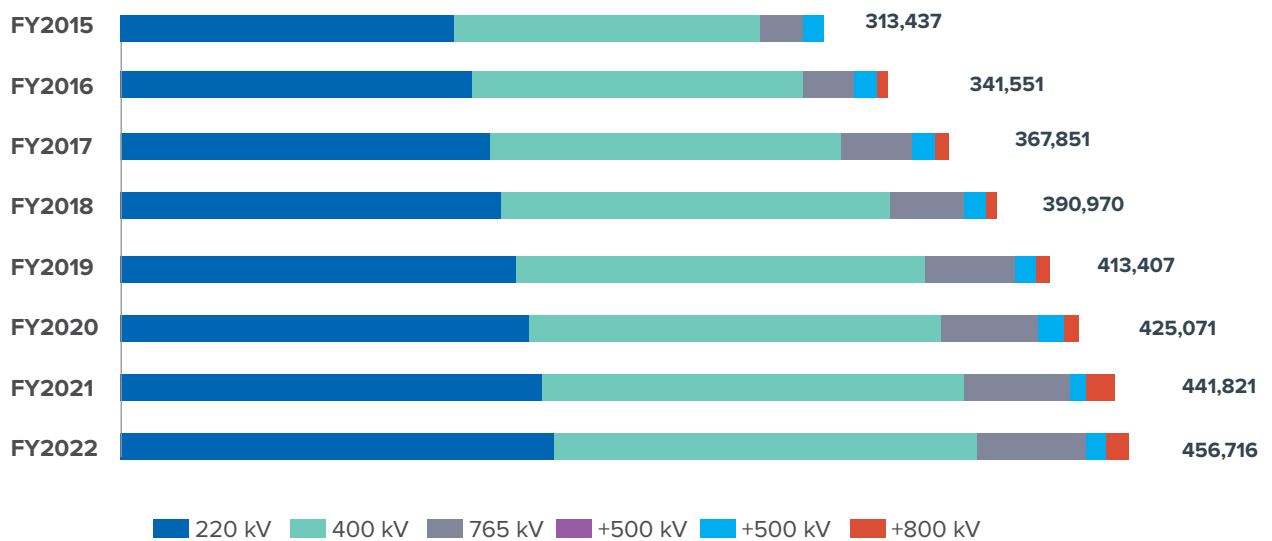
**1.1 kV,
220 volts and below**



There has been strong growth in the transmission system at higher voltage levels and substation capacities due to increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability. Between FY2014-15 and FY2020-21, the transmission line length (above 220 kV voltage level) grew at a CAGR of ~6%.

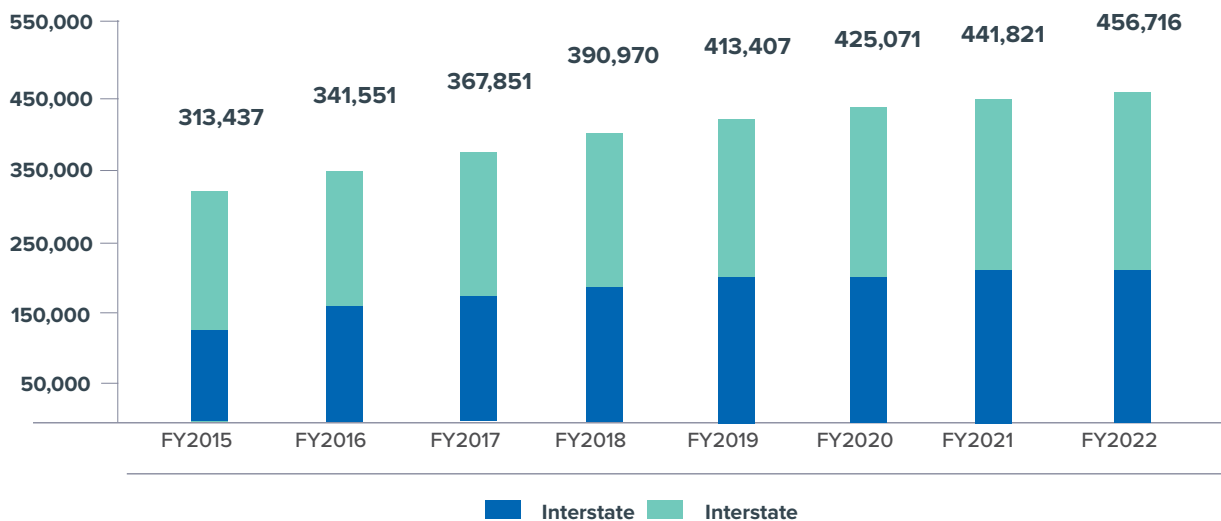
Source: <https://www.electricalindia.in/transmission-sector-on-the-move>, India Infrastructure Research

Voltage-wise Growth in Transmission Line Length (ct. km)



Source: CEA, India Infrastructure Research

Growth in Transmission Line Length (ct. km)

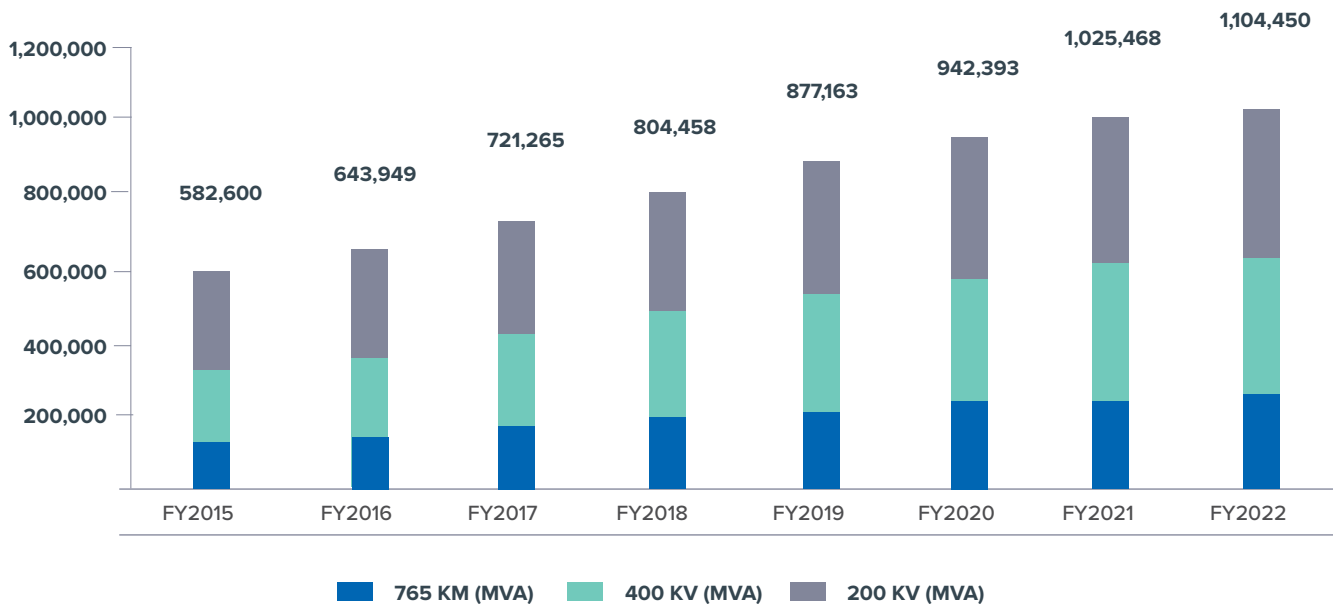


Source: CEA, India Infrastructure Research

The total transmission line length (above 220 kV) has increased at 6% CAGR from FY2015 to FY2022. This increase can also be attributed to an increase in the commissioning of the 765-kV lines, growing at a CAGR of 16.3% over the same time period. 765 kV lines have higher transfer capacity and lower technical losses thereby reducing the overall number of lines and rights of way required to deliver equivalent capacity. Performance in a transmission line improves as voltage increases and as 765 kV lines use one of the highest voltage levels, they

experience comparatively lesser amount of line loss. 800 kV lines have also shown strong growth momentum, rising at 22.5% CAGR from FY2016 to FY2022, majorly owing to strong investments by the central sector. Sub-station capacities in the country have grown from 582,600 MVA in FY2015 to reach 1,104,450 MVA in FY2022, at a CAGR of 9.3%. The growth in sub-station capacities have majorly seen traction in 220 kV, 400 kV and 765 kV segments growing ~6.7%, ~11% and ~11% respectively and contributing 40%, 36% and 24% respectively as on March 2022.

Voltage-wise Growth in AC Transformer Capacity



Source: CEA, India Infrastructure Research

The pace of expansion is expected to continue in the future to meet the Government’s renewable energy targets and 24x7 power for all consumers. To ensure free and uninterrupted flow of power, every megawatt of new generation capacity needs a certain transformation capacity added to the system. In the Indian context, 220 kV and above level transformation to generation addition ratio (MVA:MW) has remained low over the years. At the end of March 1985, this ratio was 1.1 times and has only improved to 2.6 times by the end of March 2020. Lower transformation capacity results in line congestion, which has been visible particularly in inter-state transmission of power.

With Government’s focus on alleviating congestion,

transmission capacities are expected to witness robust growth in transformation capacity additions during the 13th Five Year Plan. A conducive policy framework has helped the transmission sector to develop consistently at a significant growth rate. As India’s demand for electricity continues to grow, the expansion of generation capacity accelerates from FY2022 onwards.

While IEA expects 48% of new demand to be met by coal-fired generation, low carbon sources provide about half of the additional supply. Driven by state and central auctions, as well as a target of 500 GW of installed renewable capacity, renewable generation is expected to increase by 30% by FY2024 relative to FY2021.

National Electricity Plan, 2016

As per National Electricity Plan, 2016-Transmission, a line length addition of 105,580 circuit kilometre and substation capacity addition of 292,000 MVA have been envisaged during the 13th plan period. Corresponding to the addition of lines, a major part of the investment will be on the erection of towers. On an average, towers account for more than 35 to 40% of the cost involved in the construction of transmission line. Along with their foundations, the towers constitute almost half the cost involved in the construction of transmission lines. Therefore, market opportunities for technology providers and transmission tower players are likely to grow significantly in the coming years.

With the increasing renewable energy generation, the grid is expected to extend to far-flung areas. As the gestation period of renewable energy projects such as solar and wind is short, the associated transmission projects need to be completed at a fast pace in order to facilitate the evacuation of energy. This requires speedy development of transmission lines and towers using advanced technologies such as light detection and ranging for surveying drones for patrolling and helicopters for tower erection and stringing.

Source: <https://www.electricalindia.in/transmission-sector-on-the-move>

Draft National Electricity Plan (NEP), 2021

As per National Electricity Plan, 2016-Transmission, a line length addition of 105,580 circuit kilometre and substation capacity addition of 292,000 MVA have been envisaged. In April 2021, the Ministry of Power (MoP) released the draft National Electricity Policy (NEP), 2021, in accordance with Section 3 of the Electricity Act, 2003.

The draft policy focuses on:

- Improving the health of electricity distribution companies, implementing cost reflective tariff structures, and managing the rising share of intermittent renewable energy in the system
- Improving the quality of electricity supply, increasing the share of indigenous equipment used across the power value chain, and increasing private participation especially in the power distribution segment

NEP 2021 - Provision for Power Transmission and Grid Operators:

System operators must be adequately equipped with modern technologies to ensure supply safety and security. Measures such expansion of the balancing

as areas, combined operation of renewable energy sources with conventional generation/ storage systems, development of ancillary services, and assessment of transfer capability are required.

There is a need to streamline the approval process for transmission projects. At the central level, the National Committee on Transmission approves the plans drawn up by the CTU. A similar mechanism is recommended at the state level.

Key Objectives of NEP 2021

- Promotion of clean and sustainable electricity generation
- Development of an adequate and efficient transmission system
- Revitalization of discoms
- Development of efficient electricity markets
- Supply of reliable and quality power of specified standards in an efficient manner
- Move towards lighter touch regulation
- Promotion of domestic manufacturing of goods and services under the Make in India initiative and the Aatmanirbhar Bharat Abhiyaan



Growth drivers in transmission



Source: CRISIL Research

Key drivers for development of transmission infrastructure

a. Renewable energy integration

An ongoing initiative for enabling the integration of large-scale renewable energy into the grid is that of the green energy corridors. Government has devised two schemes for the creation of highways for renewable power transmission, the green energy corridor I and green energy corridor II. Under the green energy corridor projects, advance technologies are being implemented to maintain grid stability. To further enhance stability and facilitate energy balancing and scheduling mechanism is being implemented at the renewable energy monitoring centres. The Government has planned to build 11 renewable energy monitoring centres across the country, alongside the state load despatch centres and an REMC at the national level. These would work in tandem with their state load centres or national load despatch centres to enable smooth grid operations.

b. Cross-border links

Significant projects to strengthen the cross-border electricity exchange have also been executed in recent years and some are in the pipeline. In August 2017, India and Nepal inaugurated two new transmission lines for higher levels of electricity transfer. These will add 100 MW to the 350 MW power that India already supplies to Nepal. India has also planned several interconnections with Bangladesh, including the second Baharampur-Bheramara interconnection. In addition, the two countries have signed MoU for the supply of 1,600 MW through dedicated high voltage direct current transmission lines. India is also implementing several interconnections with Bhutan. These cross-border links will drive the growth of transmission infrastructure in India.

<https://www.electricalindia.in/transmission-sector-on-the-move/#:~:text=India's%20power%20transmission%20segment%20is,as%20well%20as%20government%20initiatives.&text=Further%2C%20significant%20renewable%20energy%20capacity,175%20GW%20by%202022%20target.>

c. Rail electrification

Another key growth driver for transmission is expected to be the electrification of railways. Indian Railways unveiled its Railways Mission 41k initiative in January 2017 with the objective of saving ₹ 410 Billion over the next 10 years through an integrated energy management system. Under this, 38,000 route km of rail track will be electrified between FY2018 and FY2022, to ensure 100% electrification of its broad-gauge rail routes. In order to meet its targets, it is focussing on the setting up transmission lines, sub-stations and transformers. Around 8,000 km of transmission lines will be needed by Indian Railways to provide reliable and secure supply for the Golden Quadrilateral in the first phase. This is expected to fuel growth in the transmission segment, as well as create huge opportunities for transmission equipment manufacturers in the country. In recent years, the Central Organization for Railway Electrification (CORE) has contributed the majority of total electrified sections of Indian Railway. It has electrified 52,247 Route kilometers (RKM) that is about 80.2% of the total Broad-Gauge network of Indian Railways (65141 RKM) by March 31, 2022. CORE plans to electrify all BG routes of Indian Railway by December 2023. In order to electrify important railway routes for harnessing maximum benefits from their traffic potential, nine project units of CORE are operational at Ahmedabad, Ambala, Bangalore, Chennai, Kolkata, Jaipur, Lucknow, Guwahati and Secunderabad.

Source: Central Organisation for Railway Electrification (CORE), CRISIL Research

d. Smart grid and electric vehicles

An initiative to make the transmission grid smarter has been the Unified Real Time Dynamic State Measurement project, being implemented by PowerGrid Corporation. Further, with the increasing penetration of electric vehicles in the grid over the next few years on the back of the government's ambitious plans to move to an all-electric fleet, the Indian grid will experience some serious challenges due to electric vehicle charging. This will necessitate investments in grid enhancement and automation, besides reactive power compensation capabilities, preventing overloading of the grid. The Government is also planning to provide several incentives and regulatory framework to promote e-vehicles in India.

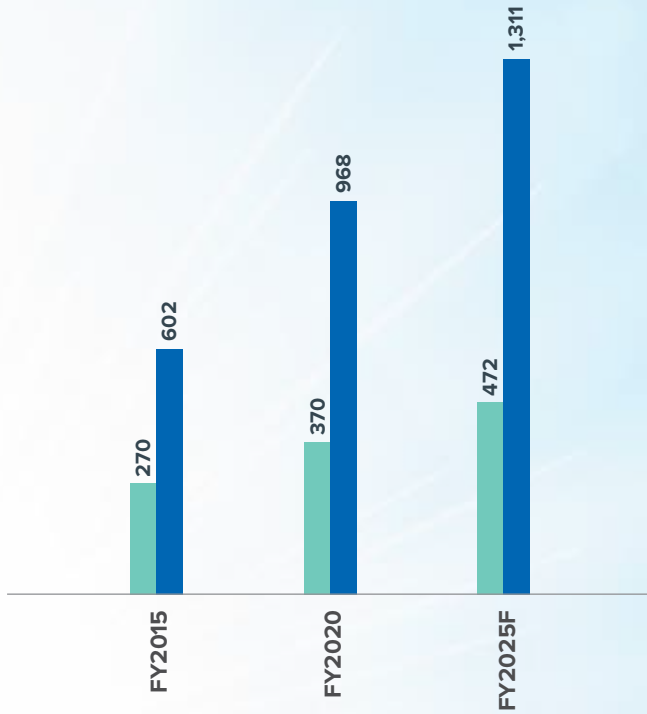
e. Private sector participation

Promoting competition in electricity sector is one of the aims of the Electricity Act, 2003. In the spirit of encouraging competition, various reform measures have been initiated by the Central and State Governments. Ministry of Power came out with competitive bidding guidelines for enabling competition in power transmission to enable private sector investments in the sector, which allowed price discovery through market-based mechanism. This ensured that private transmission companies are allowed equal platform and opportunity to access the market as the public companies, but most importantly it ensured competitive prices to benefit both, the consumers and the market.

India is one of the few countries where transmission sector has been opened up for private participation and has garnered significant interest from private players. The initiatives undertaken by the Government and various states have led to competition in power transmission. However, the spirit of competition and private participation in the Indian electricity transmission sector is still in the nascent stages. With the huge generation capacity addition and improved generation with fuel issues getting sorted for existing capacity, a corresponding increase in transmission capacity is needed to ensure that power generated reaches the end-consumer. Major part of the total investment required has to come from private sector. Clearly, successful PPP in transmission would be vital to meet the huge investment and capacity enhancement target in transmission



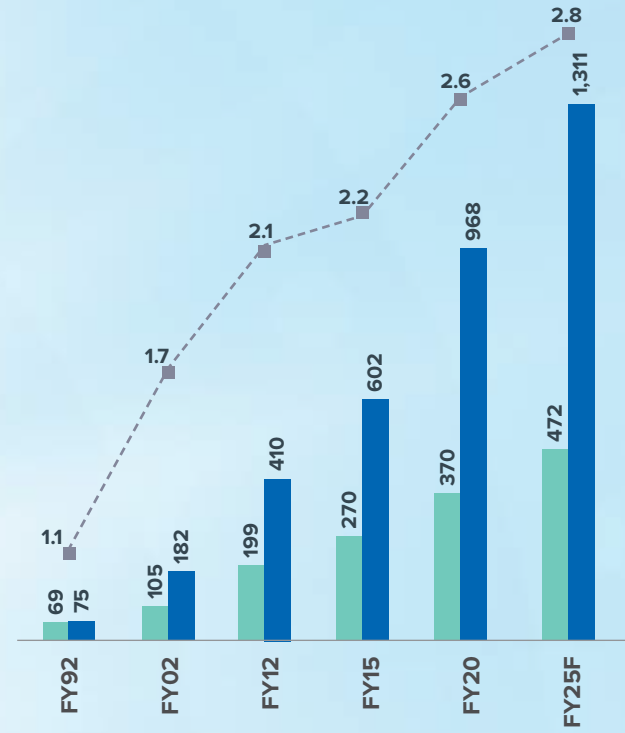
Outlook for transmission capacity addition



■ Installed generation capacity (GW)
 ■ Installed transformation capacity (GVA)

Outlook on transmission capacity additions

(MVA:MW)



■ Installed generation capacity (GW)
 ■ Installed transformation capacity (GVA) (220 kV & above substation capacity)
 - - - Transformation to generation ratio (MVA:MW)

Source: CEA, Power Finance Corporation (PFC), CRISIL Research



Investment in power transmission

Transmission sector require significant investments to improve power scenario, upgradation of existing lines, and integration of renewable energy into the grid. Transmission will be a key focus area for the power sector investment for a foreseeable future, alongside renewable energy investments. Due to their intertwined growth pattern, increase in capital investments in transmission and renewable both will require significant Government push in the form of policy reforms.

The National Infrastructure Pipeline (NIP) (2020-25) envisaged in the Union Budget for FY 2020-21 has tried to identify this investment gap via envisaged capex, sources of funding and private participation needed for each of the sectors and the energy sector in particular. The NIP has an ₹ 111 trillion capex budget, which has lined up 6,500 projects across 23 sectors. Energy sector accounts for 24% share in investment under NIP, more than any other sector. This equates to a capex outlay of roughly ₹ 26.9 trillion for the energy sector, with power and renewable power sectors expected to get a majority share of ₹ 14.1 trillion and ₹ 9.3 trillion, respectively. Transmission alone is expected to account for ₹ 3-3.5 trillion of capex during this period.

Investments in the T&D segments are expected to witness a growth of 12% in FY2021-25 over FY2016-20. Transformation capacity of 330-350 GVA is expected to be commissioned in the next five years. In the transmission line segment, CRISIL expect moderate growth (~5%-7%) in HV lines of 400 and 765 kV due to their importance in inter-state transmission lines. Higher voltage level enhances power density, reduces losses and efficiently delivers bulk power. Moreover, it reduces requirement of right of way, a key challenge facing the transmission sector. CRISIL believes the MVA:MW ratio would further improve to ~2.8 by FY2025. Going forward, installed transformation capacity is expected to reach 1,311 GVA by March 2025 and grow at a CAGR of ~6.2%. In the transmission line segment, moderate growth in HV lines of 400 and 765 kV due to their importance in interstate transmission lines.

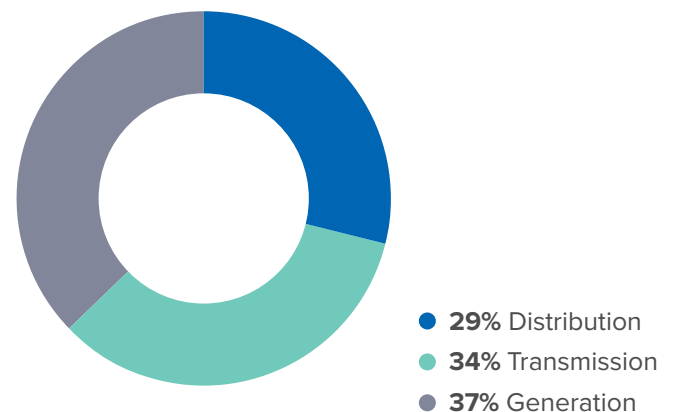
In order to strengthen the power system and ensure free flow of power, significant investments would be required in the T&D segment. Moreover, commissioning of additional generation capacity, rising penetration of renewable energy, regional demand- supply mismatches, upgradation of existing lines, rising cross-border power trading would necessitate huge investments in transmission sector in India.

To service a large generation installed base, the estimated

investment in the transmission sector is expected to be ~₹ 3.3-3.5 Trillion over the next five years. Investments in the sector are expected to be driven by the need for a robust and reliable transmission system to support

continued generation additions and the strong push to the renewable energy sector as well as rural electrification. Rising private sector participation with favourable risk-return profile of transmission projects will also support growth in investments. Transmission investments could slow down slightly in FY2021 due to COVID-19 outbreak, but are expected to rebound strongly in the subsequent year.

FY2021-FY2025F



Total investments: ₹ ~9.5-10 Trillion

Source: CRISIL Research



Opportunities and Challenges

Operational power transmission projects have minimal risk, as they are independent of asset utilisation and have adequate payment security

In the project construction phase, transmission assets face execution risks including right of way, forest and environment clearances, increase in raw material prices etc. However, post commissioning, with the implementation of POC mechanism, there is limited offtake and price risk as described below. Thus, operational transmission projects have annuity like cash flows and steady project returns. Tariffs payable to the ISTS have a fixed escalable component which ensures stability in cash flows while variable component is linked to the inflation index in India, which is relatively a smaller component of the tariff. Some of the key reasons for low risk are:

- Revenue recovery irrespective of asset utilisation limits off-take risk
- Diversified counter-party risk
- Collection risk offset owing to presence of CTU
- Payment security mechanisms in place
- Relatively low probability of default due to lack of alternatives

Power transmission infrastructure has better risk-return profile as compared to most other infrastructure projects

Returns from various infrastructure projects (other than transmission line projects) like roads, ports and power generation rely mostly on the operational performance of the assets, which in turn is dependent on factors where developers have limited control. For instance, in the roads sector (non-annuity-based project) the company's profits are dependent on collection of toll revenues, the port

sector bears risk of cargo traffic, while in the case of power generation, it depends on availability of fuel and offtake by distribution companies. Further, the counterparty risk is higher in annuity-based roads projects as the sole revenue counterparty for annuity-based payments is National Highway Authority of India (NHAI), while in the case of ISTS transmission projects the revenue counterparty is a pool of distribution and generation companies, thus reducing the counterparty risk-based on account of diversification.

The key challenges faced in terms of India's power transmission sector are primarily based on three fronts – time, space, and capital.

- Transmission project construction needs to keep pace with faster commissioning of renewable generation facilities
- With rapid urbanisation, greenfield projects might not have adequate space as they compete with the much-needed city infrastructure
- Land acquisition for new infrastructure will remain a constraint
- Needs refurbishing/repurposing existing infrastructure
- Commercial T&D losses due to theft, defective meters, and errors in meter reading, and in estimating unmetered supply of energy
- Generation sources are located in remote areas, posing challenges in developing transmission infrastructure



Comparison of transmission assets with other infrastructure assets

| |  |  |  |  |  |  |  |
|-------------------------|--|--|--|--|---|---|---|
| | Inter State Power Transmission | Roads | Ports | Conventional power generation | Solar energy power generation | Wind energy power generation | Commercial Real Estate |
| Certainty of Cash Flows |  Driven by long-term agreements |  Traffic risk in BOT projects |  End-user industry risk |  Offtake and cost of fuel |  Broadly driven by long term agreements |  Broadly driven by long term agreements |  Preferred by global institutional investors and HNI investors but risks of seasonality |
| Counterparty Risk |  Exposure limited to systemic risk |  Cost overruns, limit O&M impact toll collection |  Exposure to multiple end users |  Direct exposure to debt laden SEBs |  Faster clearance to payments under NWN/ SECI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months) |  Faster clearance to payments under NWN/ SECI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months) |  Regular challenges of delays and cancellations |
| Operational Risk |  Limited O&M requirements |  Mejor maintenance requirements |  Limited O&M requirements |  Substantial periodic maintenance needs |  Limited O&M requirements |  Substantial periodic O&M requirements |  Limited O&M requirements |
| Future Growth Potential |  Severe deficit in power transmission capacity |  High growth potential |  Good potential, limited by feasible locations |  Moderate potential from baseload power demand |  Governments to scale up capacity to 100 GW by FY2022 from ~12 GW in FY2017 |  Governments to scale up capacity to 60 GW by FY2022 from ~32 GW in FY2017 |  Pivoting towards hybrid models as work from home becomes more acceptable with digital means of communication |
| Competitive Environment |  Slightly competitive |  Highly competitive given multiple private players |  Few private players |  Highly competitive given multiple players |  Highly competitive given multiple private players |  Highly competitive given multiple private players |  Low number of large players, smaller ones merging due to impact on business |
| Summary: |  |  |  |  |  |  |  |

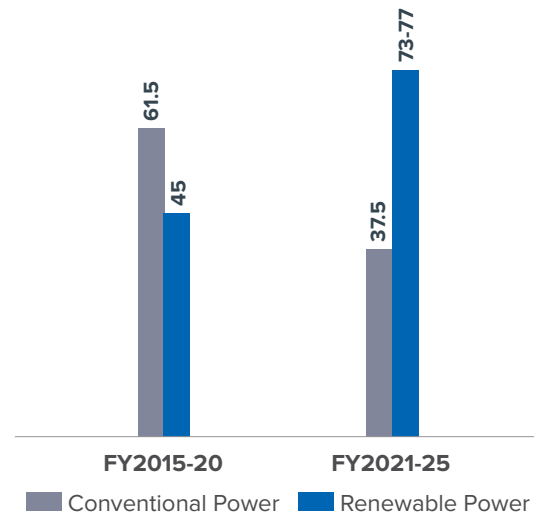
 Most Favourable  Favourable  Marginally Favourable

Source: CRISIL Research

Renewable Energy in India

CRISIL Research expects ~73-77 GW of renewable power generation capacities to be added between FY2021-25 of which around 59-61 GW are estimated from solar followed by ~14-16 GW through wind. Capacity additions in the renewable energy segment are expected to witness robust growth. Additions in both wind and solar power are expected to be driven by strong government focus, which is evident from the fiscal and regulatory incentives, viability gap funding and execution support in terms of land and evacuation infrastructure. Improved availability of low-cost finance through various instruments / sources would also support renewable energy capacity additions. In solar power, the high module costs remain the constraints but backward integration will be a key for capacity additions, driven largely by big players.

Expected trend in power generation capacity addition (GW)



Source: CEA, CRISIL Research

Strong renewable capacity additions

Power generation in India is dominated by coal-based generation, contributing to ~54% of the total installed capacity in India. Further, with ~400 GW installed capacity as on March 31, 2022, the coal-based generation contributes to around 60% of total electricity generation capacity in India (Source: Ministry of Power). However, there has been a staggering growth in installed capacity of Renewable Energy.

Increase in share of renewable energy sources

| | FY2015 | FY2020 | FY2025 |
|------------------|-----------|-----------|-----------|
| Coal | 58% | 54% | 46% |
| Lignite | 2% | 2% | 2% |
| Gas | 8% | 7% | 5% |
| Diesel | 1% | 0% | 2% |
| Nuclear | 2% | 2% | 0% |
| Hydro | 15% | 12% | 10% |
| Solar | 1% | 9% | 20% |
| Wind | 9% | 10% | 11% |
| Other RES | 4% | 4% | 4% |



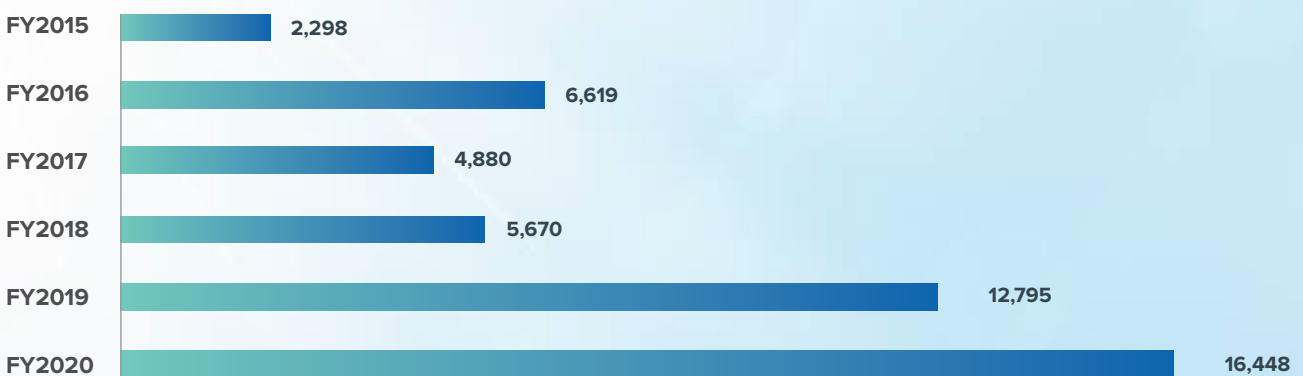


Evolution of Solar Power in India

In the renewable energy basket as of October 2021, solar energy accounted for a share of ~46%. Growth in the solar power sector over the last five years has been robust, registering a CAGR of ~15.3% between FY2014 and FY2021. Due to its favourable location in the solar belt (400 S to 400 N), India is one of the best recipients of solar energy with

abundant availability. In November 2021, the government announced future plans to increase the funding under the PLI scheme for domestic solar cells and module manufacturing to ₹ 240 Billion (US\$ 3.17 Billion) from the existing ₹ 45 Billion (US\$ 594.68 million) to make India an exporting nation.

Solar capacities allocated (MW)



Source: CEA, CRISIL Research

Growth drivers for solar sector in India

Fiscal and regulatory incentives

Under National Solar Mission (NSM), capacity additions will be driven by offtake and payment security under central allocations. Moreover, strategies to reduce tariffs through bundling with thermal power (NVVN) and viability gap funding (VGF) (SECI state-specific VGF schemes) will support additions. The government has expanded the CPSU scheme to encourage cash-rich central PSUs to set-up renewable energy projects.

Infrastructure support from Government

Gol has been pushing development of solar parks and improving transmission network under Green Energy corridors. MNRE has envisaged large renewable energy capacity additions across 6 complexes in India by FY2030. Transmission corridors will also be constructed which will help in building lower cost transmission system for evacuating renewable power. States with large renewable energy potential such as Maharashtra, Andhra Pradesh, Telangana are also adding transmission capacities to support offtake of power.

Improving availability of finance at low cost

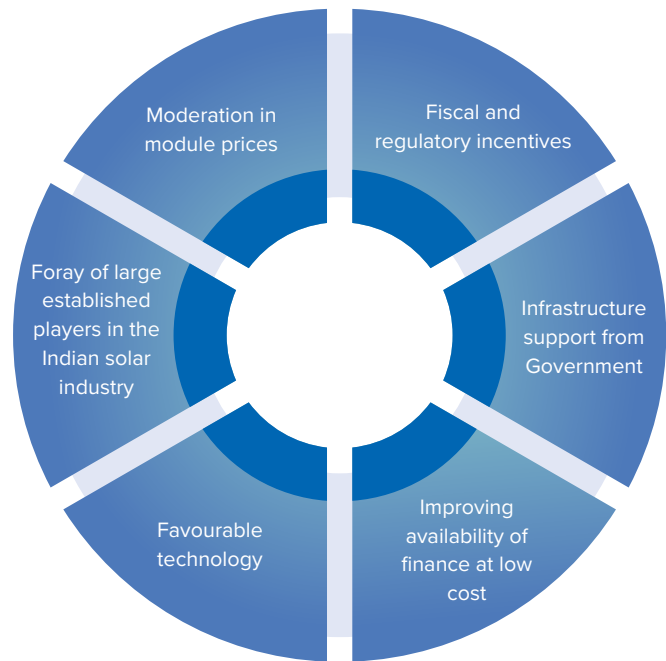
Developers are also exploring other options other than traditional funding channels to ensure availability of low cost finance. Issuance of green bonds, funding from Asian Infrastructure Investment Bank (AIIB) and creation of investment trusts have created various avenues for a wider pool of investments and lower cost of financing.

Favourable technology

Solar power is one of the most sustainable sources of renewable energy. Overall, with the increased focus on renewables as the next leg of energy generation growth, there has been enormous investments in R&D and innovation which has resulted in higher power generation and proficiency, energy stowing, and integration of renewable energy sources into the prevailing grid infrastructure.

Foray of large established players in the Indian solar industry

Post the announcement by Government of India to set up 500 GW renewable energy generation capacity by 2030, large established players have forayed into the solar generation. Many of the large Indian conglomerates as well as global players have announced to set-up large capacities in solar power generation.



Source: CEA, CRISIL Research

Moderation in module prices

Annual solar installations in the world have increased from 18 GW in 2010 to 183 GW in 2021 and is projected to increase to 334 GW by 2030. One major reason for its large-scale adoption is its low cost. A major driver of a downtrend of solar tariffs has been solar modules (~65% of the total project cost). Average global solar module price fell by more than 20% YoY between 2010-2020. Despite witnessing an uptrend due to supply chain disruptions, demand augmentation etc., in the last year and a half, prices are still in moderation.

FACTORS TO BOOST GROWTH IN SOLAR CAPACITY ADDITIONS

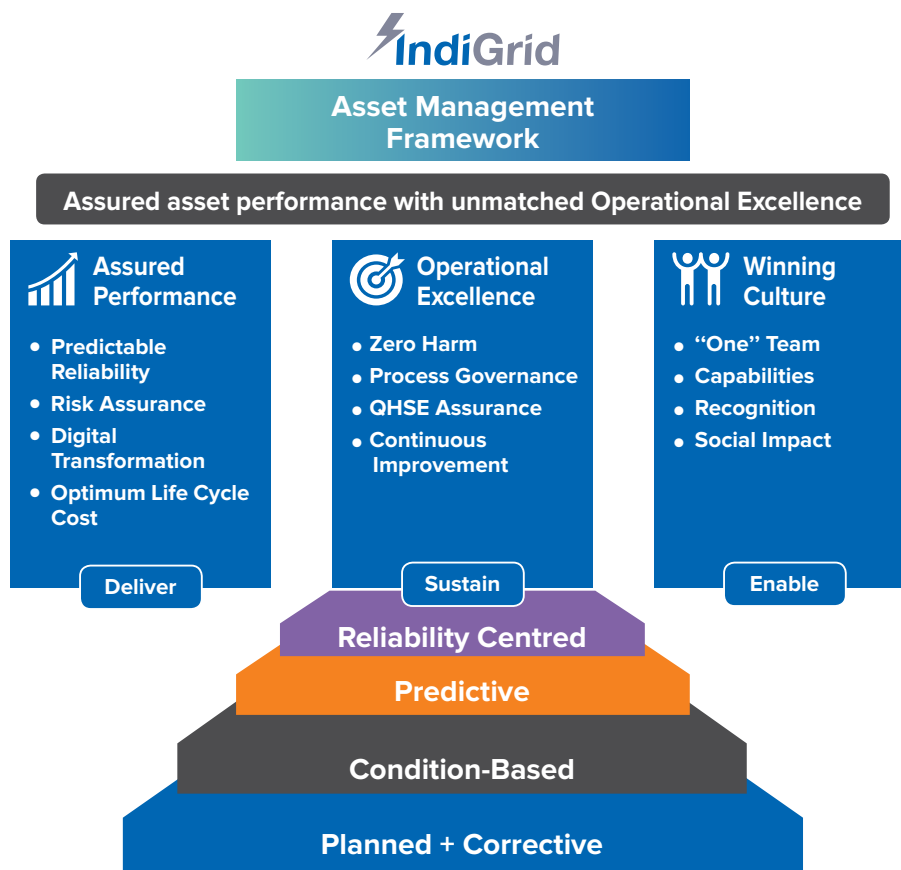
- Infrastructure support by Government – solar parks and green energy corridors
- Availability of cheaper finances from new funding avenues
- Improvement in discom financials under UDAY scheme
- Continued availability of finances for rooftop solar; decline in battery prices
- Aggressive expansion plans by central PSUs
- Large capacity allocations under the NSM and state schemes

OPERATIONAL REVIEW

IndiGrid is engaged in the business of owning and operating power transmission and solar energy assets. The inter-state power transmission projects receive tariffs based on availability, irrespective of the quantum of power transmitted through the line. These 'availability-based' tariffs incentivize transmission system operators to provide the highest possible system reliability as the operator is entitled to get an incentive amount in excess of 98%. Hence, to maximize revenue, a robust asset management framework is in place at IndiGrid to ensure robust and prudent asset management program, devise strategies and plan prudently to meet IndiGrid vision. This framework duly considers the sector-specific conventional practices being followed and the global best practices from closely-related sectors like power generation, renewable and other sectors which leads

to risk adjusted asset management of power transmission assets enabling to unlock maximum value to our stakeholders. Below is graphical representation of the asset management framework.

Over the last 5 years, IndiGrid has gradually moved from a planned/corrective practice to a reliability centric management approach. Not only is this necessitated due to a larger asset base at IndiGrid where assured performance is key, it is also critical due to the strategic nature of assets in the national grid. The movement to a reliability centric approach also underpins the steadfast pursuit of operational excellence and erecting a positive ecosystem around IndiGrid's portfolio



We strongly believe that the above framework will help to achieve our aspiration to deliver assured performance to our stakeholders with unmatched Operational excellence. The framework is built into three core strategic pillars as outlined:

a. Deliver Assured Performance

Assured Performance is key to achieve IndiGrid Vision to

meet our investor and other stakeholder expectations. Robust risk mitigation plan execution enabled by digital technologies will be key driver for success of this pillar. Digital technologies will enable transition from conventional planned and corrective practices to advanced reliability centered predictive maintenance. Thus, strong rigor to minimize the downtime and

improve mean time between failures and restoration, would certainly result in optimizing total life cycle cost of ownership and unlocking the value of assets for our stakeholders.

b. Sustain with Operational Excellence

Simplified processes, methodologies, its compliances and skill developments are the most important element of developing continuous improvement culture across the value chain of asset management functions and will play critical role for the success of this pillar. Implementing globally benchmarked processes, standard operating procedures on EHS standards and Quality Assurance systems and with strong compliance rigor shall enable unmatched operational excellence to deliver Assured Performance.

c. Enable with Winning Culture

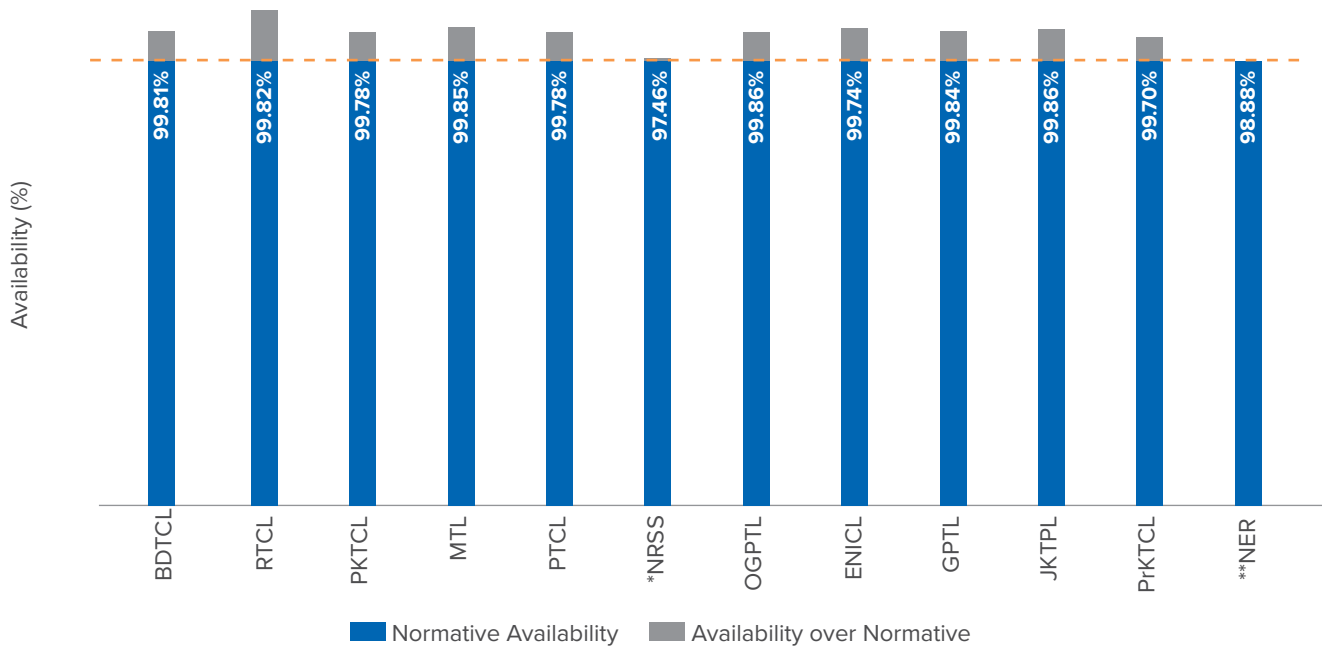
This pillar becomes a strong enabler for delivering

assured performance and to sustain with unmatched operational excellence. Working as “ONE TEAM” till the last-mile person involved at the project sites, developing core competencies and building self-motivating teams would be key priorities to achieve objectives for this pillar. This is especially of great importance because there are several stakeholders involved including IndiGrid, the Project Manager, O&M Contractors etc. Asset Management offers huge opportunity to create a social impact by supporting communities and environment located nearby our assets and will be important aspect of this strategic pillar.

Key Performance FY2021-22

The following charts illustrates the demonstrated performance of IndiGrid assets which has consistently set benchmarks in the power transmission industry, beating pre-contracted availability-based tariffs – either under the transmission services contract or the CERC tariff guidelines.

Average Availability FY2021-22



*NRSS FY22 availability was majorly impacted due to forced outage undertaken to avoid tower collapse situation created due to landslide. It is under process for deemed availability certification.

**NER FY22 availability was impacted due to asset stabilization activities including SP indemnified activities & PK Bari reactor outage.



KEY INDICATORS

Average Portfolio Availability (%)



No. of Trips/Line



Safe Manhours (%)

Loss Time Incident Reporting
(Including Fatality)

Training Manhours (hrs)



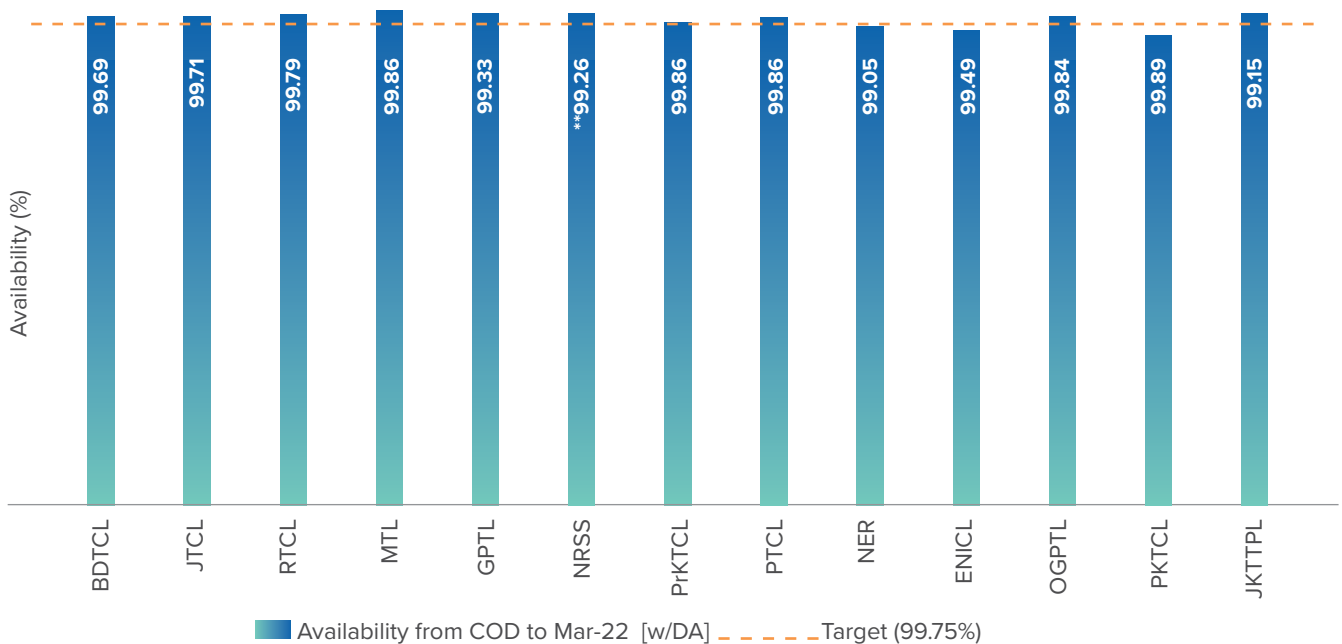
Solar Generation* (MU)



*These numbers are for 100 MW solar plant generation. Rooftop solar generation in FY2021 was 43,013 kWh.

**Non-fatal loss time incidents, no fatality in FY22

Commercial operations date to Mar 2022 performance

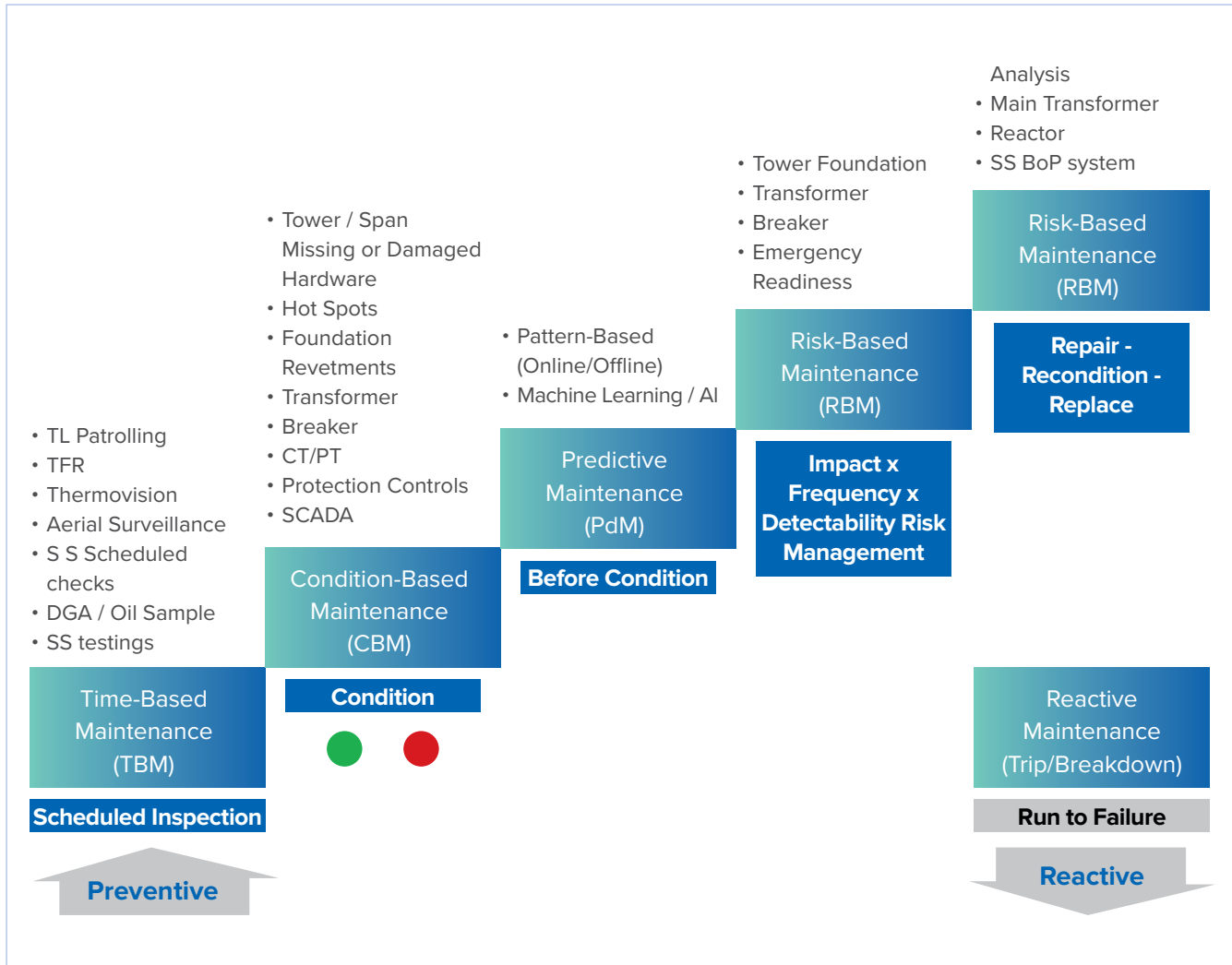


Notes: NER acquired at the end of Mar'21 (data for Jan-Mar'22)

*NRSS FY22 availability majorly impacted due to forced outage undertaken to avoid tower collapse situation created due to landslide; it is under process for deemed availability certification

Focus on maximizing 'Reliability'

In accordance with the Assured Performance pillar of Asset Management Framework, Predictable Reliability is of paramount importance to achieve committed performance to our stakeholders. IndiGrid has adopted Reliability Centred Maintenance (RCM) approach to achieve objective of safe and reliable operations of assets for its life cycle. IndiGrid RCM approach is illustrated as below:



Under this approach, conventional O&M mindset change from corrective (or reactive or run to failure approach) to preventive maintenance. Further, the preventive maintenance moves to predictive and ultimately to reliability centred maintenance approach. This reliability centered approach has been the key philosophy towards maintaining IndiGrid Assets. Reliability-Centred Maintenance (RCM) is the process of determining the most effective maintenance strategies based on the local and global leading practices across the sectors and more particularly in power transmission.

The RCM philosophy employs best practices from each of maintenance strategies such as Time-based Maintenance, Condition-based Maintenance, Predictive Maintenance with

Real-time Monitoring, Risk-based Maintenance, Life Cycle Based Maintenance and even hard inevitable learnings from Run-to-Failure maintenance. These are deployed in integrated manner at system or component level to increase the confidence that the assets will deliver its assured performance in the desired manner over its design life cycle.

Implementation of Digital Technologies like drone-based inspections, digital asset life cycle management platform with artificial intelligence based transformative technologies, advance weather prediction to address climate change challenges and robust emergency / disaster management programmes with inbuilt state-of-the-art SCADA system will further strengthen RCM approach to deliver IndiGrid vision and its objectives.

IndiGrid is now also accredited with IMS certification for ISO 9001, ISO 14000 and ISO 45000 management systems. Some of these key projects undertaken during the year are detailed below :

FY2021-22 Reflections



Launch of INDIGREEN Initiative



ENICL Maintenance Work



ERS Training



Switchyard Maintenance at Dhule Substation



Drone Inspection



Sohna Substation Charging



IMS Certification

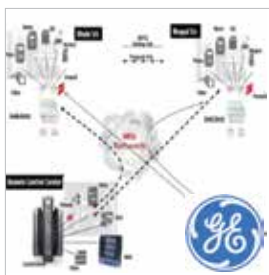


IndiGrid Gurukul: Employee Training

DIGITAL TRANSFORMATION INITIATIVES



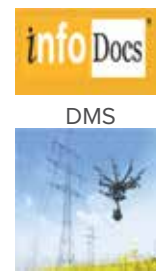
DigiGrid & ERP (SAP) Migration



Cyber Security (GE SCADA Upgradation)



Weather Alert System



DMS

Drone POC (LIDAR/ Vegetation Management)

Some Key Initiatives during the Year

IndiGreen

The nature of our business is such that demands a huge number of trees cutting in the line corridor. IndiGrid has pledged to keep planting the trees in its responsibility to maintain the balance of nature. With this mission we launched project IndiGreen with a target to plant 50,000+ trees in FY2022 and keep this as a continuous project for years to come.

The site selected for the plantation is the surplus land available at our various substations as we believe that responsibility does not end only by planting, but we are equally determined to nurture these plants.

In our substation land at Kabulpur under the SPV – Jhajjar KT Transco Pvt Ltd. (JKTPL) we are growing a Miyawaki forest with 50,000 trees. Miyawaki forest is a method of forestation started by Japanese botanist Akira Miyawaki. The feature of this method of forestation is that it is a dense forest created by using indigenous plants by improving soil moisture holding capacity so that the growth of forest is ensured with minimum water. Miyawaki forest grown in our Kabulpur substation is being developed in three layers of plants i.e., trees, bushes and shrubs.

Sustainable return is one of the key features of IndiGrid and in accordance with the same we are developing a 2000 trees fruit orchard in our substation at Dipalpur near Sonipat. The yield from this fruit orchard shall be distributed to the local communities near our sites for the life of this orchard.

IndiGreen shall remain as a continuous project for us and we continue to grow as many trees in the years to come.

Digital Transformation in partnership with IBM

IndiGrid has signed a multi-year collaboration agreement with IBM to build an artificial intelligence (AI)-enabled asset management platform. DigiGrid, the digital transformation

project with IBM, aims to digitise the entire operations of IndiGrid through its platform Maximo, recognised across the utility segment globally. At IndiGrid, we aim to deploy a hybrid cloud solution with IBM Maximo Application Suite running on the secure IBM Cloud to optimise the quality and utilisation of our assets throughout their lifecycle, increase productive uptime through preventive and predictive maintenance, drive efficiency and reduce operating costs, thereby ultimately delivering better value to the investors.

DigiGrid is live in all IndiGrid assets. Migration on all legacy processes to digital mode has been completed. The next phase of the projects covers implementation of business analytics.

Other Digital & Technology Initiatives

IndiGrid is investing heavily into creating a future-ready infrastructure. Several projects including DMS, SAP implementation and SCADA upgradation have been undertaken to revamp and upgrade the existing infrastructure. The predictive weather intelligence platform Climacell has been engaged to mitigate the impact of weather changes on our energy operations. It also acts as micro-site level data for the basis of insurance claim, if required. IndiGrid has added Emergency restoration system in the inventory to prepare itself better in case of emergency events. We also plan to use drones and Thermal & LIDAR technology for effective vegetation management.

1. IndiGrid has completed the IT/data migration from erstwhile system to a fully independent ecosystem.
2. Cyber security- To ensure IndiGrid assets are resilient to any cyber attacks and its impact on the grid, IndiGrid has partnered with GE and PWC. SCADA upgradation been completed at some of the assets.
3. IndiGrid has been certified for ISO 27001 ISMS standards and compliance by Bureau Veritas which is an internationally recognized certification agency.

OUR STRATEGIC INITIATIVES

| | | | |
|---|---|--|---|
| <p style="text-align: center;">TECH INITIATIVES</p> <ul style="list-style-type: none"> ◦ Emergency restoration system ◦ Drone POC ◦ Thermal Image Camera ◦ SF6 leakage detection camera ◦ Online DGA instrument for transformer | <p style="text-align: center;">CYBER SECURITY</p> <ul style="list-style-type: none"> ◦ Cyber security strengthening ◦ ISO 27001 certification ◦ SCADA upgradation | <p style="text-align: center;">DIGITAL INITIATIVES</p> <ul style="list-style-type: none"> ◦ DigiGrid (Maximo) ◦ Weather monitoring (Climacell) ◦ Document Management System (DMS) ◦ SAP integration | <p style="text-align: center;">OPERATIONAL EXCELLENCE</p> <ul style="list-style-type: none"> ◦ IMS Certification ◦ ESG benchmarking and ESMS study ◦ Material Management ◦ KPI-based contracts with partners |
|---|---|--|---|

Achieving ZERO DEFECTS on assets

IndiGrid is striving to achieve ZERO DEFECT in its all operating assets by adopting to reliability centred maintenance framework and below core pillars of our quality policy. The process involves robust mechanism of detecting the defects with stringent inspections protocols,

prioritising per ARE scoring methodology, in-depth FMEA / RCA / CAPA analysis for each of high risk defects and thereafter deploying mitigation measures with standard operating procedures and work instructions. This approach enables reduction of defects as well as mitigate recurrence of defects for future, which is helping to maintain utmost reliability for our portfolio of assets.

Key Pillars of Quality Policy



Reliability Improvement Efforts

IndiGrid has adopted a Reliability Centred Management Approach that strives for “ZERO DEFECT”. The Quality Policy aims for a continuous improvement culture through the adoption of leading practices, robust quality governance, conformance to applicable requirements and leading global standards. As part of the Reliability Improvement Efforts, under IndiGrid’s defect liquidation program, 94% towers and 94% spans (excluding ENICL) have been made defect free till Mar 31, 2022.

Emergency Readiness

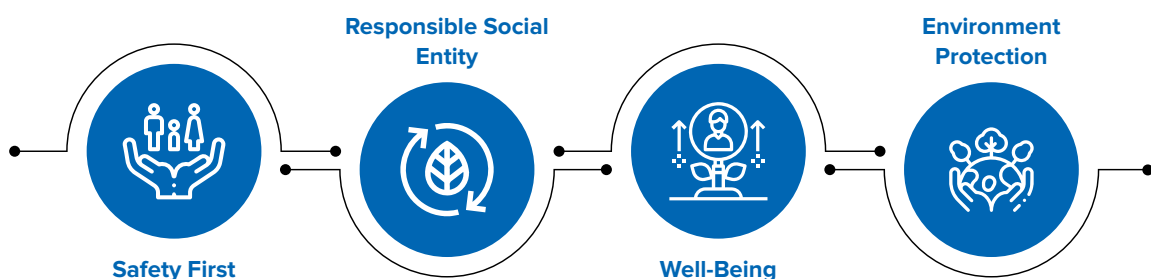
To strengthen the reliability centred maintenance approach IndiGrid has procured Emergency Restoration System suitable for the 765 kV and 400 kV Transmission Lines network spread across the country. This will ensure quick restoration in case of any tower collapse events thus minimizing the outage hours & availability loss. The 1st phase of field training has been completed for understanding the erection process and hardware’s and tools used in site. Several trainings on emergency preparedness

& response, incident reporting & investigation, hazard identification & risk assessment has been undertaken in FY2022.

ZERO HARM Culture

IndiGrid has committed itself to the vision of “ZERO HARM” through its extensive Health, Safety & Environment Policy and ESMS Framework. As a part of this endeavour, IndiGrid shall strive for “Zero Harm” to people, environment and community by adopting best-in-class practices and advocating risk-based HSE culture across the organisation and its stakeholders. Several initiatives such as awareness sessions, quizzes, expert sessions, trainings and community help sessions have been organised during the year to inculcate the philosophy of “ZERO HARM” across levels. For instance, as part of the ESMS Framework, we have followed the practice of conducting an independent and thorough environment due diligence to study the risk factors involved during the acquisition of an asset and mitigating measures thereafter.

Key Pillars of HSE Policy



Strong Operations Asset Management Team



MR. PIYUSH PANDYA - Vice President – O&M (Substation)

- Over 26 years of versatile experience in the field of Power Generation (both conventional & renewables) and transmission sector
- Previously worked with CLP India Private Limited, Reliance Infrastructure Limited and Torrent Power
- Bachelor's degree in Electrical Engineering from Saurashtra University and also qualified with PGDM-HRM
- Certified with Energy auditor and Six Sigma - green belt



MR. AMITANSHU SRIVASTAVA - Vice President – Transmission Lines

- Over 25 years of strong domain experience in power transmission sector majorly in EPC, Business development and operations in India, Brazil, Africa and SAARC countries
- Demonstrated strong ability in project execution and operations, business development and commercial activities for power transmission projects in domestic and international markets.
- Previously worked in Kalpataru Power, Sterlite Power and KEC International Bachelors degree in Electrical Engineering from Regional Engg College Nagpur



MR. RAMNEEK TENG - Vice President – Operational Excellence

- 20+ years of experience in leading distributed operations in RE, power distribution and telecom
- Previously worked with LG Electronics, Airtel, Bharti Infratel and Enercon
- Bachelor's degree in Mechanical Engineering from NIT Srinagar and is an alumnus of IIM Bangalore, certified Six Sigma black belt



MR. SHANKAR KUMAR - General Manager – O&M (Solar)

- Over 10+ years experience in managing Solar PV assets including Design and Operations of large-scale PV plants
- Previously worked with Azure Power India Pvt Limited as O&M Head managing 1.8 GW of Asset under operation both in ground mount and rooftop section
- Helped Azure build its in-house remote monitoring platform called NOCC centre
- B. Tech – Electrical and Electronics Engineering from Sikkim Manipal Institute of Technology in 2010



MR. SATEESH KUMAR - General Manager – Quality Assurance

- 18 years of experience in the field of Project Management Quality, HSE, Supplier Quality, Quality Methods and Tools in Wind, Solar, Power Transmission & Distribution, & EPC sectors
- Previously worked with Senvion Wind Tech., Siemens Gamesa Renewable Energy, NEG Micon, Vestas Wind Systems & Power Group
- Holds Bachelor's degree in Electrical and Electronics Engineering from Bharathiar University & Masters in Power Electronics and Drives from SRM University & "Leadership Excellence Among Business Professional" Certified from IIM Bangalore



MR. TAPAN PATRA - General Manager – HSE

- Over 18 experience in health environment and safety during construction, O&M across Energy sector including Refinery, Conventional and Renewable Energy including Large Scale Thermal, Solar, Wind Power Plants, Transmission Line, Switch Yard/Substation.
- Implementing HSE Management Systems and strong operational experience in managing all HSE aspects at sites in domestic and international markets.
- Previously worked majorly in Sterling and Wilson (Solar), Adani Green Energy Ltd. , Essar Power Ltd, L&T , Tata Projects.
- Bachelors degree in Power Engineering from BITS Pilani, Post Diploma in Industrial Safety and accredited with NEBOSH certification.

FINANCIAL REVIEW



Consolidated Financials - IndiGrid

(₹ Million unless otherwise stated)

| Particulars | FY2022 | FY2021 | FY2020 | FY2019 | FY2018* |
|--|--------|--------|--------|--------|---------|
| Revenue from Operations | 22,222 | 16,769 | 12,427 | 6,656 | 4,476 |
| EBITDA | 20,227 | 14,473 | 11,504 | 6,036 | 4,155 |
| EBITDA Margin | 91% | 86% | 93% | 91% | 93% |
| NDCF | 9,442 | 9,179 | 7,203 | 3,330 | 2,793 |
| PAT | 3,433 | 3,344 | 5,057 | 1,539 | 2,104 |
| Net Debt/AUM | 56% | 59% | 50% | 47% | 45% |
| DPU (₹/Unit) | 12.75 | 12.20 | 12.00 | 12.00 | 9.56* |
| NAV as per Independent Valuer (₹/Unit) | 131.71 | 146.26 | 102.26 | 96.55 | 101.87 |

*10 months of operations, ₹ 11.47 per unit annualised DPU

REVENUE, EBITDA AND PAT

Revenue grew by 33% in FY2022 from a year ago on account of acquisition of five transmission assets: GPTL, JKPTL, PrKTCL, NER during the preceding year and one solar asset.

In FY2022, the EBITDA margin was ~91%, up from ~86% YoY. Key cost components included costs incurred towards annual maintenance contracts, insurance, professional and regulatory fees.

During the period under review, PAT was nearly flattish on account of higher finance cost and depreciation on back of fresh acquisitions. The NAV per unit (pre-Rights Issue) decreased during the year to ₹ 131.71/unit.

NDCF AND DPU

Net Distributable Cash Flows (NDCF) is the free cash flow

generated from underlying operations. Cash flows received by IndiGrid are typically in the form of interest income, dividend income and principal repayment. IndiGrid is required to distribute 90% of the cash flows received to its unitholders. During the period, the Net Distributable Cash Flow was ₹ 9,442 Million.

DPU amounts to the cash flows distributed on a “per unit” basis to the unitholders. The trust distributed DPU of ₹ 12.75 per unit in FY2022. Total cash distribution to unitholders in FY2022 was at ₹ 8,927 Million.

ASSETS UNDER MANAGEMENT

Registered valuer, Mr. S. Sundararaman, carried out valuation as an independent valuer and valued IndiGrid’s assets at ₹ 211.45 Billion, as of March 31, 2022.

| Asset | Revenue (₹ Million) | | | | | AUM (₹ Billion) | |
|--------------|---------------------|--------------|---------------|---------------|---------------|-----------------|----------------|
| | FY2017-18 | FY2018-19 | FY2019-20 | FY2020-21 | FY2021-22 | March 31, 2021 | March 31, 2022 |
| BDTCL | 2,180 | 2,577 | 2,694 | 3,081 | 2,718 | 20.40 | 19.98 |
| JTCL | 2,118 | 2,150 | 1,505 | 1,541 | 1,546 | 16.02 | 16.23 |
| MTL | 72 | 572 | 585 | 587 | 581 | 5.90 | 5.98 |
| RTCL | 41 | 457 | 460 | 460 | 457 | 4.20 | 4.37 |
| PKTCL | 65 | 746 | 756 | 759 | 773 | 6.83 | 6.80 |
| PTCL | - | 153 | 301 | 321 | 319 | 2.37 | 2.61 |
| NRSS | - | - | 4,832 | 5,234 | 5,022 | 46.81 | 45.73 |
| OGPTL | - | - | 1,260 | 1,736 | 1,649 | 14.79 | 14.67 |
| ENICL | - | - | 33 | 1,473 | 1,494 | 11.96 | 11.80 |
| GPTL | - | - | - | 909 | 1,494 | 12.22 | 12.36 |
| JKTPL | - | - | - | 191 | 292 | 3.03 | 3.17 |
| Parbati | - | - | - | 355 | 1,088 | 8.56 | 7.19 |
| NER II | - | - | - | - | 4,157 | 52.36 | 53.29 |
| IG Solar -1 | | | | | 306 | | 3.38 |
| IG Solar -2 | | | | | 325 | | 3.67 |
| Kallam | | | | | | | 0.21 |
| Total | 4,476 | 6,656 | 12,427 | 16,748 | 22,222 | 205.46 | 211.45 |

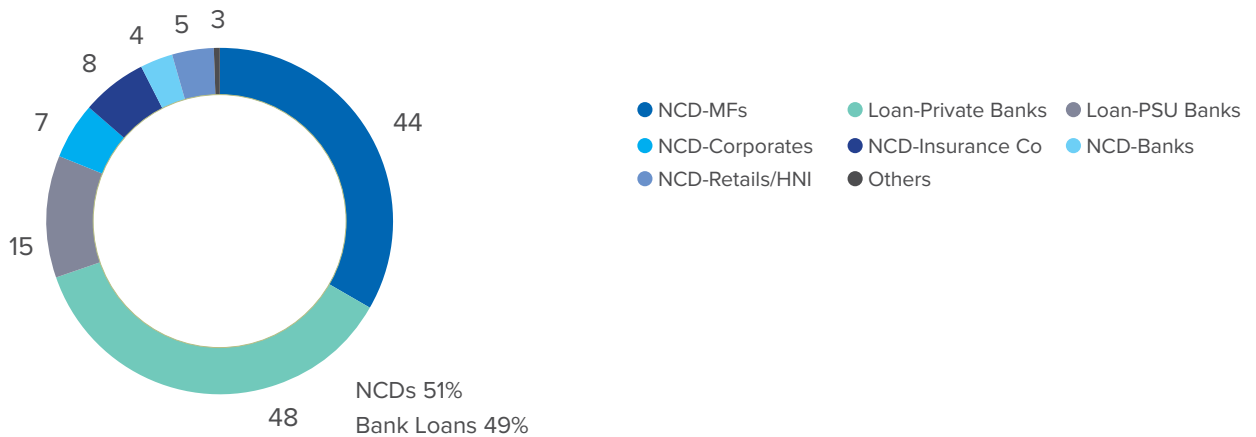
BORROWINGS

During FY2022, the following borrowings have been raised:

| Quarter | Date of txn | Entity | Type | Lender | Amount (₹ Mn) | ROI | Door to Door Tenor | Duration at time of Txn |
|---------|--------------------|--------|------------|----------------------|----------------|-------|--------------------|-------------------------|
| Q1 | April 29, 2021 | IGT | Bank loan | UBI | 3,700 | 7.45% | 15.0 | 9.1 |
| Q1 | May 11, 2021 | IGT | Bank loan | HDFC | 2,500 | 7.40% | 16.0 | 12.3 |
| Q1 | May 24, 2021 | IGT | Bank loan | HDFC | 1,500 | 7.40% | 16.0 | 12.3 |
| Q1 | June 15, 2021 | IGT | Bank loan | HDFC | 4,400 | 7.40% | 16.0 | 12.2 |
| Q1 | June 29, 2021 | IGT | Bank loan | HDFC | 8,000 | 7.40% | 16.0 | 12.2 |
| Q1 | May 06, 2021 | IGT | Public NCD | NA | 10,000 | 7.98% | 8.6 | 8.6 |
| Q1 | June 28, 2021 | IGT | NCD | Series L | 4,000 | 7.32% | 10.0 | 10.0 |
| Q2 | September 15, 2021 | IGT | NCD | Series M | 8,500 | 6.72% | 5.0 | 5.0 |
| Q3 | December 29, 2021 | IGT | Term Loan | Axis Bank | 1,000 | 7.00% | 15.0 | 10.0 |
| Q4 | February 07, 2022 | IGT | NCD | Series N Partly Paid | 1,500 | 6.52% | 3.14 | 3.1 |
| Q4 | 28-03-2022 | IGT | Term Loan | Axis Bank | 6,500 | 7.00% | 15.0 | 10.0 |
| | | | | Total | 51,600 | 7.31% | 11.69 | 9.35 |

IndiGrid enjoys a AAA corporate credit rating; its debt facilities at the asset level are also rated AAA. This is on account of low operating risk resulting in stable cash flows. The break-up of borrowing by sources as of March 31, 2022 is as follows:

Gross Borrowings (₹ 134 Billion) as on March 31, 2022



| Rating Agency | Rating For | Rating | Date | Rating Rationale |
|----------------------|------------|--|------------------|--|
| India Ratings | IndiGrid | IND AAA/Stable IND A1+ | January 25, 2022 | <ul style="list-style-type: none"> Stable operating performance Diversified ownership Adequate Liquidity High-quality underlying assets Stable Solar Assets Moderate debt structure |
| CRISIL | IndiGrid | CCR AAA/Stable, CRISIL AAA/ Stable | June 02, 2022 | <ul style="list-style-type: none"> Stable revenue of the operational SPVs Strong counterparties ensuring cash flow stability Robust financial risk profile |
| ICRA | IndiGrid | ICRA AAA/Stable ICRA A1+ | May 17, 2022 | <ul style="list-style-type: none"> Availability linked payments under the long-term TSAs for transmission assets and long-term PPAs for the solar assets Stable performance of assets under IndiGrid Strong payment security for inter-state transmission assets and strong counterparty for solar assets Healthy debt coverage metrics Structural features like presence of Debt Service Reserve, cash trap triggers and payment mechanism |
| CRISIL | BDTCL | CRISIL AAA/ Stable | October 30, 2021 | <ul style="list-style-type: none"> Low offtake risks as per contractual terms of TSA Stable cash flow under PoC pool mechanism Strong financial risk profile as part of IndiGrid |
| India ratings | BDTCL | IND AAA/Stable | October 29, 2021 | <ul style="list-style-type: none"> BDTCL's strong debt structure Low counterparty risk IndiGrid's stable operating performance Price risk mitigated IndiGrid's high quality underlying assets |
| ICRA | BDTCL | ICRA AAA/Stable | January 31, 2022 | <ul style="list-style-type: none"> Pooling benefit from being part of the India Grid Trust Availability linked payments under the long-term TSA for BDTCL Stable performance of power transmission assets Strong payment security Healthy debt coverage metrics Structural features like presence of Debt Service Reserve, cash trap triggers and payment mechanism |



Key Metrics

7.76%Weighted Average
Cost of Debt**AAA**Rating by CRISIL,
ICRA, India Ratings**>75%**Fixed Rate
Borrowing

Repayment / Refinancing Schedule as of March 2022* (₹ Billion)



Note: Information as of March 31, 2022

*Chart is not drawn to scale

Note: There will be difference in reported consolidated borrowing and above repayment schedule on account of Ind AS adjustments.



Key Business Strategies

Leverage Policy

- Active and prudent liability management
- Focussing on long tenure loans with fixed cost of borrowing
- Distribute the repayment schedule evenly to avoid bunching up
- Diversify sources of debt

Liquidity Management

- Maintain a combination of liquid reserve & DSRA
- Minimum liquidity level to increase in line with increasing AUM

Acquisition Strategy

- Acquire value accretive assets with low risk, long-term contracts, strong counterparties and steady cash flows
- Profile of the platform to be transmission-centric, with gradual and systematic diversification into solar
- Independent & thorough technical, financial, legal and environment due diligence

Distribution Framework

- Grow DPU in sustainable and steady manner to ensure predictable cash flows to investors
- Minimum 90% of cash generated to be distributed
- Quarterly distribution to the unitholders after meeting debt service obligations in a tax-efficient manner

Transparent Reporting

- Quarterly publication of financial statements including NAV and other key metrics
- Quarterly disclosures on business and valuation reports

Risk Management and Mitigation

IndiGrid is aware of the risks associated with its business. These risks are constantly monitored, and adequate steps are taken to mitigate these risks. There are robust internal control mechanisms to identify and manage these risks in a timely manner. We employ a comprehensive risk management framework which assesses and mitigates key risks. Our risk management framework ensures smooth business operations and financial stability

| | Strategic Risk | Operational Risk | Market Risk |
|-------------------|---|--|---|
| Definition | <ul style="list-style-type: none"> ○ Political risk ○ Financial risk ○ Regulatory risk | <ul style="list-style-type: none"> ○ Asset Availability and Collection Risk ○ Hazard risk – natural disaster, manmade disaster ○ Compliance risk ○ Acquisition risk | <ul style="list-style-type: none"> ○ Foreign currency risk ○ Interest rate risk |
| Mitigation | <ul style="list-style-type: none"> ○ Diversify funding sources ○ High corporate governance standards ○ Transparent disclosure norms ○ Available undrawn lines of credit | <ul style="list-style-type: none"> ○ Comprehensive insurance coverage ○ Enhanced focus on HSE & ERM ○ Long-term O&M contracts ○ Adequate cash resources ○ Strong diligence framework for acquisitions | <ul style="list-style-type: none"> ○ Adopted a well-defined and structured risk management policy ○ Well-tenured borrowing ○ Focus on fixed rate borrowing |

a. Delay in collection

A delay in payment by customers to the CTU under PoC mechanism might affect the timing of cash flows.

b. Inability to offset cost increases

The tariff structure under TSA is largely fixed. Increase in O&M and interest costs because of the reasons beyond control might adversely impact profitability.

c. Unforeseen changes in regulatory environment

Any adverse regulatory development can impact cash flows to the unitholders.

d. Force majeure

Any force majeure event that is not covered by insurance or TSA can adversely impact the business and the timing of cash flows to the unitholders.

reviews the adequacy and effectiveness of internal control systems and suggests improvements to further strengthen them.

Insurance

All Transmission assets, substations and renewable assets covered under Industrial All Risks (as against Standard Fire and Special Peril Insurance). This provides a wide cover against perils such as fire and allied perils, burglary, accidental damage, asset breakdown as well as business interruption. We have also covered the damage due to terrorism. Detailed insurance terms and conditions, exclusions, deductibles are mentioned in the respective policy contract.

All assets are insured to the extent of ₹ 2 Billion loss limit for standard risks like fire, storm, flood, tempest, machinery breakdown and related risks including loss of profit. The policy is subject to standard exclusions. The coverage under policy has been extended for reinstatement of value, escalation, cost of architect, surveyors, and consulting engineers, removal of debris and other clauses. All substation assets are covered on a 100% replacement value basis, including business interruption. The substation assets are covered on a replacement value basis including business interruption through a separate industrial all risk policy.

Internal Control Systems

IndiGrid has a strong internal control system to manage its operations, financial reporting, and compliance requirements. The Investment Manager has clearly defined roles and responsibilities for all managerial positions. All the business parameters are regularly monitored, and effective steps are taken to control them. Regular internal audits are undertaken to ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors periodically

Sudden and accidental machinery breakdown and related business interruption are also covered. In addition, there is terrorism cover for all Transmission assets with loss limit of ₹ 4 Billion and CGL with loss limit of ₹ 500 Million.

Outlook

Over the last five years, IndiGrid's underlying performance has been robust, and it remains well capitalised (post Rights and Public NCD Issue) to grow faster than ever before. Backed by KKR and its investment expertise, we intend to keep the momentum of growing the underlying portfolio as well as enhancing unitholder returns. On the operational front, we continue to make investments in industry-leading technology initiatives to catapult IndiGrid's digital asset management, predictive analytics and emergency preparedness and become self-reliant in project management, going forward, to bring in the operational efficiencies and synergies. IndiGrid's main objective is to continue to ensure a positive impact on India's power connectivity by providing reliable power, while delivering superior risk-adjusted total returns to its unitholders. The management has guided for an increased distribution to the tune of ₹ 13.20 per unit for FY2022-23, and we remain on track to deliver the same.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of IndiGrid, which are forward-looking. By their nature, forward-looking statements require the IndiGrid to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of IndiGrid's Annual Report, 2021-22.



ESG REVIEW

Environmental

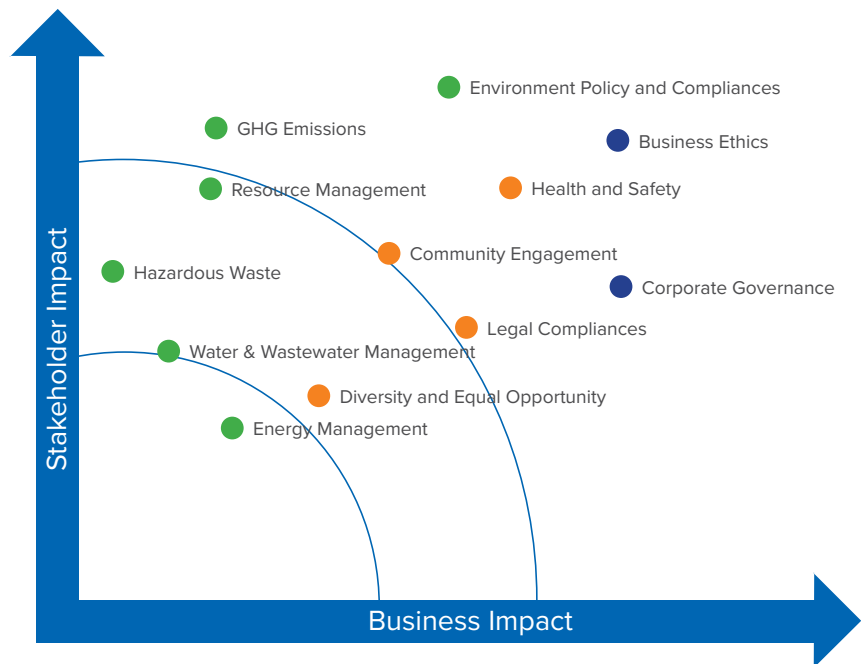
- GHG Emissions
- Resource Management
- Environmental Policy and Compliance

Social

- Health & Safety
- Legal Compliance
- Community Engagement

Governance

- Corporate Governance
- Business Ethics
- Critical Risk Management



Making substantial progress in ESG

Environment And Social Management System (ESMS)

IndiGrid kickstarted its ESMS action plan journey with the constitution of an ESMS committee and creation of a comprehensive ESMS framework, in consultation with global experts.

- Environment Impact Assessment (EIA) and Society Impact Assessment (SIA) to be done for all assets under IGT
- Environment and Social Due Diligence (ESDD) done for pipeline acquisition assets
- Environment and Social Action Plan (ESAP) created to mitigate any ESDD, EIA and SIA impact
- Implementation and monitoring of ESAP done for lifetime over the asset

GHG Emissions:

- We generated 43,013 kWh units for FY2022 from our rooftop solar power plant at Bhopal and Dhule substation used for auxiliary consumption resulting in CO₂ avoidance of total 35.25 tonnes for FY2022
- SF₆, a potent GHG used in circuit breakers is monitored through SCADA as well as offline instruments. IndiGrid has recently procured high efficiency Optical Camera to detect even minute leakage if any occur with substation equipment filled with SF₆ gas.
- We operate extra high voltage (EHV) lines at 400 kV and 765 kV which enables reduction in emissions by way of reducing losses

Resource Management:

- Tree plantation carried out in lieu of vegetation management for the transmission lines

- Several of our assets are built with Multi circuit towers, Pole towers and GIS substations which reduces our land footprint and therefore impact on Land / ROW and trees
- Cost of compensatory afforestation (CA), NPV, wildlife management plan, tree cutting cost, medicinal plantation cost and other expenditure on our portfolio is ₹ 2,900 Million.

Environment Policy and Compliance:

- Implementation of full compliance of forest and wildlife rules across our portfolio
- 100% compliance to Hazardous Waste Disposal - Transformer oil & E-waste

Health & Safety:

- Over 99% Safe manhours achieved. Behaviour-based safety enabled proactive closure of unsafe and near miss conditions
- 100% of our contractors have received relevant health & safety training designed for their scope of work
- We continued to focus on aligning our practices with international standards. In FY2021, we launched new SOPs with respect to Permit to Work and other HSE SOPs with leading practices to ensure safety of every person in our portfolio
- 31,200 manhours of training across employees and partners in FY2022
- Especially with COVID-19, additional precautions are implemented with respect to social distancing as well as testing

LEGAL COMPLIANCES:

Legatrix – an IT-enabled compliance tool is integrated for automated monitoring and reporting of legal compliances across the portfolio

Community Engagement:

- Theme based approach for promoting education, promoting healthcare, Rural development projects, promotion of national heritage , art, culture and through green initiatives
- Our operations are across 18 states and 1 union territory and we rely on support of local communities in enabling repairs and maintenance as and when required. We focus on active engagement to avoid ROW issues
- Community engagement initiatives like constructing shelter for Nomadic tribes at NRSS and BDTCL approach road and sanitation facilities around the project

Corporate Governance:

- Regulated by SEBI InvIT Regulations having prudent governance measures around

- Interested unitholders are not permitted to participate in voting for material related party transactions
- Borrowing limit up to 70% of AUM with other conditions like AAA rating, quarterly valuation, and disclosures
- Well-diversified Board including 50% independent members
- All Board committees are chaired by Independent Board member
- Approval of investment committee with majority independent directors is mandatory for all acquisitions
- E-voting facility offered for all investors' approvals to encourage wider participation

Business Ethics:

- Code of conduct policy is adopted by IndiGrid and implemented across its operations. It covers anti-bribery, anti-corruption, prevention of money laundering, insider trading, as well as prevention of sexual harassment

Critical Risk Management:

- Robust internal audit framework implemented by KPMG (Internal Auditor) with monthly and quarterly rigor across critical processes
- Enterprise Risk Management is conducted annually with implementation tracked across the year



OUR ESG-RELATED INITIATIVES IN FY2022

Environment:

- We have pledged to keep planting the trees in its responsibility to maintain the balance of nature. With this mission we launched and successfully executed project IndiGreen with a target to plant 50,000+ trees in FY2022 and keep this as a continuous project for years to come.
- Forayed into renewable energy generation with acquisition of solar asset
- Reaffirmed commitment to motto of Zero Harm to the environment through celebration on National Safety Week and World Environment Day
- Put in place a standalone HSE policy of Zero Harm and robust incident management process
- Application of predictive Weather Intelligence, to help mitigate impact of weather changes on energy operations
- Created action plan for Wildlife Protected area - Sanctuary
- Celebrated World Environment Day, a multi-day event across assets with activities like sapling distribution, tree plantation and awareness sessions
- Conducted several drives like tree plantation, de-weeding, landscaping, waste and water management

Communities:

- Plantation of fruit orchards as part of IndiGreen initiative to help support local communities by creating employment opportunities.
- Ensuring reliable power and uninterrupted power supply for a healthier and stronger India

- Built sheds for stay during tough weather for nomadic tribes in SA line along Mughal Road, Jammu & Kashmir
- Conducted awareness sessions for local communities during Road Safety Week, along with local police and RTO
- Conducted several awareness sessions for young kids at schools on Road Safety, Electrical and Fire Safety

Employees:

- Committed to health and safety of employees through cleanliness and hygienic housekeeping practices with strict implementation of safety and PPE regulations
- Provided remote and flexible work enablement and continuous employee engagement to enable work-life balance; introduced indigenous detox therapy to help de-stress
- Conducted medical check-ups during COVID and arranged for quarantine facilities; set up taskforce for medical aid; provided extensive medical coverage including Corona Kavach
- Organised vaccination drives for employees and their families across key locations
- Partnered with Visit Health, a personal healthcare platform, and a digital health and wellness assistant, to help employees and their families avail holistic preventive and curative care
- Encouraged employees and other stakeholders to live better and follow mindful lifestyles to help them become healthier and stronger through various awareness discussions, expert talks, quiz sessions etc.



IndiGrid is mindful and determined about the responsibilities towards the environment and society. CSR committee of IndiGrid has adopted five themes to undertake as a larger scheme for undertaking its CSR projects.

Green Initiative

Our key focus area under CSR initiative was Green Initiative. The nature of our business demands a lot of pruning/cutting/ uprooting of trees to prevent the transmission lines from tripping due to hindrance in the electrical induction zone. In the entire portfolio of IndiGrid spanned from Jammu & Kashmir to Telangana and Rajasthan to Arunachal Pradesh more than 150,000 trees has been either trimmed thin or cut down including construction and maintenance stage.

IndiGrid while adheres to all technical and statutory requirements needing to cut down as many trees, we also are aware of our responsibilities towards nature. Hence, IndiGrid has pledged to plant equal number of trees as has been felled down across the portfolio in the due course of time.

Plantation of 50,000 through Miyawaki forestation and creating a fruit orchard of which the yield to be utilized for community development. The benefits of Miyawaki Forestation is many folds, it not only emphasizes on a completely chemical-fertilizer free forest that sustains itself and supports local bio-diversity. It also has up to 30 times or more carbon-dioxide absorption as compared to conventional forest.



Promoting Education

Education is the key for nation building and IndiGrid including its subsidiaries is determined to undertake projects related to promotion of education under its CSR initiatives. The projects undertaken are including distribution of stationary & books, construction of classrooms/labs, donating computers, encouragement of using technologies in the schools by donating equipment/software, etc.

Promoting healthcare including preventive healthcare

We have experienced the global need of improving the healthcare system. IndiGrid under its CSR projects emphasized on undertaking projects related to Blood Donation camps, Free health checkups, donation of medical equipment, construct building/wards for govt. hospitals.

Rural development projects

IndiGrid is determined for the development of localities we are operating in. The key projects undertaken under the category are construction of local/village roads, panchayat building, police station repair, bathrooms, water-filters, etc.

Promotion of national heritage, art & culture

India is a land of art & culture. Our heritages are priced possession for the entire nation. We undertook promotion of local heritage, art and culture by conducting several skill development trainings in the region.

53%

Green Initiative

8%

Healthcare

14%

Rural Development

17%

Promoting Education

8%

Art & Culture

बच्चों के सर्वांगीण विकास के लिए शिक्षा को बढ़ावा देना
इंडिग्रिड द्वारा कॉर्पोरेट की सामाजिक जिम्मेदारी के तहत स्कूल नवीनीकरण और अध्ययन सामग्री वितरण-2021-22

IndiGrid - BDTCL Bhopal प्राथमिक शिक्षा गारन्टी शाला कालापील
विकासखण्ड-फन्दा, जिला-मोपाल




पार्वती कोलडैम ट्रांसमिशन कंपनी लोगों के लिए बनी मददगार कंपनी प्रबंधन ने नेचर पार्क झीडी में स्थापित किया ओपन जिम

कंपनी द्वारा नैचर पार्क में ओपन जिम स्थापित किया गया है। यह जिम बच्चों के शारीरिक विकास के लिए है।

पार्वती कोलडैम ट्रांसमिशन कंपनी ने नैचर पार्क झीडी में ओपन जिम स्थापित किया है। यह जिम बच्चों के शारीरिक विकास के लिए है।

कंपनी प्रबंधन ने नैचर पार्क झीडी में ओपन जिम स्थापित किया है। यह जिम बच्चों के शारीरिक विकास के लिए है।



सहयोग के लिए आगे आई इंडिग्रिड कम्पनी

इंडिग्रिड कम्पनी ने नैचर पार्क झीडी में ओपन जिम स्थापित किया है। यह जिम बच्चों के शारीरिक विकास के लिए है।

कंपनी प्रबंधन ने नैचर पार्क झीडी में ओपन जिम स्थापित किया है। यह जिम बच्चों के शारीरिक विकास के लिए है।



BEING COVID-19 READY

The outbreak of the COVID-19 pandemic was the largest economic shock the world had witnessed in decades, causing a collapse in global economic activity despite the unprecedented support policies of governments and organisations. The COVID-19 pandemic not only brought to the fore business challenges from a commercial point of view, but it also shook us out of our state of inertia to examine business policies and question the sustainability of historic business models from an environmental, social, and governance point of view.

The Indian power sector, too, has not been spared from the effects of the pandemic. COVID-19 stress-tested the Indian power sector at a time when the sector was already in financial disarray and in urgent need of transformative reforms. Despite recent government reforms like creating a single national power grid, boosting access to electricity for its citizens, and promoting the dynamic growth of renewable energy, some of the toughest, most-needed reforms are still pending.

We, at IndiGrid, have been committed to vanguard the sector transformation, and this put us in good stead when faced with the COVID-19 pandemic. We not only reported resilient growth during lockdown, but we also announced six acquisitions, acquired our first solar asset, doubled our team size, and increased distribution to our investors while maintaining robust electricity availability for the nation to ensure an uninterrupted power supply in these volatile times.

- Vaccination drives conducted for employees, relatives and site persons as per Govt. regulations; over 95% of total manpower (including contractors) vaccinated
- COVID support group formed to facilitate availability of health care resources
- COVID insurance cover is activated
- Organising vaccination resources for all employees and site persons
- COVID appropriate behaviours & preventive measures activated across the sites and offices
- All non-essential business travel curtailed during second and third wave
- Ensure 100% compliance with PPE and safety regulations
- Tie-ups with hospitals and isolation arrangements

- All the critical O&M activities continued with restricted site teams
- Substation operations continued for 24x7 in 3 shifts, but with limited operators
- Non-critical defect correction activities deferred
- Frequent sanitisation of substations and vehicles
- COVID test mandatory prior to joining work site
- Quarantine Facility at Sub Stations for shift operations
- Awareness sessions with all AMC partners and session at SPV level on COVID-19
- Strict compliance to Statutory Guidelines (Curfew, Social Distancing, Essential Service Permits)



A large blue circular overlay is centered on the page, containing the text "Corporate Governance" in white. The background is a blurred office scene with people working at a desk, looking at documents and a laptop. The overall color palette is dominated by blues and whites, with some yellow and red accents from charts in the foreground.

Corporate Governance

Year in Review: FY2021-22

| | |
|------------------------------|---|
| <p>April 2021</p> | <p>Rights Issue opens (April 06, 2021)</p> <p>Rights Issue Closes (April 16, 2021)</p> <p>Outcome of Allotment Committee Meeting (April 22, 2021)</p> <ul style="list-style-type: none"> Approved the public issue of secured, rated, listed, redeemable non-convertible debt securities ("NCDs") having a face value of ₹ 1,000/- each for an amount up to ₹ 1 Billion ("Base Issue Size") with an option to retain oversubscription of upto ₹ 9 Billion aggregating upto 10,000,000 NCDs amounting to ₹ 10 Billion ("Tranche 1 Issue Limit") which is within the shelf limit of ₹ 10 Billion <p>Allotment Committee approved the allotment of 116,695,404 Rights Units to the eligible unitholders of IndiGrid for cash at a price of ₹ 110.00 per unit aggregating to approximately ₹ 12.84 Billion (April 22, 2021)</p> <p>IndiGrid Investment Managers Limited bought 68,040 Units of IndiGrid in Rights issue for ultimate consumption under Long-Term Incentive Scheme designed for employees (April 24, 2021)</p> <p>Listing of Units issued on Rights basis (April 27, 2021)</p> <p>NCD Public issue (Tranche-1) Opens (April 28, 2021)</p> <p>NCD Public Issue (Tranche-1) Early Closed (April 30, 2021)</p> |
| <p>May 2021</p> | <p>Outcome of Allotment Committee Meeting (May 06, 2021)</p> <ul style="list-style-type: none"> Approved the allotment of 1,00,00,000 secured, listed, rated, redeemable, non-convertible debt securities ("NCDs") having a face value of ₹ 1,000 each aggregating to ₹ 10 Billion <p>Listing of NCD public issue (Tranche-1) (May 10, 2021)</p> <p>Outcome of Board Meeting (May 27, 2021)</p> <ul style="list-style-type: none"> Approved Audited standalone and consolidated financial results for financial year ended on March 31, 2021 Declared a distribution of ₹ 3.10 per unit comprising ₹ 1.51 in the form of Interest, ₹ 0.52 in the form of Dividend and ₹ 1.07 in the form of Principal payment for Q4 FY 2020-21 Approved raising of Debt upto 10.50 Billion through various sources including term loans, private placement of non-convertible debentures, and/or any other mode <p>Published Valuation Report for FY 2020-21 (May 27, 2021)</p> |
| <p>June 2021</p> | <p>IndiGrid Investment Managers Limited bought 144,585 Units of IndiGrid for ultimate consumption under Long-Term Incentive Scheme designed for employees (June 10, 2021)</p> <p>Sterlite Power Transmission Limited ("SPTL") sold 406,539 Units of IndiGrid through on-market transaction (June 10, 2021)</p> <p>SPTL discontinued as Project Manager for IndiGrid Project SPVs except for NER-II (June 30, 2021)</p> <p>Board appointed IndiGrid Limited as Project Manager for all Project SPVs (June 30, 2021)</p> |

Year in Review: FY2021-22 (Contd.)

| | |
|----------------------------------|---|
| <p>July 2021</p> | <p>SPTL created pledge over 20,39,880 Units of IndiGrid (July 02, 2021)</p> <p>Electron IM PTE. Ltd., an affiliate of KKR & Co. Inc., (Electron) has completed acquisition of Subsequent Tranche Shares constituting 14% equity holding of IIML from SPTL. Post-acquisition, Electron holds 74% stake in IIML (July 02, 2021)</p> <p>Completed acquisition of 100% paid-up capital and management control of IndiGrid Solar-I (AP) Private Limited (Formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) & IndiGrid Solar-II (AP) Private Limited (Formerly FRV India Solar Park-II Private Limited)</p> <p>Outcome of Board Meeting (July 30, 2021)</p> <ul style="list-style-type: none"> • Approved Un-audited standalone and consolidated financial results for quarter ended on June 30, 2021 along with limited review report • Declared a distribution of ₹ 3.1875 per unit comprising ₹ 3.0373 in the form of Interest, and ₹ 0.1502 in the form of Dividend for Q1 FY 22 <p>Published Valuation Report for Q1 FY 2021-22 (July 30, 2021)</p> <p>Published Annual Report for the FY 2020-21 (July 30, 2021)</p> |
| <p>August 2021</p> | <p>Sterlite Power Transmission Limited (SPTL) informed that pledge created on IndiGrid units held by SPTL has been released by Aditya Birla Money Limited (August 18, 2021)</p> <p>IndiGrid has received a disclosure from Sterlite Power Transmission Limited regarding sale of IndiGrid units (0.005%) (August 24, 2021)</p> <p>Outcome of the 4th AGM of IndiGrid held through video conferencing (August 27, 2021)</p> <ul style="list-style-type: none"> • Adopted audited standalone financial statements and consolidated financial statements of IndiGrid as at and for the financial year ended March 31, 2021 together with the report of the auditors thereon for the financial year ended March 31, 2021 and the report on performance of IndiGrid • Adopted valuation report issued by Mr. S Sundararaman, independent valuer for the valuation of the special purpose vehicles as on March 31, 2021 • Appointed M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration no. – 324982E/E300003) as the Statutory Auditors • Appointed Mr. S. Sundararaman, Chartered Accountant, bearing IBB registration number IBBI/RV/06/2018/10238 as the Valuer <p>IndiGrid has received a disclosure from Sterlite Power Transmission Limited regarding sale of IndiGrid units (0.03%) (August 28, 2021)</p> |
| <p>September 2021</p> | <p>IndiGrid has received disclosures from Sterlite Power Transmission Limited regarding sale of remaining entire stake in IndiGrid in tranches (September 01, 2021-September 15, 2021)</p> |
| <p>October 2021</p> | <p>Outcome of Board Meeting (October 27, 2021)</p> <ul style="list-style-type: none"> • Approved Un-audited standalone and consolidated financial results for quarter & half year ended on September 30, 2021 along with limited review report • Declared a distribution of ₹ 3.1875 per unit comprising ₹ 1.8626 in the form of Interest, ₹ 0.0497 in the form of Dividend and ₹ 1.2752 per unit in the form of Principal payment for Q2 FY 22 • Approved raising of Debt upto ₹ 12 Billion through various sources including term loans, non-convertible debentures, and/or any other mode • Adopted amended "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by designated persons". <p>Published Valuation Report for the Quarter ended on September 30, 2021 (October 27, 2021)</p> |

Year in Review: FY2021-22 (Contd.)

| | |
|-------------------------|---|
| November 2021 | <p>IndiGrid has received a disclosure from Mr. Pratik Agarwal regarding sale of IndiGrid units (0.024%) (November 18, 2021)</p> <p>Intimated Bidding outcome for transmission project under TBCB (November 19, 2021)</p> <p>Appointed Ms. Jayashree Vaidhyanathan as an Independent Director and Mr. Hardik Shah as a Non-executive Director (November 30, 2021)</p> |
| December 2021 | <p>Receipt of Letter of Intent for transmission project under Tariff Based Competitive Bidding ("TBCB") (December 1, 2021)</p> <p>IndiGrid 1 Limited and IndiGrid 2 Limited (wholly owned subsidiaries of India Grid Trust) ("the Consortium") has completed the acquisition of 100% paid-up capital and management control of Kallam Transmission Limited from REC Power Development and Consultancy Limited (December 28, 2021)</p> |
| January 2022 | <p>Electron IM Pte. Ltd., an affiliate of KKR & Co. Inc., (Electron), has completed acquisition of the remaining 26% equity shares of IndiGrid Investment Managers Limited (IIML) (investment Manager of India Grid Trust) from Sterlite Power Transmission Limited (January 14, 2022)</p> <p>Mr. Pratik Agarwal has tendered his resignation as a Director of IIML with effect from (January 14, 2022)</p> <p>Outcome of Board Meeting (January 27, 2022)</p> <ul style="list-style-type: none"> • Approved Unaudited Standalone & Consolidated Financial Information of India Grid Trust for the quarter and nine months ended on December 31, 2021 along with limited review report. • Declared distribution of ₹ 3.1875 per unit comprising ₹ 2.6631 in the form of Interest, and ₹ 0.5244 per unit in the form of Principal payment for Q3 FY 22. • Approved raising ₹ 15 Billion through various sources including term loans, nonconvertible debentures and/or any other mode • Approved appointment of Ms. Ami Momaya as a Non-Executive Director and resignation of Mr. Sanjay Nayar as a Non-Executive Director of IIML <p>Published Valuation Report for the quarter ended on December 31, 2021 (January 27, 2022)</p> |
| February 2022 | <p>Postal Ballot Notice sent to the Unitholders (February 9, 2022)</p> <p>Remote E-voting facility with respect to Postal Ballot started (February 10, 2022)</p> |
| March 2022 | <p>Remote E-voting facility with respect to Postal Ballot ended (March 11, 2022)</p> <p>Result of the Postal Ballot announced (March 11, 2022)</p> <ul style="list-style-type: none"> • Considered and approved amendment in the Investment Management Agreement • Considered and approved appointment of Ms. Ami Momaya as non-executive director of investment manager <p>Scrutinizer's Report on Postal Ballot published (March 11, 2022)</p> <p>IndiGrid categorised under the highest category i.e., 'Leadership' category on corporate governance practices by liAS (March 28, 2022)</p> |
| April 2022 | <p>Credit Rating Agencies (CRISIL & ICRA) have re-affirmed their ratings (April 8, 2022)</p> |

Year in Review: FY2021-22 (Contd.)

May
2022

Mr. Harsh Shah has resigned as Chief Executive Officer and Whole-time Director with effect from June 30, 2022 and Mr. Jyoti Kumar Agarwal elevated to the new Chief Executive Officer and Whole-time Director of the Company in addition to CFO with effect from July 01, 2022 (May 6, 2022)

Outcome of Board Meeting (May 20, 2022)

- Approved Audited Standalone & Consolidated Financial Information of India Grid Trust for the quarter and financial year ended on March 31, 2022 along with Audit reports.
- Declared distribution of ₹ 3.1875 per unit comprising ₹ 2.5508 in the form of Interest, and ₹ 0.6367 per unit in the form of Principal payment for Q4 FY22.
- Approved appointment of Ms. Divya Bedi Verma as the Chief Financial Officer of IIML with effect from July 1, 2022 in place of Mr. Jyoti Kumar Agarwal
- Approved raising ₹ 7 Billion through various sources including term loans, non-convertible debentures and/ or any other mode
- Approved appointment of Mr. Pradhan Dass as a Registered Valuer (IBBI registration number IBBI/RV/06/2022/14558) of IndiGrid subject to the approval of the Unitholders, to undertake all valuation related assignments which are required to be conducted by a Registered Valuer for the financial year 2022-23

Published Valuation Report for the financial year ended March 31, 2022 (May 20, 2022)

IndiGrid has received a disclosure from Mr. Harsh Shah regarding purchase of IndiGrid units (0.004%) (May 31, 2022)

Corporate Governance Report



Corporate Governance is a continuous process, which incorporates every sphere of management, from internal set of controls and action plans to performance evaluation and disclosures. It is vital for any organisation to have a disciplined approach to Corporate Governance and we at India Grid Trust ("IndiGrid") have imbibed this philosophy. In harmony with SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("SEBI InvIT Regulations") the Report on Corporate Governance reverberates the ideology of Corporate Governance Systems at IndiGrid.

IndiGrid's Philosophy on Code of Corporate Governance represent the values, ethical and moral framework under which business decisions are taken. The investors want to

be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard. IndiGrid perceives best in class corporate governance practices as a key to sustainable corporate growth and long-term unitholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning and enhancing unitholders' wealth by developing capabilities and identifying opportunities that best serve the goal of value creation. All actions and strategic plans are directed towards delivering value to all stakeholders, as well as adhere to the highest standards of corporate behaviour.

IndiGrid has a three-tier governance structure:

| | |
|------------------------------|---|
| Statutory supervision | Axis Trustee Services Limited is the Trustee of IndiGrid. Trustee is responsible for ensuring that all the business activities and investment policies comply with the provisions of the Code, Policies, Material Contracts and the SEBI InvIT Regulations and monitors the activities of the Investment Manager under the Investment Management Agreement and activities of the Project Manager under the Project Implementation and Management Agreement. |
| Strategic management | IndiGrid Investment Managers Limited is the Investment Manager of IndiGrid. The Investment Manager has overall responsibility for setting the strategic direction of IndiGrid and deciding on the acquisition, divestment or enhancement of assets of IndiGrid in accordance with its stated investment strategy. The Board of Investment Manager lays down strategic goals and exercises control to ensure that IndiGrid is progressing to fulfill unitholders' aspirations. |
| Executive Management | The executive management is composed of the key personnel and operates upon the directions of the Board of Directors of Investment Manager. |

Corporate Governance Report (Contd.)

BOARD OF DIRECTORS

In order to maintain independence of the Investment Manager, IndiGrid Investment Managers Limited has a judicious combination of Executive Director, Non-Executive and Independent Directors ("the Board"). As on date, the Board comprised Seven (7) directors including one (1) Whole-time Director, two (2) Non-Executive Director and four (4) Independent Directors. The Whole-time Director also serves as the Chief Executive Officer of the Investment Manager. The Chief Executive Officer takes a lead role in facilitating effective communication among Directors. The Chief Executive Officer is responsible for corporate strategy and all management matters. The Board composition is in conformity with the provisions of the SEBI InvIT Regulations and Companies Act, 2013. All Directors are astute professionals coming from varied backgrounds possessing rich experience and expertise. All the Directors attended majority of board and committee meetings held during the period under review. The detailed profile of all Directors can be viewed in this report and also on the IndiGrid's website at <https://www.indigrid.co.in/about-us/investment-manager/board-of-directors>.

Mr. Harsh Shah has tendered his resignation from the position of CEO & Whole-time Director with effect from June 30, 2022 and Mr. Jyoti Kumar Agarwal has been elevated as a Chief Executive Officer & Whole-time Director of IIML with effect from July 1, 2022.

Composition of the Board of Directors of Investment Manager

In addition to the applicable provisions of SEBI InvIT Regulations, the board of directors of the Investment Manager adhere to the following:

- Not less than 50% of the board of directors of the Investment Manager comprise independent directors and not directors or members of the governing board of another infrastructure investment trust registered under the SEBI InvIT Regulations. The independence of directors is determined in accordance with the Companies Act, 2013
- Collective experience of directors of the Investment Manager covers a broad range of commercial experience, particularly, experience in infrastructure sector, investment management or advisory and financial matters.

Meetings of the Board of Directors

- a. Nine Board meetings were held during the year ended on March 31, 2022 on April 05, 2021, April 22, 2021, April 30, 2021, May 27, 2021, June 24, 2021, July 30, 2021, October 27, 2021, November 30, 2021 and

January 27, 2022. The necessary quorum was present for all the meetings. The time gap between two board meetings was less than 120 days.

- b. The Board meets at regular intervals to discuss and decide on policies and business strategy apart from other Board and compliance matters. Advance notice is given to all directors to schedule the Board meetings, including those held at shorter notice, if any. The agenda and other related papers are circulated to the Directors ahead of the Meetings. The minutes of the meetings of all the Board and Committees are circulated to all the Directors and are finalised after incorporating comments of the Directors, if any. Unanimous decisions were carried through and there were no instances where any director expressed any dissenting views.
- c. The Board and Committee meetings are scheduled in co-ordination with the offices of the directors, in case of special and urgent business needs, the Board's approval is taken by passing resolutions through circulation, subject to applicable law which are noted and confirmed in the subsequent Board meeting.
- d. None of the Directors of Investment Manager is a member of more than ten Board level committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five committees across all public limited companies (listed or unlisted).
- e. The IndiGrid has availed Directors and Officers Insurance for all its Directors including Independent Directors.

Board Committees

The Investment Manager has various committees to ensure independent board representation in line with SEBI InvIT Regulations. IndiGrid has an experienced Board of Directors which ensures strong representation on Board Committees.

INVESTMENT COMMITTEE

Composition

The Investment Committee comprises of the board of directors of the Investment Manager. Majority members, including the chairperson of the Investment Committee are independent directors. The company secretary of the Investment Manager act as the secretary to the Investment Committee. The quorum shall be at least 50% of the

Corporate Governance Report (Contd.)

number of members of the Investment Committee and subject to a minimum of two members.

The composition of the Investment Committee is as follows:

| Name of Committee Members | Category |
|---------------------------|-------------|
| Mr. Tarun Kataria | Chairperson |
| Mr. Rahul Asthana | Member |
| Mr. Ashok Sethi | Member |
| Mr. Hardik Shah | Member |
| Ms. Ami Momaya | Member |

Terms of reference of the Investment Committee

The terms of reference of the Investment Committee include the following:

- Reviewing investment decisions with respect to the underlying assets or projects of IndiGrid from the Sponsor including any further investments or divestments to ensure protection of the interest of unitholders including, investment decisions, which are related party transactions;
- Approving any proposal in relation to acquisition of assets, further issue of units including in relation to acquisition or assets; and
- Formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.

Meetings

Five Investment Committee meetings were held during the year ended March 31, 2022 on April 22, 2021, June 24, 2021, July 30, 2021, October 27, 2021 and January 27, 2022. The necessary quorum was present for all the meetings.

AUDIT COMMITTEE

Composition

The Audit Committee comprises of the board of directors of the Investment Manager. The chairperson of the Audit Committee is independent director. All members of the Audit Committee are financially literate, and Chairperson of the Committee have accounting and related financial management expertise. The company secretary of the Investment Manager shall act as the secretary to the Audit Committee. The quorum shall be at least 50% of the directors, of which at least 50% of the directors present, shall be independent directors and subject to a minimum of two members being present in person.

The composition of the Audit Committee is as follows:

| Name of Committee Members | Category |
|-----------------------------|-------------|
| Mr. Tarun Kataria | Chairperson |
| Mr. Rahul Asthana | Member |
| Mr. Ashok Sethi | Member |
| Ms. Jayashree Vaidhyanathan | Member |
| Mr. Hardik Shah | Member |
| Ms. Ami Momaya | Member |

Terms of reference of the Audit Committee

The terms of reference of the Audit Committee include the following:

1. Provide recommendations to the board of directors regarding any proposed distributions;
2. Overseeing IndiGrid's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible
3. Giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of IndiGrid and the audit fee, subject to the approval of the unitholders;
4. Reviewing and monitoring the independence and performance of the statutory auditor of IndiGrid, and effectiveness of audit process;
5. Approving payments to statutory auditors of IndiGrid for any other services rendered by such statutory auditors;
6. Reviewing the annual financial statements and auditor's report thereon of IndiGrid, before submission to the board of directors for approval, with particular reference to
 - changes, if any, in accounting policies and practices and reasons for such change;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions; and
 - qualifications in the draft audit report;
7. Reviewing, with the management, all periodic financial statements, including but not limited to half-yearly and annual financial statements of IndiGrid before submission to the board of directors for approval;

Corporate Governance Report (Contd.)

8. Reviewing, with the management, the statement of uses/ application of funds raised through an issue of units by IndiGrid (public issue, rights issue, preferential issue, etc.) and the statement of funds utilised for purposes other than those stated in the offer documents/ notice, and making appropriate recommendations to the board of directors for follow-up action;
9. Approval or any subsequent modifications of transactions of IndiGrid with related parties including, reviewing agreements or transactions in this regard;
10. Scrutinizing loans and investments of IndiGrid;
11. Reviewing all valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;
12. Evaluating financial controls and risk management systems of IndiGrid;
13. Reviewing, with the management, the performance of statutory auditors of IndiGrid, and adequacy of the internal control systems, as necessary;
14. Reviewing the adequacy of internal audit function if any of IndiGrid, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Reviewing the findings of any internal investigations in relation to IndiGrid, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board of directors;
16. Reviewing the procedures put in place by the Investment Manager for managing any conflict that may arise between the interests of the unitholders, the parties to IndiGrid and the interests of the Investment Manager, including related party transactions, the indemnification of expenses or liabilities incurred by the Investment Manager, and the setting of fee or charges payable out of IndiGrid's assets;
17. Discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/ valuation discussion to ascertain any area of concern;
18. Reviewing and monitoring the independence and performance of the valuer of IndiGrid;
19. Giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the valuer of IndiGrid;
20. Evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the SPVs to IndiGrid and payments to any creditors of IndiGrid or the SPVs, and recommending remedial measures;
21. Management's discussion and analysis of financial condition and results of operations;
22. Reviewing the statement of significant related party transactions, submitted by the management;
23. Reviewing the management letter/letters of internal control weaknesses issued by the statutory auditors; and
24. Formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.

Meetings

Five Audit Committee meetings were held during the year ended March 31, 2022 on May 27, 2021, July 30, 2021, October 27, 2021, November 30, 2021 and January 27, 2022. The necessary quorum was present for all the meetings.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition

The Stakeholders' Relationship Committee comprises of board of directors of the Investment Manager.

The Chairperson of the Committee is Independent Director. The company secretary of the Investment Manager act as the secretary to the Stakeholders' Relationship Committee. The quorum shall be at least 50% of the number of members of the Stakeholders' Relationship Committee and subject to a minimum of two members

The composition of the Stakeholders' Relationship Committee is as follows:

| Name of Committee Members | Category |
|-----------------------------|-------------|
| Mr. Rahul Asthana | Chairperson |
| Mr. Tarun Kataria | Member |
| Mr. Ashok Sethi | Member |
| Ms. Jayashree Vaidhyanathan | Member |
| Mr. Hardik Shah | Member |
| Ms. Ami Momaya | Member |

Terms of reference of the Stakeholders' relationship Committee

The terms of reference of the Stakeholders' Relationship Committee is as follows:

- (i) Considering and resolving grievances of the unitholders, including complaints related to the transfer of units, non-receipt of annual report and non-receipt of declared distributions;

Corporate Governance Report (Contd.)

- (ii) Reviewing of any litigation related to unitholders' grievances;
- (iii) Undertaking all functions in relation to protection of Unitholders' interests and resolution of any conflicts, including reviewing agreements or transactions in this regard;
- (iv) Updating unitholders on acquisition / sale of assets by IndiGrid and any change in the capital structure of the SPVs;
- (v) Reporting specific material litigation related to unitholders' grievances to the board of directors; and
- (vi) Approving report on investor grievances to be submitted to the Trustee.

Meetings

Four Stakeholders' Relationship Committee meetings were held during the year ended March 31, 2022 on May 27, 2021, July 30, 2021, October 27, 2021 and January 27, 2022. The necessary quorum was present for all the meetings.

NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee comprises of board of directors of the Investment Manager.

The chairperson of the committee is an Independent Director. The company secretary of the Investment Manager act as the secretary to the Committee. The quorum shall be at least 50% of the number of members of the Committee and subject to a minimum of two members.

The composition of the Nomination and Remuneration Committee is as follows:

| Name of Committee Members | Category |
|---------------------------|-------------|
| Mr. Rahul Asthana | Chairperson |
| Mr. Tarun Kataria | Member |
| Mr. Ashok Sethi | Member |
| Mr. Hardik Shah | Member |
| Ms. Ami Momaya | Member |

Terms of reference of the Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee is as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Investment Manager a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

- (ii) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (iii) Devising a policy on board diversity;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and evaluation of director's performance;
- (v) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (vi) Carrying out any other function as prescribed under applicable law;
- (vii) Endeavour to appoint new key employee to replace any resigning key employee within six months from the date of receipt of notice of resignation and recommend such appointment to the Board, if necessary; and
- (viii) Performing such other activities as may be delegated by the board of directors of the Investment Manager and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Meetings

Eight Nomination and Remuneration Committee Meetings were held during the year ended March 31, 2022 on April 22, 2021, April 30, 2021, May 27, 2021, July 16, 2021, July 30, 2021, October 27, 2021, November 30, 2021 and January 27, 2022. The necessary quorum was present for all the meetings.

ALLOTMENT COMMITTEE

Composition

The Allotment Committee comprises of board of directors of the Investment Manager. The company secretary of the Investment Manager act as the secretary to the Committee. The quorum of the meeting shall be at least 2 members

The composition of the Allotment Committee is as follows:

| Name of Committee Members | Category |
|---|-------------|
| Mr. Rahul Asthana | Chairperson |
| Mr. Ashok Sethi | Member |
| Mr. Hardik Shah | Member |
| Ms. Ami Momaya | Member |
| Mr. Harsh Shah (till June 30, 2022) | Member |
| Mr. Jyoti Kumar Agarwal (with effect from July 1, 2022) | Member |

Corporate Governance Report (Contd.)

Terms of reference of the Allotment Committee

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

1. To approve the terms of units, debentures and all types of permitted securities through preferential issue, private placement, rights issue, qualified institutional placements;
2. To approve issue, subscription, allotment of units, debentures and all types of permitted securities to eligible investors and/or identified investors
3. To approve opening of issue, terms of issue, floor price, issue price, application form, offer document/ placement document including its addendum/ corrigendum and all the matters related thereto;
4. To authorize officers, agents, consultants, banks, advisors or any related person to submit, file, re-submit, modify, sign, execute, process all types of documents and information including but not limited to application, letters, clarifications, undertaking, certification, declaration to obtain all the necessary approvals, consents, permits, license, registration from government, regulatory, semi-government, statutory and private authorities, institutions, bodies, organizations including but not limited to RBI, SEBI, Stock Exchange, depositories;
5. To authorize officers, agents, consultants, banks, advisors or any related person to do all such acts, deeds and matters as may be incidental or considered necessary for giving effect to the aforesaid resolution.

Meetings

Three Allotment Committee meetings were held during the year ended March 31, 2022 on April 05, 2021, April 22, 2021 and May 06, 2021. The necessary quorum was present for all the meetings.

RISK MANAGEMENT COMMITTEE

Composition

The Risk Management Committee comprises of board of directors of the Investment Manager. The company secretary of the Investment Manager act as the secretary to the Committee. The quorum of the meeting shall be at least 2 members out of which 50% shall be Independent Directors.

The composition of the Risk Management Committee is as follows:

| Name of Committee Members | Category |
|---------------------------|-------------|
| Mr. Rahul Asthana | Chairperson |
| Mr. Tarun Kataria | Member |
| Mr. Ashok Sethi | Member |
| Mr. Hardik Shah | Member |
| Ms. Ami Momaya | Member |

Terms of reference of the Risk Management Committee

The terms of reference of the Risk Management Committee is as follows:

1. To identify, assess, mitigate and monitor the existing as well as potential risks to the Trust (including risks associated with cyber security and financial risk), to recommend the strategies to the Board to overcome them and review key leading indicators in this regard;
2. To periodically review and approve the Risk Management framework including the risk management processes and practices of the Trust;
3. To evaluate significant risk exposures of the Trust and assess management's actions to mitigate the exposures in a timely manner;
4. To develop and implement action plans to mitigate the risks;
5. To coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities
(e.g. internal or external audit issue relating to risk management policy or practice);
6. To oversee at such intervals as may be necessary, the adequacy of Trust's resources to perform its risk management responsibilities and achieve its objectives;
7. To review and periodically assess the Trust's performance against the identified risks of the Company;

Meetings

Two Risk Management Committee meetings were held during the year ended March 31, 2022 on April 05, 2021 and January 27, 2022. The necessary quorum was present for all the meetings.

BIDDING COMMITTEE

Composition

The Bidding Committee comprises of the board of directors of the Investment Manager. Half of members, including the chairperson of the Bidding Committee shall be independent directors. The company secretary of the Investment Manager act as the secretary to the Bidding Committee.

The quorum shall be one third of the total strength of the Committee or two members which is higher, however, presence of at least one independent director is mandatory. The Committee evaluates and considers potential

Corporate Governance Report (Contd.)

investment opportunity into infrastructure assets from its development stage.

The composition of the Bidding Committee is as follows:

| Name of Committee Members | Category |
|---------------------------|-------------|
| Mr. Tarun Kataria | Chairperson |
| Mr. Rahul Asthana | Member |
| Mr. Hardik Shah | Member |
| Ms. Ami Momaya | Member |
| Mr. Harsh Shah | Member |

Note: Bidding Committee dissolved by the Board of Directors in its meeting held on May 20, 2022.

Meetings

Four Bidding Committee meetings were held during the year ended March 31, 2022 on May 27, 2021, August 09, 2021, September 28, 2021 and November 30, 2021. The necessary quorum was present for all the meetings.

Attendance for Board & Committee Meetings held during FY 2022

| Name of Director | Board Meeting (Attended/ Entitled) | Audit Committee Meeting (Attended/ Entitled) | Nomination & Remuneration Committee Meeting (Attended/ Entitled) | Investment Committee Meeting (Attended/ Entitled) | Stakeholders Relationship Committee Meeting (Attended/ Entitled) | Risk Management Committee Meeting (Attended/ Entitled) | Bidding Committee Meeting (Attended/ Entitled) | Allotment Committee Meeting (Attended/ Entitled) |
|-----------------------------|------------------------------------|--|--|---|--|--|--|--|
| Mr. Tarun Kataria | 9/9 | 5/5 | 8/8 | 5/5 | 1/1 | 2/2 | 4/4 | - |
| Mr. Ashok Sethi | 8/9 | 4/5 | 7/8 | 4/5 | 1/1 | 2/2 | - | 3/3 |
| Mr. Rahul Asthana | 8/9 | 4/5 | 7/8 | 4/5 | 3/4 | 1/2 | 4/4 | 2/3 |
| Ms. Jayashree Vaidhyanathan | 1/1 | 1/1 | - | - | 1/1 | - | - | - |
| Mr. Sanjay Nayar | 8/8 | 4/4 | 7/7 | 4/4 | 3/3 | 1/1 | 1/4 | 3/3 |
| Mr. Hardik Shah | 1/1 | - | - | - | - | - | - | - |
| Ms. Ami Momaya | 1/1 | - | - | - | - | - | - | - |
| Mr. Pratik Agarwal | 5/8 | 3/4 | 4/7 | 4/4 | 3/3 | 1/1 | - | 2/3 |
| Mr. Harsh Shah | 9/9 | - | - | - | - | - | 4/4 | 3/3 |

Notes:

For the purpose of attendance, tele-presence is also considered.

Mr. Pratik Agarwal and Mr. Sanjay Nayar resigned as Directors with effect from January 14, 2022 and January 27, 2022 respectively.

Ms. Jayashree Vaidhyanathan and Mr. Hardik Shah were appointed as Directors with effect from November 30, 2021 and Ms. Ami Momaya was appointed as Director with effect from January 27, 2022.

Corporate Governance Report (Contd.)

INFORMATION SUPPLIED TO THE BOARD

Information is provided to the Board members on continuous basis for their review, inputs and approvals from time to time. The Board critically evaluates IndiGrid's strategic direction, management policies and their effectiveness. Additionally, specific cases of acquisitions, important managerial decisions, material positive/ negative developments and statutory matters are presented to the committees of the Board and later with recommendations of the committees to the Board.

Secretarial Audit

As per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") M/s SARK & Associates, Practicing Company Secretaries has conducted Secretarial Audit of IndiGrid for the financial year ended March 31, 2022 and the same is annexed as Annexure-1 and there are no qualifications, observations or adverse remarks mentioned in the said Report.

The Annual Secretarial Compliance Report for the financial year 2021-22 has also been submitted to the Stock Exchanges within the stipulated timeline.

The Secretarial Audit Report of the material subsidiaries are also annexed as Annexure-2 in accordance with the Listing Regulations.

Compliance Certificate

As per SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a Compliance Certificate from the Chief Executive Officer and Chief Financial Officer, of Investment Manager of IndiGrid on the Financial Statements and other matters of IndiGrid for the period ended March 31, 2022, was placed before the Board of Investment Manager.

Investor Complaints

The status of complaints is reported to the Board on a quarterly basis. During the period, the investor complaints received by the Company were general in nature, which were resolved within prescribed timelines. Details of Unitholders' complaints on quarterly basis are also submitted to the Trustee, stock exchanges and published on IndiGrid's website.

Details of investor complaints received and redressed during the year ended March 31, 2022 are as follows:

| Details of Investor Complaints | Number of complaints during the quarter ended June 30, 2021 | Number of complaints during the quarter ended September 30, 2021 | Number of complaints during the quarter ended December 31, 2021 | Number of complaints during the quarter ended March 31, 2022 |
|---|---|--|---|--|
| Number of investor complaints pending at the beginning of the quarter | 0 | 13 | 0 | 0 |
| Number of investor complaints received during the quarter | 160 | 260 | 117 | 123 |
| Number of investor complaints disposed of during the quarter | 147 | 273 | 117 | 123 |
| Number of investor complaints pending at the end of the quarter | 13 | 0 | 0 | 0 |

Policies of the Board of Directors of the Investment Manager in relation to IndiGrid

In order to adhere the good governance practices the Investment Manager has adopted the following policies in relation to IndiGrid:

Borrowing Policy

The Investment Manager shall ensure that all funds borrowed in relation to IndiGrid are in compliance with the SEBI InvIT Regulations. Accordingly, the Investment Manager has formulated Borrowing Policy to outline the process for borrowing monies in relation to IndiGrid.

Policy on Appointment of Auditor and Valuer

The Investment Manager has adopted the Policy on Appointment of Auditor and Valuer to govern the appointment and operations of Auditor and Valuer which plays very crucial role at IndiGrid.

Policy on Related Party Transactions

To ensure proper approval, supervision and reporting of the transactions between IndiGrid and its Related Parties, the board of directors of the Investment Manager has adopted the Policy in relation to Related Party Transactions, to regulate the transactions between IndiGrid and its Related Parties.

Corporate Governance Report (Contd.)

Distribution Policy

The Investment Manager has adopted the Distribution Policy to ensure proper, accurate and timely distribution to the unitholders of IndiGrid. The Distributable Income of IndiGrid is calculated in accordance with the Distribution Policy, SEBI InvIT Regulations and any circular, notification or guidance issued thereunder.

Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Designated Person(s) of IndiGrid (the "UPSI Policy")

The Investment Manager has adopted the UPSI Policy to ensure that IndiGrid complies with applicable law, including the SEBI InvIT Regulations or such other laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material, unpublished price sensitive information.

Policy for Determining Materiality of Information for Periodic Disclosures (the "Materiality of Information Policy")

The Investment Manager has adopted the Materiality of Information Policy with an intention to outline process and procedures for determining materiality of information in relation to periodic disclosures on IndiGrid's website, to the stock exchanges and to all stakeholders at large, in relation to IndiGrid.

Document Archival Policy

The Investment Manager has adopted the Document Archival Policy to provide a comprehensive policy on the preservation and conservation of the records and documents of IndiGrid. The Document Archival Policy aims at identifying, classifying, storing, securing, retrieving, tracking and destroying or permanently preserving records.

Nomination and Remuneration Policy

The Investment Manager has adopted the Nomination and Remuneration Policy with an intention to provide the underlying principles and guidelines governing the activities of the Nomination and Remuneration Committee.

Whistle Blower Policy / Vigil Mechanism

The Investment Manager has established a whistle blower mechanism for directors, employees, contractors and suppliers of IndiGrid. The whistle blower mechanism is widely circulated for the knowledge of directors, employees, supplies and contractors of IndiGrid.

We further confirm that no personnel has been denied access to the Chairperson of the Audit Committee of Investment Manager.

Conflict of Interest Policy

The Investment Manager has adopted the Conflict of Interest policy to protect India Grid Trust and its affiliates' interests while contemplating entering into any discussion or transaction or arrangement for potential acquisition (directly or indirectly) of power infrastructure assets or businesses that might conflict with or is similar in nature to the transaction or arrangement proposed by Sponsors, shareholders of the Investment Managers or their affiliates.

Policy on Material Subsidiaries

The Investment Manager has adopted a policy on determination of material subsidiaries of India Grid Trust in line with the Listing Regulations. The policy aims to determine the Material Subsidiaries and Material Unlisted Indian Subsidiaries of India Grid Trust and to provide the governance framework for such subsidiaries.

Investor Grievance Redressal Policy

To provide efficient services to the investors and to effectively address and redress the grievances of the investors of India Grid Trust in a timely manner, the board of directors of the Investment Manager has adopted the Investor Grievance Redressal Policy.

Disclosure of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, the Investment Manager has not received any complaint of sexual harassment during the period under review.

The Investment Manager has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SEBI Complaints Redressal System (SCORES)

The investor complaints are processed in a centralised web based complaints redress system.

The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

IndiGrid has been registered on SCORES and Investment Manager makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

Corporate Governance Report (Contd.)

Green initiative

Investment Manager is concerned about the environment and utilises natural resources in a sustainable way. SEBI InvIT Regulations allows IndiGrid to send official documents to their Unitholders electronically.

In terms of the InvIT Regulations, Investment Manager propose to send documents like the Notice convening the general meetings, Financial Statements, Auditor's Report and other documents to the email address of investors as provided by relevant depositories.

Amendments to Material Contracts

During the year under review, at the time of acquisition of Assets, the IndiGrid has executed amendment to the Investment Management Agreement and Project Implementation & Management Agreement.

SIGNIFICANT AND MATERIAL ORDERS

During the period under review, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the IndiGrid's operations in future.

There are adequate systems and processes in the IndiGrid commensurate with the size and operations of the IndiGrid to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. During the period under review, no penalty has been imposed by any stock exchange or SEBI, nor has there been any instance of non-compliance with any legal requirements, or on matters having material impact on the operations of IndiGrid.

For the year ended March 31, 2022, IndiGrid have complied with the provisions of the Trust Deed, InvIT Regulations, applicable provisions of LODR and Corporate Governance norms.

Publications

The information required to be disclosed to the stock exchanges (including financial results, press releases and presentations made to the investors) have been duly submitted to the NSE and BSE as well as uploaded on IndiGrid's website.

Postal Ballot

The detail of the previous postal ballot is available on our website, at <https://www.indigrid.co.in/investor/agm-egm/>.

Communication to the Unitholders

The IndiGrid ensures that the following filings and reports are available on its website:

- The quarterly filings/ reports, as required to be filed

under various applicable provisions are posted on our website, at <https://www.indigrid.co.in/investor/other-regulatory-filings/>

- Quarterly and annual financial statements, standalone and consolidated, are also posted on our website, at <https://www.indigrid.co.in/investor/financial-results/>
- Audio recordings of Earnings calls with analysts and investors along with their transcripts are also published on the website. The AGM recording, transcripts and results are available on our website, at <https://www.indigrid.co.in/investor/agm-egm/>.
- The unitholders can also access the details of policies, Board committee charters, Trust Deed, financial information, unitholding information, Distribution history, FAQs, etc. on IndiGrid's website.
- Other information, such as press releases, Trustee Report and presentations made to investors and analysts, etc., is regularly updated on the IndiGrid's website.

Corporate Governance requirements specified in Regulation 16 to 27 of Listing Regulations

IndiGrid has complied with all the applicable corporate governance requirements under the Listing Regulations and has endeavoured to comply with corporate governance requirement specified in Regulation 16 to 27 of Listing Regulations for High Value Debt Listed Entity.

Awareness Sessions/ Workshops on Governance practices

IndiGrid as an organisation that strongly supports transparency and openness and believes in zero tolerance for unethical practices. Employees across the Group are regularly sensitised about the various policies and governance practices of IndiGrid through various interactive tools.

Statutory Auditors

S R B C & Co LLP, Chartered Accountants (ICAI Firm Registration No.: 324982E/ E300003), having their office at C - 401, 4th Floor, Panchshil Tech Park, Yerwada (Near Don Bosco School), Pune, Maharashtra – 411006 have been appointed as the Statutory Auditors of IndiGrid for a second term of five consecutive years from conclusion of 4th Annual General Meeting till the conclusion of 9th Annual General Meeting of the IndiGrid.

Internal Auditors

KPMG Assurance and Consulting Services LLP, Chartered Accountants (Firm Registration Number-BA-62445), have been appointed as the Internal Auditors of IndiGrid for the financial year 2022–23.

Corporate Governance Report (Contd.)

BOARD MEMBER EVALUATION

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and executive/ non-executive / independent directors through peer evaluation, excluding the director being evaluated.

Independent directors have three key roles – governance, control and guidance. Some of the performance indicators, based on which the independent directors are evaluated, include:

- The ability to contribute to and monitor IndiGrid's corporate governance practices
- The ability to contribute by introducing international best practices to address business challenges and risks
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings

The evaluation process focused on Board dynamics, softer aspects, committee effectiveness and information flow to the Board or its committees, among other matters. The methodology included techniques such as questionnaires, one on-one discussions, etc. The recommendations were discussed with the Board and individual feedback was provided. The aspects of succession planning and committee composition were also considered. The Board evaluation process was completed during fiscal 2022.

Further, the evaluation process was based on the affirmation received from the independent directors that they met the independence criteria as required under the Companies Act 2013.

SUCCESSION PLANNING

The nomination and remuneration committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management. The Investment Manager strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

By integrating workforce planning with strategic business planning, the Investment Manager puts the necessary financial and human resources in place so that IndiGrid's objectives can be met.

The Board members bring to the table their broad and diverse skills and viewpoints to aid the Investment Manager in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

SELECTION OF DIRECTORS

Considering the requirement of skill sets on the Board, eminent people in their respective field / profession and who can effectively contribute to the IndiGrid's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as a Director on the Board. The Committee inter alia considers qualification, integrity, positive attributes, area of expertise and experience in relevant industry in accordance with the structure designed by Investment Manager for selection of Directors and determining Directors' independence in case of Independent Directors. The Board considers the Committee's recommendation and takes appropriate decision. In case of Non-Executive Directors, the matter is also recommended to the Unitholders for their approval in accordance with Listing Regulations.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and are independent of the management.

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the IndiGrid's procedures and practices.

Executive director and senior management provide an overview of operations, and familiarize the new non-executive directors on matters related to IndiGrid's values and commitments. They are also introduced to the organization structure, services, Group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board, major risks and risk management strategy.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the IndiGrid including Finance, M&A, overview of business operations of major subsidiaries, business strategy and risks involved. Detailed presentations or discussions on various aspects of the IndiGrid's business operations are made in separate meetings with Directors from time to time.

EXECUTIVE LEADERSHIP COMPENSATION

Investment Manager's executive compensation programs encourage reward for performance. A significant portion of the executives' total rewards are tied to the delivery of

long-term corporate performance goals, in order to align with the interest of the stakeholders.

The nomination and remuneration committee determines and recommends to the Board the compensation payable to the directors. Remuneration for the executive directors comprises a fixed component and a variable component, including Long Term Incentive Plan. The committee makes a periodic appraisal of the performance of executive directors based on a detailed performance matrix.

Remuneration paid to Key Managerial Personnel during Financial Year 2021-22

(In ₹ Million)

| Name | Designation | Fixed Salary | Performance Linked Incentives | Retiral benefits | Long-Term Incentives | Total Remuneration FY 2021-22 |
|-------------------------|--|--------------|-------------------------------|------------------|----------------------|-------------------------------|
| Mr. Harsh Shah | CEO & Whole-time Director | 20.51 | 9.33 | 0.76 | 4.78 | 35.37 |
| Mr. Jyoti Kumar Agarwal | Chief Financial Officer | 16.89 | 2.41 [#] | 0.71 | 2.77 [#] | 22.77 |
| Mr. Swapnil Patil | Company Secretary & Compliance Officer | 4.90 | 0.95 | 0.17 | 0.58 | 6.60 |

Notes:

*Fixed salary constitutes base salary, statutory bonus and all other allowances

*Performance linked incentive and long-term incentive showed above is for the FY 2020-21 paid in FY 2021-22 in May 2022

*Performance linked incentive and long-term incentive to KMPs for FY 2021-22, constitutes around 30%-40% of total remuneration and shall be paid in FY 2022-23

[#]Performance linked incentive and long-term incentive for Mr. Jyoti Kumar Agarwal for FY 2020-21 is for a period of 6.5 months, pursuant to his joining IndiGrid on September 16, 2020

Details of IndiGrid Units considered for Long Term Incentive Plan (LTIP) as on May 31, 2022

| Name | Designation | No. of Units considered for LTIP |
|-------------------------|--|----------------------------------|
| Mr. Harsh Shah | CEO & Whole-time Director | 90,153 |
| Mr. Jyoti Kumar Agarwal | Chief Financial Officer | 1,09,685 |
| Mr. Swapnil Patil | Company Secretary & Compliance Officer | 20,412 |

INDEPENDENT DIRECTORS' COMPENSATION

The compensation payable to the independent directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which does not exceed 0.4% of the difference between revenue from operations and operating expenses (other than the fee of the Investment Manager) of each Special Purpose Vehicle of IndiGrid, per annum. The unitholders of IndiGrid has

approved the aforesaid remuneration limit and the Board reviews the performance of independent directors on an annual basis.

The Board, while deciding the basis for determining the compensation of the independent directors, takes various things into consideration. These includes

a. The attendance of a particular independent director

Corporate Governance Report (Contd.)

- b. The independent director(s) have complied with the code of conduct for independent directors as provided under Schedule IV of the Companies Act, 2013 ("Code of Conduct")
- c. Quality of contributions to the Board deliberations
- d. Strategic perspectives or inputs regarding future growth of Investment Manager, IndiGrid and its performance
- e. Providing perspectives and feedback going beyond information provided by the management
- f. Commitment to unitholders and other Stakeholders interests
- The amount paid/ payable including sitting fees to all independent directors for the year ended on March 31, 2022 is ₹ ~14.16 Million (₹ 6 Million to Mr. Tarun Kataria, ₹ 3.5 Million each to Mr. Rahul Asthana and Mr. Ashok Sethi and ₹ 1.16 Million to Ms. Jayashree Vaidhyanathan on proportionate basis from the date of her appointment). Additionally, independent directors are also reimbursed for expenses incurred in the performance of their official duties.

GENERAL UNITHOLDER INFORMATION
1) Financial Year

IndiGrid follows April-March as the financial year. To consider and approve the quarterly financial results for FY 2021-22, the meetings of the Board were held/ scheduled on the following dates/ months:

| | |
|--|------------------|
| First Quarter Ended Results | July 30, 2021 |
| Second Quarter and Half Year Ended Results | October 27, 2021 |
| Third Quarter | January 27, 2022 |
| Fourth Quarter and Full Year Ended Results | May 20, 2022 |

2) Distribution

The details of Distribution declared by IndiGrid during FY 2021-22 are as follows

| Date of Board Meeting | Type of Distribution | Distribution per unit | Record Date |
|-----------------------|--|-----------------------|-------------------|
| May 27, 2021 | Interest, Dividend and Principal payment | ₹ 3.10 | June 02, 2021 |
| July 30, 2021 | Interest and Dividend | ₹ 3.1875 | August 05, 2021 |
| October 27, 2021 | Interest, Dividend and Principal payment | ₹ 3.1875 | November 02, 2021 |
| January 27, 2022 | Interest and Principal payment | ₹ 3.1875 | February 2, 2022 |

3) Top 10 Unitholders (excluding sponsor) as on March 31, 2022

| S. No. | Name | Total No. of Units held | As a percentage of total outstanding Units (%) |
|--------------|--|-------------------------|--|
| 1 | Government of Singapore | 14,01,81,111 | 20.02 |
| 2 | Larsen and Toubro Limited | 3,80,66,679 | 5.44 |
| 3 | Schroder Asian Asset Income Fund | 2,41,98,426 | 3.46 |
| 4 | Schroder Asian Income | 2,14,98,939 | 3.07 |
| 5 | Tata AIG General Insurance Company Limited | 1,33,76,597 | 1.91 |
| 6 | Reliance Nippon Life Insurance Co Limited | 1,25,68,689 | 1.80 |
| 7 | Utilico Emerging Markets Trust PLC | 1,24,41,114 | 1.78 |
| 8 | PNB Metlife India Insurance Company Limited | 66,29,369 | 0.95 |
| 9 | Max Life Insurance Co Ltd A/C Participating Fund | 59,75,027 | 0.85 |
| 10 | L&T Employees Welfare Foundation Pvt. Ltd. | 49,95,837 | 0.71 |
| Total | | 27,99,31,788 | 39.99 |

Corporate Governance Report (Contd.)

4) Unitholding of Directors & Key Managerial Personnel of Investment Manager as on March 31, 2022

| S. No. | Name of Directors and KMPs | Number of Units held |
|--------|----------------------------|----------------------|
| 1 | Harsh Dinesh Shah | 13,608 |
| 2 | Swapnil Patil | 6,804 |

5) UNIT HOLDING PATTERN REPORT AS ON MARCH 31, 2022

| Category | Category of Unit holder | No. of Units Held | As a % of Total Outstanding Units | No. of units mandatorily held | | Number of units pledged or otherwise encumbered | |
|------------|--|--------------------|-----------------------------------|-------------------------------|----------------------------|---|----------------------------|
| | | | | No. of units | As a % of total units held | No. of units | As a % of total units held |
| (A) | Sponsor(s) / Investment Manager / Project Manager(s) and their associates/related parties | | | | | | |
| (1) | Indian | | 0.00 | - | 0.00 | - | 0.00 |
| (a) | Individuals / HUF | | 0.00 | - | 0.00 | - | 0.00 |
| (b) | Central/State Govt. | | 0.00 | - | 0.00 | - | 0.00 |
| (c) | Financial Institutions/Banks | | 0.00 | - | 0.00 | - | 0.00 |
| (d) | Any Other (specify) | | 0.00 | - | 0.00 | - | 0.00 |
| | STERLITE POWER TRANSMISSION LIMITED | - | 0.00 | - | 0.00 | - | 0.00 |
| | Sub- Total (A) (1) | - | 0.00 | - | 0.00 | - | 0.00 |
| (2) | Foreign | | | | | | |
| (a) | Individuals (Non Resident Indians / Foreign Individuals) | | 0.00 | - | 0.00 | - | 0.00 |
| (b) | Foreign government | | 0.00 | - | 0.00 | - | 0.00 |
| (c) | Institutions | | 0.00 | - | 0.00 | - | 0.00 |
| (d) | Foreign Portfolio Investors | 165,901,932 | 23.69 | - | 0.00 | - | 0.00 |
| (e) | Any Other (specify) | | 0.00 | - | 0.00 | - | 0.00 |
| | Sub- Total (A) (2) | 165,901,932 | 23.69 | - | 0.00 | - | 0.00 |
| | Total unit holding of Sponsor & Sponsor Group (A) = (A)(1)+(A)(2) | 165,901,932 | 23.69 | - | - | - | - |
| (B) | Public Holding | | | | | | |
| (1) | Institutions | | | | | | |
| (a) | Mutual Funds | 2,620,539 | 0.37 | | | | |
| (b) | Financial Institutions/Banks | 110,665 | 0.02 | | | | |
| (c) | Central/State Govt. | | 0.00 | | | | |
| (d) | Venture Capital Funds | | 0.00 | | | | |
| (e) | Insurance Companies | 53,250,517 | 7.61 | | | | |
| (f) | Provident/pension funds | 4,747,611 | 0.68 | | | | |
| (g) | Foreign Portfolio Investors | 210,973,410 | 30.13 | | | | |
| (h) | Foreign Venture Capital investors | | 0.00 | | | | |
| (i) | Any Other (specify) | | | | | | |
| | Alternative Investment Fund. | 122,472 | 0.02 | | | | |
| | Sub- Total (B) (1) | 271,825,214 | 38.82 | | | | |
| (2) | Non-Institutions | | | | | | |
| (a) | Central Government/State Governments(s)/ President of India | - | - | | | | |
| (b) | Individuals | 149,054,067 | 21.29 | | | | |
| (c) | NBFCs registered with RBI | 937,333 | 0.13 | | | | |
| (d) | Any Other (specify) | | 0.00 | | | | |
| | TRUSTS | 490,165 | 0.07 | | | | |
| | NON RESIDENT INDIANS | 7,674,747 | 1.10 | | | | |
| | CLEARING MEMBERS | 50,799 | 0.01 | | | | |
| | BODIES CORPORATES | 104,244,228 | 14.89 | | | | |
| | Sub- Total (B) (2) | 262,451,339 | 37.48 | | | | |
| | Total Public Unit holding (B) = (B)(1)+(B)(2) | 534,276,553 | 76.31 | | | | |
| | Total Units Outstanding (C) = (A) + (B) | 700,178,485 | 100.00 | | | | |

Corporate Governance Report (Contd.)
6) Listing Details

| Name and address of the Stock exchange | Security Type | Scrip Code/Symbol | ISIN code |
|--|------------------------|--------------------------|------------------|
| BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 | Units | 540565 | INE219X23014 |
| | NCD (privately placed) | 958219 | INE219X07017 |
| | NCD (privately placed) | 958599 | INE219X07025 |
| | NCD (privately placed) | 958827 | INE219X07033 |
| | NCD (privately placed) | 958915 | INE219X07058 |
| | NCD (privately placed) | 958939 | INE219X07066 |
| | NCD (privately placed) | 959596 | INE219X07090 |
| | NCD (privately placed) | 959985 | INE219X07108 |
| | NCD (privately placed) | 960229 | INE219X07116 |
| | NCD (privately placed) | 960381 | INE219X07124 |
| | NCD (privately placed) | 960382 | INE219X07132 |
| | NCD (privately placed) | 973269 | INE219X07298 |
| | NCD (privately placed) | 973450 | INE219X07306 |
| | NCD (privately placed) | 973766 | INE219X07322 |
| | NCD (public) | 937519 | INE219X07173 |
| | | 937521 | INE219X07181 |
| | | 937523 | INE219X07199 |
| | | 937525 | INE219X07207 |
| | | 937527 | INE219X07215 |
| | | 937529 | INE219X07223 |
| | 937531 | INE219X07231 | |
| | 937533 | INE219X07249 | |
| | 937535 | INE219X07256 | |
| | 937537 | INE219X07264 | |
| | 937539 | INE219X07272 | |
| | 937541 | INE219X07280 | |
| National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 | Units | INDIGRID | INE219X23014 |
| | NCD(Public) | INDIGRID/NA | INE219X07173 |
| | | INDIGRID/NB | INE219X07181 |
| | | INDIGRID/NC | INE219X07199 |
| | | INDIGRID/ND | INE219X07207 |
| | | INDIGRID/NE | INE219X07215 |
| | | INDIGRID/NF | INE219X07223 |
| | | INDIGRID/NG | INE219X07231 |
| | | INDIGRID/NH | INE219X07249 |
| | | INDIGRID/NI | INE219X07256 |
| | | INDIGRID/NJ | INE219X07264 |
| | | INDIGRID/NK | INE219X07272 |
| | | INDIGRID/NL | INE219X07280 |

Corporate Governance Report (Contd.)

7) Address for Correspondence including Investors Grievances

Principal Place of Business and Contact Details of the Trust:

India Grid Trust

SEBI Reg. No.-IN/InvIT/16-17/0005
Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098
Company Secretary & Compliance Officer:
Mr. Swapnil Patil
Tel: +91 70284 93885
E-mail: complianceofficer@indigrid.co.in,
Website: <http://www.indigrid.co.in>

Registered Office and Contact Details of the Investment Manager:

IndiGrid Investment Managers Limited
CIN: U28113MH2010PLC308857
Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098
Tel: +91 70284 93885
Email: complianceofficer@indigrid.co.in
Contact Person: Mr. Swapnil Patil

Registered Office and Contact Details of RTA

KFIN Technologies Limited
(Unit: India Grid Trust)
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
Tel: +91 40 3321 5205
For queries pertaining to Units of IndiGrid-
E-mail: support.indiagrid@kfintech.com
For queries pertaining to NCDs of IndiGrid-
E-mail: einward.ris@kfintech.com

Investor Relations

Ms. Meghana Pandit
Tel: +91 70284 93885
For queries pertaining to Units of IndiGrid-
E-mail: investor.relations@indigrid.co.in
For queries pertaining to NCDs of IndiGrid-
E-mail: PublicNCD@indigrid.com

General Disclosures

- Regulatory - Except otherwise specified, during the period under review, there were no regulatory changes that has impacted or may impact cash flows of the underlying projects.
- Material Contracts - Except otherwise specified, during the period under review, there were no changes in material contracts or any new risk in performance of any contract pertaining to the India Grid Trust.
- Legal Proceedings - Except otherwise specified in this report or its Annexures, during the period under review, there were no legal proceedings which may have significant bearing on the activities or revenues or cash flows of the India Grid Trust.
- Material Information and Events - Except otherwise specified or disclosed to the Exchange from time to time, during the period under review, there were no material changes, events or material and price sensitive information to be disclosed for India Grid Trust.
- Material Litigation - Except otherwise specified in this report or its annexures, there are no material litigation and actions by regulatory authorities, in each case against IndiGrid, the Sponsor(s) the Investment Manager, the Project Manager, or any of their Associates and the Trustee that are currently pending. For material litigation, 5% of the consolidated revenue and/or its impact on IndiGrid's operation has been considered as the materiality threshold.
- Issue and Buyback of Units
IndiGrid has issued units through rights issue as per SEBI InvIT Regulations read with Guidelines issued by SEBI. Brief detail of the issue is mentioned hereinbelow:
Issue Opening date- April 6, 2021
Issue Closure date- April 16, 2021
Record date- March 30, 2021
Issue Price- ₹ 110 per unit
Allotment Date- April 22, 2021
Subscribed amount- ₹ 12,836.49 million
Total number of units allotted- 116,695,404
Trading started on April 27, 2021
Further, this is to confirm that, during the period under review, there was no buy back of any units by IndiGrid
IndiGrid has raised ₹ 10,000 million through issue of Public NCDs during FY22.
- The financial information of Investment Manager is not disclosed because there is no material erosion in the net worth as compared to the net worth as per the last audited financial statements.

SUMMARY OF INDEPENDENT VALUATION

As per Securities and Exchange Board of India (Infrastructure Investment Trust), Regulations, 2014 (InvIT Regulations), IndiGrid is supposed to carry out independent valuation for its assets. Mr. S Sundararaman, Registered Valuer, has carried out yearly financial valuation of BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, OGPTL, ENICL, GPTL, JKTPL, PrKTCL, solar assets and NER-II at the enterprise level. Enterprise value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

VALUATION APPROACH

All assets, except JKTPL, are projects allotted under Build Own Operate and Maintain (BOOM) Model or Build Own Operate (BOO) Model and operate under PoC mechanism. The independent valuation of BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, OGPTL, ENICL, GPTL, JKTPL, PrKTCL, NER-II and Solar assets has been determined by the independent valuer using the discounted cash flow approach on the free cash flows of the assets. Kallam, being an underconstruction project, has been valued using Net Asset Value (NAV) approach

Valuation Summary

The independent valuation of the assets as of March 31, 2022 is summarized below:

| | March 31, 2022 | | September 30, 2021 | | March 31, 2021 | | September 30, 2020 | | March 31, 2020 | | September 30, 2019 | |
|--------------|---------------------------------|---------------|---------------------------------|--------------|---------------------------------|-----------------|---------------------------------|-----------------|---------------------------------|-----------------|---------------------------------|----------|
| | Enterprise Value (₹ billion) | WACC (%) | Enterprise Value (₹ billion) | WACC (%) | Enterprise Value (₹ billion) | WACC (%) | Enterprise Value (₹ billion) | WACC (%) | Enterprise Value (₹ billion) | WACC (%) | Enterprise Value (₹ billion) | WACC (%) |
| BDTCL | 19.98 | 7.90% | 20.21 | 7.92% | 20.40 | 7.95% | 19.12 | 8.39% | 18.56 | 8.84% | 19.09 | 8.22% |
| JTCL | 16.23 | 8.10% | 16.28 | 8.16% | 16.02 | 8.19% | 15.06 | 8.61% | 14.43 | 9.09% | 14.77 | 8.27% |
| MTL | 5.98 | 7.70% | 5.95 | 7.70% | 5.9 | 7.73% | 5.76 | 8.13% | 5.44 | 8.61% | 5.38 | 7.99% |
| RTCL | 4.37 | 7.60% | 4.21 | 7.61% | 4.2 | 7.64% | 4.15 | 8.04% | 4.01 | 8.51% | 4.17 | 8.28% |
| PKTCL | 6.8 | 7.60% | 6.82 | 7.61% | 6.83 | 7.64% | 6.7 | 8.04% | 6.44 | 8.51% | 6.48 | 8.40% |
| PTCL | 2.61 | 7.70% | 2.38 | 7.65% | 2.37 | 7.69% | 2.46 | 8.09% | 2.37 | 8.56% | 2.44 | 8.34% |
| NRSS | 45.73 | 7.60% | 46.60 | 7.54% | 46.81 | 7.57% | 45.36 | 7.97% | 43.91 | 8.44% | 44.35 | 7.92% |
| OGPTL | 16.67 | 7.70% | 14.90 | 7.68% | 14.79 | 7.72% | 14.64 | 8.12% | 14.10 | 8.54% | 13.88 | 8.07% |
| ENICL* | 11.8 | 8.1% to 11.6% | 12.11 | 8.05% | 11.96 | 8.09% to 11.28% | 11.44 | 8.37% to 11.17% | 10.95 | 8.91% to 12.42% | - | |
| GPTL | 12.36 | 7.70% | 12.12 | 7.58% | 12.22 | 7.67% | 11.41 | 8.01% | | | | |
| JKTPL | 3.17 | 7.60% | 2.98 | 7.52% | 3.03 | 7.60% | 2.88 | 8.43% | | | | |
| PrKTCL** | 7.19 | 7.90% | 8.15 | 7.82% | 8.56 | 8.23% | | | | | | |
| NER-II | 53.29 | 7.60% | 53.73 | 7.53% | 52.36 | 7.61% | | | | | | |
| IG Solar -1 | 3.38 | 7.90% | 3.60 | 7.77% | | | | | | | | |
| IG Solar -2 | 3.67 | 7.80% | 3.79 | 7.79% | | | | | | | | |
| Kallam*** | 0.21 | NA | | | | | | | | | | |
| Total | 211.45 | | 213.83 | 7.73% | 205.46 | | 139.01 | | 120.21 | | 110.56 | |

Note

*Only in case of ENICL, I have considered separate WACC for explicit period and terminal period.

**PrKTCL operates under Cost Plus Mechanism where the period of services is not mentioned in TSA. I have considered a total period of 35 years of useful life based on CERC Tariff Regulations, 2019 and based on discussions with the Investment Manager

***KTL project is currently under development. Hence due to the nascent stage of the project and considering the fact that the EPC contract for KTL is yet to be signed by KTL management, I find it appropriate to consider the Net Asset Value method for arriving at the enterprise value of KTL (comprising of the Capital WIP, Capital Advances and Net current assets as at the Valuation Date).

Valuation report of IndiGrid assets as on March 31, 2022 issued by Valuer are annexed to this report as Annexure A and forms part of this report only. The valuation report can also be viewed on the Company's website and can be accessed via the link <http://www.indigrid.co.in/download-investor.html>

Unit Price Performance

Units of IndiGrid were listed on June 06, 2017 on BSE and NSE. Unit price inched higher in FY 2021-22, with total volume of trade at approximately 79.81 million units. This translated to an average daily traded volume of approximately 0.32 million units during the period. IndiGrid distributed ₹ 12.75/unit for FY 2021-22.

In April 2021, IndiGrid raised ₹ 12,836 Mn by way of Rights Issue of 116,695,404 units at a cash price of ₹ 110 per unit.

Summary of Price and volume

| Particulars | BSE | NSE |
|---|--------|--------|
| Price Information (in ₹) | | |
| Unit Price at the beginning of the period (Close price of April 01, 2021) | 136.25 | 136.29 |
| Unit Price at the close of the period (Close price of March 31, 2022) | 147.65 | 147.21 |
| Highest Unit Price (NSE-January 20, 2022 & BSE January 31, 2022) | 154 | 153 |
| Lowest Unit Price (NSE- April 28, 2021) (BSE- April 27, 2021) | 125.4 | 125.23 |
| Volume Information | | |
| Average Daily Volume Traded during the period (in Thousands) | 56.32 | 265.51 |
| Total Average Daily Volume Traded (on both BSE and NSE) (in Thousands) | 321.83 | |

Summary of DPU

| Period | DPU (₹/unit) |
|--------------------------------|--------------|
| Q1 FY 2017-18 | 0.92 |
| Q2 FY 2017-18 | 2.75 |
| Q3 FY 2017-18 | 2.89 |
| Q4 FY 2017-18 | 3.00 |
| FY 2017-18* | 9.56 |
| FY 2017-18 (annualised) | 11.47 |
| Q1 FY 2018-19 | 3.00 |
| Q2 FY 2018-19 | 3.00 |
| Q3 FY 2018-19 | 3.00 |
| Q4 FY 2018-19 | 3.00 |
| FY 2018-19 | 12.00 |
| Q1 FY 2019-20 | 3.00 |
| Q2 FY 2019-20 | 3.00 |
| Q3 FY 2019-20 | 3.00 |
| Q4 FY 2019-20 | 3.00 |
| FY 2019-20 | 12.00 |
| Q1 FY 2020-21 | 3.00 |
| Q2 FY 2020-21 | 3.00 |
| Q3 FY 2020-21 | 3.10 |
| Q4 FY 2020-21 | 3.10 |
| FY 2020-21 | 12.20 |
| Q1 FY 2021-22 | 3.1875 |
| Q2 FY 2021-22 | 3.1875 |
| Q3 FY 2021-22 | 3.1875 |
| Q4 FY 2021-22 | 3.1875 |
| FY 2021-22 | 12.75 |

* For an operational period of 10 months

Annexure 1

Secretarial Audit Report

For the Financial Year Ended March 31, 2022

To

The Unit Holders
India Grid Trust
(an Infrastructure Investment Trust registered with the SEBI
vide Registration No. IN/InvIT/16-17/0005)
Unit No 101, First Floor, Windsor Village,
KoleKalyan Off CST Road, Vidyanagari Marg,
Santacruz (East), Mumbai-400098

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by India Grid Trust (hereinafter called "the InvIT") and IndiGrid Investment Managers Limited (hereinafter called "the Company") acting as an Investment Manager of InvIT. The InvIT and Investment Manager are collectively referred as "Entities". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the entities' books, papers, minute books, forms and returns filed and other records maintained by the entities and also the information provided by the entities, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2022, the entities has complied with the statutory provisions listed hereunder and also the entities has followed proper processes and compliance-mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the entities for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder (complied to the extent applicable during the Audit period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the Audit Period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (complied to the extent applicable during the Audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (i) The Securities and Exchange Board of India (Infrastructure Investment Trusts, Regulations, 2014 read with circulars and guidelines issues thereunder.

We have also examined compliance with the applicable clauses of

- (i) the Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the provisions of section 173 of the Act.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. The InvIT has raised ₹ 10 Billion through Public Issue of Non-Convertible Debentures.
6. The InvIT has raised ₹ 12.8 Billion through Right Issue of Unit.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan

(Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175D000347859

May 20, 2022

Mumbai

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To
The Unit Holders,
India Grid Trust

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the entities.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the entities nor of the efficacy or effectiveness with which the management has conducted the affairs of the entities.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan
(Partner)
FCS No. 4175, COP No. 8744
UDIN: F004175D000347859

May 20, 2022
Mumbai

Annexure 2

Secretarial Audit Report of Material Unlisted Subsidiaries

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To,

The Members,
Parbati Koldam Transmission Company Limited
CIN: U40108MH2002PLC377967
Unit No. 101, First Floor, Windsor, Village Kolekalyan, off CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East)
Mumbai – 400098,

Date of Incorporation: 02/09/2002

Authorized Share Capital: 331,00,00,000.00

Paid up Share Capital: 272,83,70,000.00

We have conducted the secretarial audit of the compliance of applicable statutory provisions of Parbati Koldam Transmission Company Limited hereinafter referred to as ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our e-verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st Day of March, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st Day of March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the company during the audit period)

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the audit period)
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the audit period)
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the company during the audit period)
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the audit period)

Other Laws specifically applicable to the Company

- a. The Electricity Act, 2003
- b. Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2020. Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2021

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; (not applicable to the company during the audit period)

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

We further report that:

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

As per the information furnished before us adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

M/s Astik Tripathi & Associates

Company Secretaries

Astik Mani Tripathi (Proprietor)
FCS No: 8670, CP No: Place: New Delhi

Date: 19.05.2022
UDIN:F008670D000354235
Peer Review Certificate No.948/2020

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure- A

To,

The Members,
Parbati Koldam Transmission Company Limited
CIN: U40108MH2002PLC377967
Unit No. 101, First Floor, Windsor, Village Kolekalyan, off CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East)
Mumbai – 400098,

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on the basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. Wherever required, we have obtained the management representations about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability nor of the efficacy of the effectiveness with which the management has conducted the affairs of the Company.

M/s Astik Tripathi & Associates

Company Secretaries

Astik Mani Tripathi (Proprietor)
FCS No: 8670 CP No: 10384
Place: New Delhi
Date: 19.05.2022

UDIN:F008670D000354235
Peer Review Certificate No.948/2020

Form No. MR-3 SECRETARIAL AUDIT REPORT**For the Financial Year Ended March 31, 2022**

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

To

The Members

Bhopal Dhule Transmission Company Limited

(CIN: U40102MH2009PLC364260)

Unit No 101, First Floor, Windsor Village,

KoleKalyan Off CST Road, Vidyanagari Marg,

Santacruz(East), Mumbai-400098

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2022, the Company has complied with the statutory provisions listed hereunder and also the Company has followed proper Board-processes and compliance- mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder (complied to the extent applicable during the Audit period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (complied to the extent applicable during the Audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the Audit Period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (complied to the extent applicable during the Audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);

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

OTHER ACT SPECIFICALLY APPLICABLE TO THE COMPANY:

- (a) the Electricity Act, 2003;
- (b) the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009.

We have also examined compliance with the applicable clauses of

- (i) the Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the provisions of section 173 of the Act.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan (Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175D000347562

May 19, 2022

Mumbai

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To
The Members,
Bhopal Dhule Transmission Company Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)
Raju Ananthanarayanan (Partner)
FCS No. 4175, COP No. 8744
UDIN: F004175D000347562

May 19, 2022
Mumbai

Form No. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022
[Pursuant to Regulation 24A (1) of the SEBI (Listing Obligations and Disclosure Regulations) Regulations, 2015]

To

The Members
NER II Transmission Limited
(CIN: U40106DL2015GOI279300)
A-52/6 G/F Ali Extn, Badarpur,
New Delhi- 110044, India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2022, the Company has complied with the statutory provisions listed hereunder and also the Company has followed proper Board-processes and compliance- mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the Audit Period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);

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

OTHER ACT SPECIFICALLY APPLICABLE TO THE COMPANY:

- (a) the Electricity Act, 2003;
- (b) the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009.

We have also examined compliance with the applicable clauses of

- (i) the Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the provisions of section 173 of the Act.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. The Company is material subsidiary company of M/s India Grid Trust (InvIT) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. The company has satisfied charge of ₹ 22 Billion in favor of Catalyst Trusteeship Limited.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan (Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175D000347650

May 19, 2022

Mumbai

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To

The Members,
NER II Transmission Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan (Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175D000347650

May 19, 2022

Mumbai

Form No. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A (1) of the SEBI (Listing Obligations and Disclosure Regulations) Regulations, 2015]

To

The Members

NRSS XXIX Transmission Limited
(CIN: U40106MH2013GOI359686)
Unit No 101, First Floor, Windsor,
Village Kole Kalyan Off CST Road,
Vidyanagari Marg, Santacruz (East),
Mumbai-400098

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2022, the Company has complied with the statutory provisions listed hereunder and also the Company has followed proper Board-processes and compliance- mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the Audit Period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

OTHER ACT SPECIFICALLY APPLICABLE TO THE COMPANY:

- (a) the Electricity Act, 2003;
- (b) the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009.

We have also examined compliance with the applicable clauses of

- (i) the Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the provisions of section 173 of the Act.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. The Company is material subsidiary of M/s India Grid Trust (InvIT) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. The company has deposited ₹ 13.2 Million to PM Cares Fund as CSR contribution.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan (Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175D000347694

May 19, 2022

Mumbai

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To
The Members,
NRSS XXIX Transmission Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)
Raju Ananthanarayanan (Partner)
FCS No. 4175, COP No. 8744
UDIN: F004175D000347694

May 19, 2022
Mumbai

Form No. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022

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

To

The Members

Odisha Generation Phase II Transmission Limited

(CIN: U40300MH2015GOI357936)

Unit No 101, FirstFloor, Windsor,

Village KoleKalyan Off CST Road, Vidyanagari Marg,

Santacruz (East), Mumbai-400098, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Odisha Generation Phase II Transmission Limited. (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2022, the Company has complied with the statutory provisions listed hereunder and also the Company has followed proper Board-processes and compliance- mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the Audit Period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

We have also examined compliance with the applicable clauses of

- (i) the Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Not applicable to the Company during the Audit Period).

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

We further report that:-

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the provisions of section 173 of the Act.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan (Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175D000347793

May 19, 2022

Mumbai

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To

The Members,
Odisha Generation Phase II Transmission Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For & on behalf of SARK & Associates

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan (Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175D000347793

May 19, 2022

Mumbai

A hand holding a pen over a document, with a blue circular overlay containing the text 'FINANCIAL STATEMENTS'. The background is dark with some light streaks.

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Unit holders of India Grid Trust

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of India Grid Trust ("the InvIT"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Unit Holders' Equity and the Statement of Cash Flow for the year then ended, the Statement of Net Assets at fair value as at March 31, 2022, the Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows ("NDCFs") of the InvIT for the year then ended and a summary of significant accounting policies and other explanatory notes (hereafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended including any guidelines and circulars issued thereunder (the "InvIT Regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with InvIT regulations, of the state of affairs of the InvIT as at March 31, 2022, its profit including other comprehensive income, its cash movements and its movement of the unit holders' funds for the year ended March 31, 2022, its net assets at fair value as at March 31, 2022, its total returns at fair value and the net distributable cash flows of the InvIT for the year ended March 31, 2022.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|---|--|
| <p>Impairment of investments in subsidiaries and loans given to subsidiaries (as described in notes 5,6,7 and 25 of the standalone financial statements)</p> <p>The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries both aggregating to ₹ 1,81,442.47 million as at March 31, 2022. The value of investments and loans in aggregate comprise 93 % of total assets in the Balance Sheet.</p> <p>The subsidiaries are in the business of owning and maintaining transmission assets/generation of solar power and have entered into Transmission Services Agreement ("TSA") with Long Term Transmission Customers ("LTTC") and Power Purchase Agreement ("PPA") with Solar Energy Corporation of India ("SECI").</p> <p>At each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries and loans given to subsidiaries. In case of existence of impairment indicators, the investment and loan balances are subjected to impairment test, where the fair value of the subsidiary is compared with the value of investments and loans given to such subsidiaries.</p> <p>The processes and methodologies for assessing and determining the fair value of the subsidiary is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license/ solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the InvIT's process on assessment of impairment of investments in subsidiaries and loans to subsidiaries and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained and read the valuation report of the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • We evaluated the independent valuation expert's methodology, assumptions and estimates used in the calculations. • We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders. • We tested completeness, arithmetical accuracy and validity of the data used in the calculations. • In performing the above procedures, we involved valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • We read and assessed the disclosures included in the notes to the standalone financial statements. |
| <p>Classification of unit holders' funds as equity (as described in Note 25 of the standalone financial statements)</p> <p>The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circulars") issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements.</p> <p>Considering the judgment required for classification of unit holders' funds as equity and liability, this is considered as a key audit matter.</p> | <p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • We obtained and read the requirements for classification of financial liability and equity under Ind AS 32 and evaluated the provisions of SEBI Circulars for classification/presentation of unit holders funds in the financial statements of an Infrastructure Investment Trust. • We read and assessed the disclosures included in the standalone financial statements for compliance with the relevant requirements of InvIT regulations. |

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| <p>Disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations</p> <p><i>(as described in Note 25 of the standalone financial statements)</i></p> <p>The InvIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the InvIT.</p> <p>For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.</p> <p>The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license/ solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • We discussed with the management and obtained an understating of the InvIT's policy on the assessment of fair value and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained understating of the InvIT's process for preparation statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations and the assumption used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained and read the valuation report of the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • We evaluated independent valuation expert's methodology, assumptions and estimates used in the calculations. • We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders. • We tested completeness, arithmetical accuracy and validity of the data used in the calculations. • In performing the above procedures, we used valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • We read and assessed the disclosures included in the notes to the standalone financial statements. |

Independent Auditor's Report (Contd.)

Other Information

The Management of Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) (the "Investment Manager") is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of auditor's report.

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

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

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Standalone Financial Statements

The Management of the Investment Manager ('the Management') is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at March 31, 2022, financial performance including other comprehensive income, cash flows and the movement of the unit holders' funds for the year ended March 31, 2022, the net assets at fair value as at March 31, 2022, the total returns at fair value of the InvIT and the net distributable cash flows of the InvIT for the year ending March 31, 2022 in accordance with the requirements of the InvIT regulations, Indian Accounting Standards (Ind AS) as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT regulations. This responsibility also includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the ability of InvIT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the InvIT or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the InvIT's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the InvIT's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the InvIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

Independent Auditor's Report (Contd.)

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the InvIT to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should

not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) The Balance Sheet and the Statement of Profit and Loss are in agreement with the books of account;
- (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent not inconsistent with InvIT Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 22111757AJIQJK3567

Place of Signature: Pune

Date: May 20, 2022

INDIA GRID TRUST

Standalone Balance Sheet

as at March 31, 2022

(All amounts in ₹ Million unless otherwise stated)

| | Notes | March 31, 2022 | March 31, 2021 |
|---|-------|--------------------|--------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3.1 | 0.92 | - |
| Intangible assets | 3.2 | 75.74 | - |
| Capital work-in-progress | 4 | - | 1.89 |
| Financial Assets | | | |
| i. Investment in subsidiaries | 5 | 42,734.91 | 37,193.07 |
| ii. Investments | 6 | 6,231.37 | - |
| iii. Loans | 7 | 1,32,476.19 | 1,11,361.96 |
| iv. Other financial assets | 8 | 456.90 | - |
| Other non-current tax assets | 9 | 31.83 | 19.71 |
| | | 1,82,007.86 | 1,48,576.63 |
| Current assets | | | |
| Financial assets | | | |
| i. Investments | 6 | - | 6,448.33 |
| ii. Cash and cash equivalents | 10 | 7,846.97 | 6,905.20 |
| iii. Bank Balances other than (ii) above | 11 | 2,322.58 | 841.05 |
| iv. Other financial assets | 8 | 3,261.35 | 550.79 |
| | | 13,430.90 | 14,745.37 |
| Total assets | | 1,95,438.76 | 1,63,322.00 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Unit capital | 12 | 65,903.15 | 53,145.69 |
| Other equity | 13 | | |
| Retained earnings/ (Accumulated deficit) | | 2,293.62 | 1,951.03 |
| Total unit holders' equity | | 68,196.77 | 55,096.72 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 1,07,486.42 | 1,04,017.27 |
| | | 1,07,486.42 | 1,04,017.27 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 17,215.53 | 1,492.38 |
| ii. Trade payables | 15 | | |
| a. Total outstanding dues of micro enterprises and small enterprises | | - | - |
| b. Total outstanding dues of creditors other than micro enterprises and small enterprises | | 55.87 | - |
| iii. Other financial liabilities | 16 | 2,483.37 | 2,705.67 |
| Other current liabilities | 17 | 0.80 | 9.96 |
| | | 19,755.57 | 4,208.01 |
| Total liabilities | | 1,27,241.99 | 1,08,225.28 |
| Total equity and liabilities | | 1,95,438.76 | 1,63,322.00 |

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per **Huzefa Ginwala**
Partner
Membership Number : 111757

Place : Pune
Date : May 20, 2022

For and on behalf of the Board of Directors of
Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)
(as Investment Manager of India Grid Trust)

Harsh Shah
CEO & Whole-time Director
DIN: 02496122

Swapnil Patil
Company Secretary
Membership Number : 24861

Place : Mumbai
Date : May 20, 2022

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 20, 2022

INDIA GRID TRUST

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Million unless otherwise stated)

| | Notes | March 31, 2022 | March 31, 2021 |
|---|-------|------------------|------------------|
| INCOME | | | |
| Revenue from operations | 19 | 20,025.39 | 12,488.31 |
| Dividend income from subsidiaries | | 282.66 | - |
| Income from investment in mutual funds | | 55.26 | - |
| Interest income on investment in fixed deposits | | 106.52 | 78.30 |
| Other income | 20 | 19.03 | - |
| Total income (I) | | 20,488.86 | 12,566.61 |
| EXPENSES | | | |
| Legal and professional fees | | 71.69 | 95.34 |
| Annual listing fee | | 9.83 | 6.18 |
| Rating fee | | 28.36 | 46.52 |
| Valuation expenses | | 8.25 | 3.05 |
| Trustee fee | | 3.32 | 3.01 |
| Audit Fees | | | |
| - Statutory audit fees | | 5.43 | 4.01 |
| - Other services (including certification) | | 0.64 | 7.32 |
| Other expenses | 21 | 21.79 | 827.94 |
| Depreciation expense | 22 | 1.75 | - |
| Finance costs | 23 | 9,432.83 | 4,346.97 |
| Impairment / (reversal of impairment) of investment in subsidiaries | | 1,672.75 | (3,497.47) |
| Total expenses (II) | | 11,256.64 | 1,842.87 |
| Profit before tax (I-II) | | 9,232.22 | 10,723.74 |
| Current tax | 18 | 23.62 | - |
| Income tax for earlier years | | - | (1.18) |
| Tax expense | | 23.62 | (1.18) |
| Profit for the year | | 9,208.60 | 10,724.92 |
| Other comprehensive income | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | | - | - |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | - | - |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 9,208.60 | 10,724.92 |
| Earnings per unit | | | |
| Basic and diluted (in ₹) | 24 | 13.29 | 18.38 |

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors of
Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)
(as Investment Manager of India Grid Trust)

per Huzefa Ginwala
Partner
Membership Number : 111757

Harsh Shah
CEO & Whole-time Director
DIN: 02496122

Swapnil Patil
Company Secretary
Membership Number : 24861

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Pune
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

INDIA GRID TRUST

Standalone Statement of Changes in Unit Holders' Equity

for the year ended March 31, 2022

A. UNIT CAPITAL

(All amounts in ₹ Million unless otherwise stated)

| | Nos. in Million | ₹ in Million |
|--|-----------------|------------------|
| Balance as at April 01, 2020 | 583.49 | 53,145.69 |
| Units issued during the year (refer note 12) | - | - |
| Issue expenses | - | - |
| Balance as at March 31, 2021 | 583.49 | 53,145.69 |
| Units issued during the year (refer note 12) | 116.70 | 12,836.49 |
| Issue expenses (refer note 12) | - | (79.03) |
| Balance as at March 31, 2022 | 700.18 | 65,903.15 |

B. OTHER EQUITY

(All amounts in ₹ Million unless otherwise stated)

| | Retained earnings/ Accumulated deficit | Total other equity |
|---|---|--------------------|
| As at 01 April 2020 | (1,713.72) | (1,713.72) |
| Profit for the year | 10,724.92 | 10,724.92 |
| Other comprehensive income | - | - |
| Less: Distribution during the year (refer note below) | (7,060.17) | (7,060.17) |
| As at March 31, 2021 | 1,951.03 | 1,951.03 |
| Profit for the year | 9,208.60 | 9,208.60 |
| Other comprehensive income | - | - |
| Less: Distribution during the year (refer note below) | (8,866.01) | (8,866.01) |
| As at 31 March 2022 | 2,293.62 | 2,293.62 |

Note:

The distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2020-21 and does not include the distribution relating to the last quarter of FY 2021-22 which will be paid after March 31, 2022.

The distributions made by IndiGrid to its unitholders are based on the Net Distributable Cash Flows (NDCF) of IndiGrid under the InvIT Regulations and hence part of the same includes repayment of capital as well.

As per our report of even date

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

per Huzefa Ginwala
Partner
Membership Number : 111757

Place : Pune
Date : May 20, 2022

For and on behalf of the Board of Directors of
Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)
(as Investment Manager of India Grid Trust)

Harsh Shah
CEO & Whole-time Director
DIN: 02496122

Place : Mumbai
Date : May 20, 2022

Swapnil Patil
Company Secretary
Membership Number : 24861

Place : Mumbai
Date : May 20, 2022

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 20, 2022

INDIA GRID TRUST

Standalone Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Million unless otherwise stated)

| | March 31, 2022 | March 31, 2021 |
|---|--------------------|--------------------|
| A. CASH FLOW GENERATED FROM OPERATING ACTIVITIES | | |
| Net profit as per statement of profit and loss | 9,208.60 | 10,724.92 |
| Adjustment for taxation | 23.62 | (1.18) |
| Profit before tax | 9,232.22 | 10,723.74 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation expenses | 1.75 | - |
| Impairment/(Reversal) of investment in subsidiaries | 1,672.75 | (3,497.47) |
| Interest income on non convertible debentures | (467.21) | (624.43) |
| Finance cost | 9,432.83 | 4,346.97 |
| Interest income on loans given to subsidiaries | (19,558.18) | (11,863.88) |
| Dividend income from subsidiaries | (282.66) | - |
| Income from investment in mutual funds | (55.26) | - |
| Interest income on investment in fixed deposits | (106.52) | (78.30) |
| Operating loss before working capital changes | (130.28) | (993.37) |
| Movements in working capital : | | |
| - trade payables | 55.87 | - |
| - other current financial liabilities | (381.64) | 23.11 |
| - other current liabilities | (9.16) | 0.90 |
| - other non-current financial asset | (38.90) | - |
| - other non-current asset | (3.42) | - |
| - other current financial asset | 4.06 | (6.09) |
| - other current assets | - | - |
| Changes in working capital | (373.19) | 17.92 |
| Cash used in operations | (503.47) | (975.45) |
| Direct taxes paid (net of refunds) | (32.32) | (22.63) |
| Net cash used in operating activities (A) | (535.79) | (998.08) |
| B. CASH FLOW (USED IN) INVESTING ACTIVITIES | | |
| Purchase of property plant & equipment (including capital work-in-progress) | (76.52) | (1.89) |
| Purchase of equity shares/NCD/CCD of subsidiaries | (6,997.63) | (21,308.09) |
| Conversion of loan given to subsidiaries to equity | - | (1,121.15) |
| Loans given to subsidiaries | (26,827.23) | (67,000.14) |
| Loans repaid by subsidiaries | 5,713.00 | 26,912.59 |
| Interest income on loans given to subsidiaries | 16,885.69 | 11,627.22 |
| Dividend received from subsidiaries | 282.66 | - |
| Interest income on investment in fixed deposits | 64.39 | 101.75 |
| Income from investment in mutual funds | 55.26 | - |
| Investment in mutual funds | (44,432.58) | (37,646.87) |
| Proceeds from mutual funds | 44,432.58 | 37,646.87 |
| Investment in fixed deposits (net) | (1,899.53) | (42.15) |
| Net cash flow used in investing activities (B) | (12,799.91) | (50,831.86) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of unit capital | 12,836.49 | - |
| Unit issue expense incurred | (79.03) | - |
| Proceeds of borrowings | 51,600.00 | 67,469.18 |
| Repayment of borrowings | (31,440.18) | - |
| Payment of upfront fees of long term borrowings | (272.57) | (266.53) |
| Interest paid | (9,503.03) | (3,538.41) |

INDIA GRID TRUST
Consolidated Cash Flow Statement
for the year ended March 31, 2022 (Contd.)

(All amounts in ₹ Million unless otherwise stated)

| | March 31, 2022 | March 31, 2021 |
|---|------------------|------------------|
| Payment of distributions to unitholders | (8,864.21) | (7,057.93) |
| Net cash flow generated from financing activities (C) | 14,277.47 | 56,606.31 |
| Net increase in cash and cash equivalents (A + B + C) | 941.77 | 4,776.37 |
| Cash and cash equivalents as at beginning of year | 6,905.20 | 2,128.83 |
| Components of cash and cash equivalents as at year end | 7,846.97 | 6,905.20 |

Components of cash and cash equivalents:

(All amounts in ₹ Million unless otherwise stated)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| Balances with banks: | | |
| - On current accounts ^ | 7,846.97 | 4,279.55 |
| - Deposit with original maturity of less than 3 months # | - | 2,625.65 |
| Total cash and cash equivalents (refer note 10) | 7,846.97 | 6,905.20 |

^ Out of total amount, ₹ 11.38 Million (March 31, 2021: ₹ 9.35 Million) pertains to unclaimed distribution to unitholder

Includes amount of NIL (March 31, 2021: ₹ 2,044.20 Million) is kept in Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

Reconciliation between opening and closing balances for liabilities arising from financing activities (including current maturities) :-

| Particulars | Long term borrowings |
|-------------------------|----------------------|
| 01 April 2020 | 39,570.95 |
| Cash flow | |
| - Interest | (3,538.41) |
| - Proceeds/(repayments) | 67,202.65 |
| Accrual | 3,098.11 |
| March 31, 2021 | 1,06,333.30 |
| Cash flow | |
| - Interest | (9,503.03) |
| - Proceeds/(repayments) | 19,887.25 |
| Accrual | 8,965.62 |
| March 31, 2022 | 1,25,683.14 |

Summary of significant accounting policies

2.2

As per our report of even date

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

 For and on behalf of the Board of Directors of
 Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)
 (as Investment Manager of India Grid Trust)

per Huzefa Ginwala
 Partner
 Membership Number : 111757

Harsh Shah
 CEO & Whole-time Director
 DIN: 02496122

Swapnil Patil
 Company Secretary
 Membership Number : 24861

Jyoti Kumar Agarwal
 Chief Financial Officer

 Place : Pune
 Date : May 20, 2022

 Place : Mumbai
 Date : May 20, 2022

 Place : Mumbai
 Date : May 20, 2022

 Place : Mumbai
 Date : May 20, 2022

INDIA GRID TRUST

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 issued under the InvIT Regulations)

A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT

(₹ in Million)

| Particulars | March 31, 2022 | | March 31, 2021 | |
|--------------------------------|----------------|-------------|----------------|-------------|
| | Book value | Fair value | Book value | Fair value |
| A. Assets | 1,95,438.76 | 2,20,394.66 | 1,63,322.00 | 1,93,096.80 |
| B. Liabilities (at book value) | 1,27,241.99 | 1,27,242.00 | 1,08,225.28 | 1,08,225.28 |
| C. Net Assets (A-B) | 68,196.77 | 93,152.66 | 55,096.72 | 84,871.52 |
| D. Number of units | 700.18 | 700.18 | 583.49 | 583.49 |
| E. NAV (C/D) | 97.40 | 133.04 | 94.43 | 145.45 |

Total assets after provision for impairment on investment in subsidiaries determined based on fair valuation. For the purpose of NAV Computation we have considered 100% of the fair valued assets and liabilities of PrKTCL and the effect of non controlling interest of 26% of the fair valued assets and liabilities is not considered to arrive at the computed NAV.

Project wise breakup of fair value of assets as at

(₹ in Million)

| Project | March 31, 2022 | March 31, 2021 |
|---|--------------------|--------------------|
| Indigrd Limited | 47,499.06 | 45,705.20 |
| Indigrd 1 Limited | 48,175.26 | 49,276.99 |
| Indigrd 2 Limited | 15,031.54 | 9,812.36 |
| Patran Transmission Company Limited | 2,723.03 | 2,622.19 |
| East North Interconnection Company Limited | 12,141.93 | 12,821.20 |
| Gurgaon-Palwal Transmission Limited# | 12,505.91 | 5,533.13 |
| Jhajjar KT Transco Private Limited# | 3,550.85 | 3,172.87 |
| Parbati Koldam Transmission Company Limited# | 9,792.84 | 6,239.31 |
| NER II Transmission Limited# | 53,811.13 | 53,081.39 |
| IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ^ | 4,117.89 | - |
| IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited)^ | 4,116.47 | - |
| Subtotal | 2,13,465.93 | 1,88,264.63 |
| Assets (in IndiGrid) | 6,928.73 | 4,832.17 |
| Total assets | 2,20,394.66 | 1,93,096.80 |

The Trust has acquired Gurgaon-Palwal Transmission Limited with effect from August 28, 2020, Jhajjar KT Transco Private Limited with effect from September 28, 2020, Parbati Koldam Transmission Company Limited with effect from January 08, 2021 and NER II Transmission Limited with effect from March 25, 2021.

^ The Trust has acquired IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly known as FRV India Solar Park-II Private Limited) with effect from July 13, 2021.

B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

(₹ in Million)

| Project | March 31, 2022 | March 31, 2021 |
|---|------------------|------------------|
| Total comprehensive income (as per the statement of profit and loss) | 9,208.60 | 10,724.92 |
| Add/ (Less): other changes in fair value not recognised in total comprehensive income | 3,669.87 | 21,286.03 |
| Total Return | 12,878.47 | 32,010.95 |

Notes:

- Fair value of assets as at March 31, 2022 and as at March 31, 2021 and other changes in fair value for the year then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.
- Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 26A.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF ANNEXURE A TO THE SEBI CIRCULAR NO. CIR/IMD/DF/127/2016
Statement of Net Distributable Cash Flows (NDCFs) of India Grid Trust

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Cash flows received from the Portfolio Assets in the form of interest | 16,885.69 | 11,370.40 |
| Cash flows received from the Portfolio Assets in the form of dividend | 282.66 | 413.89 |
| Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid | 161.96 | 78.30 |
| Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid | 4,132.52 | 26,912.59 |
| Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law | - | - |
| Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently | - | - |
| Total cash inflow at the IndiGrid level (A) | 21,462.83 | 38,775.18 |
| Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i and ii) | (9,371.42) | (5,206.08) |
| Less: Costs/retention associated with sale of assets of the Portfolio Assets: | - | - |
| - related debts settled or due to be settled from sale proceeds of Portfolio Assets; | - | - |
| - transaction costs paid on sale of the assets of the Portfolio Assets; and | - | - |
| - capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments. | - | - |
| Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/special purpose vehicles (excluding refinancing) | - | - |
| Less: Income tax (if applicable) at the standalone IndiGrid level | (23.62) | 1.18 |
| Less: Amount invested in any of the Portfolio Assets for service of debt or interest | (2,609.64) | (25,487.90) |
| Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets | (35.00) | - |
| Total cash outflows / retention at IndiGrid level (B) | (12,039.68) | (30,692.80) |
| Net Distributable Cash Flows (C) = (A+B) | 9,423.15 | 8,082.38 |

Notes :

- i. Does not include interest accrued but not due for quarter and year ended March 31, 2022 of Nil (quarter ended December 31, 2021 of Nil, quarter ended March 31, 2021 of ₹ 86.51 Million and year ended March 31, 2021: ₹ 348.47 Million) related to market linked non convertible debentures ('MLDs') which was payable on maturity of these MLDs from FY 2022 to FY 2024. In the current year, the Trust has repaid the MLDs and corresponding interest accrued to the extent of ₹ 659.32 Million and has been included in the NDCF computation.
- ii. Does not include Earn - out expenses for quarter and year ended March 31, 2022 of Nil (quarter ended December 31, 2021 of Nil, quarter ended March 31, 2021 of Nil and year ended March 31, 2021 of ₹ 117.27 Million).

INDIA GRID TRUST

Notes

to Standalone Financial Statements for the year ended March 31, 2022

1. TRUST INFORMATION

India Grid Trust ("the Trust" or "IndiGrid") is an irrevocable trust settled by Sterlite Power Grid Ventures Limited (now merged with Sterlite Power Transmission Limited) (the "Sponsor") on October 21, 2016 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on November 28, 2016 having registration number IN/InvIT/16-17/0005. The Trustee of IndiGrid is Axis Trustee Services Limited (the "Trustee"). The Investment manager for IndiGrid is Indigrid Investment Managers Limited (previously known as Sterlite Investment Managers Limited) (the "Investment Manager" or the "Management").

With effect from September 20, 2020, Esoteric II Pte. Limited has also been nominated as sponsor of the Trust.

The objectives of IndiGrid are to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of IndiGrid is to own and invest in power transmission assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at March 31, 2022, IndiGrid has following project entities ("Special Purpose Vehicles" or "SPVs") which are transmission infrastructure projects and Solar Projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

1. Bhopal Dhule Transmission Company Limited ('BDTCL')
2. Jabalpur Transmission Company Limited ('JTCL')
3. RAPP Transmission Company Limited ('RTCL')
4. Purulia & Kharagpur Transmission Company Limited ('PKTCL')
5. Maheshwaram Transmission Limited ('MTL')
6. Patran Transmission Company Limited ('PTCL')
7. NRSS XXIX Transmission Limited ('NTL')
8. Odisha Generation Phase-II Transmission Limited ('OGPTL')
9. East-North Interconnection Company Limited ('ENICL')
10. Gurgaon-Palwal Transmission Limited ('GPTL')
11. Parbati Koldam Transmission Company Limited ('PrKTCL')

12. NER II Transmission Limited ('NER')

13. Kallam Transmission Limited ('KTL')

As at March 31, 2022, IndiGrid has following project entities which are transmission infrastructure projects developed on Build, Operate and Transfer ('BOT') basis:

1. Jhajjar KT Transco Private Limited ('JKTPL')

These SPVs have executed Transmission Services Agreements ("TSAs") with Long term transmission customers under which the SPVs have to maintain the transmission infrastructure for 25 or 35 years post commissioning.

As at March 31, 2022, following project entities which are engaged in generation of electricity through Solar projects developed Build, Own, Operate and Maintain ('BOOM') basis:

1. IndiGrid Solar – I (AP) Private Limited ('IndiGrid Solar – I')
2. IndiGrid Solar – II (AP) Private Limited ('IndiGrid Solar – II')

These SPVs have executed Power Purchase Agreements ("PPAs") with Solar Energy Corporation Limited ('SECI') for sale of electricity for 25 years post commissioning.

The address of the registered office of the Investment Manager is Unit No 101, First Floor, Windsor Village, Kolkalyan Off CST Road, Vidyanaagari Marg, Santacruz(East) Mumbai, Maharashtra- 400098, India. The financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 27 May 27, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

These financial statements are the separate financial statements of the Trust and comprise of the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Unit Holders' Equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2022 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCF's') for the year then ended and a summary of significant accounting policies and other explanatory notes in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended),

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations").

The financial statements have been prepared on a historical cost basis, except for certain assets which have been measured at fair value.

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

As at March 31, 2022, current liabilities exceed the current assets of the Trust because of current maturity of the long-term borrowings. Trust is exploring the options to refinance the current maturity of the long-term borrowing when they become due for repayment. As per regulation 20 of INVIT regulations 2014, the Trust is eligible for a total debt (net of cash and cash equivalents) of 70% to AUM. As at March 31, 2022, the total debt (net of cash and cash equivalents) to AUM is within the prescribed limits.

2.2 Summary of significant accounting policies

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

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Trust classifies all other liabilities as non-current.

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

Operating cycle of the Trust is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Trust has identified twelve months as its operating cycle.

b) Foreign currencies

The Trust's financial statements are presented in ₹ (INR), which is its functional currency. The Trust does not have any foreign operation.

Transactions and balances

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

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

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

c) Fair value measurement

The Trust measures financial instruments such as mutual funds at fair value at each balance sheet date.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

In estimating the fair value of investments in subsidiaries, the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the external valuers to establish the appropriate valuation techniques and inputs to the model. The management in conjunction with the external valuers also compares the change in fair value with relevant external sources to determine whether the change is reasonable. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects.

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

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

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

- Quantitative disclosures of fair value measurement hierarchy (Note 19B)
- Disclosures for valuation methods, significant estimates and assumptions (Note 18 and 19A)
- Financial instruments (including those carried at amortised cost) (Note 4,5,6,7,8)

d) Revenue Recognition

The specific recognition criteria described below must be met before revenue is recognised.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Trust estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Trust's right to receive is established.

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)
e) Taxation
Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

Sales/value added/goods and service taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added/goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

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

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

f) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated useful life on a straight line basis. Software is amortised over the estimated useful life ranging from 5-10 years.

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 consolidated statement of profit and loss when the asset is derecognised.

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 different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

g) Borrowing Costs

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

h) Leases

The Trust assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an

identified asset for a period of time in exchange for consideration.

Trust as lessee

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

Right-of-use assets

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

Lease Liabilities

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

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

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

i) Impairment of non-financial assets

The Trust 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 Trust estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Trust bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

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 Trust 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.

j) Provisions

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

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

k) Investments in subsidiaries

The Trust accounts for its investments in subsidiaries at cost less accumulated impairment losses (if any) in its separate financial statements. Investments accounted for at cost which are held

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

for sale are accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

I) Financial instruments

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

Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient, the Trust initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

Subsequent measurement

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

- i. Debt instruments at amortised cost
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

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

Debt instruments at amortised cost

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

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

This category is most relevant to the Trust. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to interest receivable and loans given to subsidiaries (Refer Note 5 and 6)

Debt instrument at FVTOCI

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Trust does not have financial assets which are subsequently measured at FVTOCI.

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)
Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

Majority of the financial assets of the Trust which are not reflected at fair value pertain to loans to subsidiaries and other receivables. Considering the nature of business, the Trust does not foresee any credit risk on its loans and other receivables which may cause an impairment. Majority of the other receivable pertain to receivable from subsidiary companies only. Also, the Trust does not have any history of impairment of other receivables.

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

Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to P&L. However, the Trust may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer Note 11.

Derecognition

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

Embedded derivatives

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

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Trust does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Trust determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business

model are expected to be infrequent. The Trust's senior management determines change in the business model as a result of external or internal changes which are significant to the Trust's operations. Such changes are evident to external parties. A change in the business model occurs when the Trust either begins or ceases to perform an activity that is significant to its operations. If the Trust reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Trust does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

Offsetting of financial instruments

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

m) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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

n) Cash distribution to unit holders

The Trust recognises a liability to make cash distributions to unit holders when the distribution is authorised, and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

o) Earnings per unit

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unit holders of the Trust and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Changes in accounting policies and disclosures

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2020.

These amendments had no impact on the financial statements of the Trust.

(ii) Amendments to Ind AS 103 Business Combinations

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with

Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS. This amendment had no impact on the standalone financial statements of the Trust.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Trust.

(iv) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Trust.

These amendments are applicable prospectively for annual periods beginning on or after the April 1, 2020. The amendments to the definition of material are not expected to have a significant impact on the Trust's standalone financial statements.

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Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(v) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Trust. Trust intends to use the practical expedients in future periods if they become applicable.

(vi) (Conceptual framework for financial reporting under Ind AS issued by ICAI

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Trust.

These amendments are applicable prospectively for annual periods beginning on or after the April 1, 2020. The amendments to the definition of material are not expected to have a significant impact on the Trust's standalone financial statements.

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Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

Note 3.1 : Property, plant and equipment (PPE)

(₹ in Million)

| Particulars | Data processing equipments | Total |
|-----------------------------|----------------------------|-------------|
| Gross block | | |
| As at April 01, 2020 | - | - |
| Additions | - | - |
| As at March 31, 2021 | - | - |
| Additions | 1.29 | 1.29 |
| As at March 31, 2022 | 1.29 | 1.29 |
| Depreciation | | |
| As at April 01, 2020 | - | - |
| Charge for the year | - | - |
| As at March 31, 2021 | - | - |
| Charge for the year | 0.37 | 0.37 |
| As at March 31, 2022 | 0.37 | 0.37 |
| Net Block | | |
| As at March 31, 2022 | 0.92 | 0.92 |
| As at March 31, 2021 | - | - |

Note 3.2: Intangible assets

(₹ in Million)

| Particulars | Computer software | Total |
|------------------------------------|-------------------|--------------|
| Cost | | |
| As at April 01, 2020 | - | - |
| Additions | - | - |
| As at March 31, 2021 | - | - |
| Additions | 77.12 | 77.12 |
| As at March 31, 2022 | 77.12 | 77.12 |
| Amortisation and impairment | | |
| As at April 01, 2020 | - | - |
| Amortisation | - | - |
| As at March 31, 2021 | - | - |
| Amortisation | 1.38 | 1.38 |
| As at March 31, 2022 | 1.38 | 1.38 |
| Net Book Value | | |
| As at March 31, 2022 | 75.74 | 75.74 |
| As at March 31, 2021 | - | - |

NOTE 4: CAPITAL WORK-IN-PROGRESS (CWIP)

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|------------------------|----------------|----------------|
| Opening balance | 1.89 | - |
| Additions | - | 1.89 |
| Capitalised | (1.89) | - |
| Total | - | 1.89 |

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

| CWIP Ageing Schedule as at March 31, 2022 | Amount in CWIP for a period of | | | | Total |
|---|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

| CWIP Ageing Schedule as at March 31, 2021 | Amount in CWIP for a period of | | | | Total |
|---|--------------------------------|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1.89 | - | - | - | 1.89 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 1.89 | - | - | - | 1.89 |

NOTE 5: INVESTMENTS IN SUBSIDIARIES

| | (₹ in Million) | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Equity investments, at cost (unquoted) | | |
| IndiGrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") [17.67 Million (March 31, 2021: 17.67 Million) equity shares of ₹ 10 each fully paid-up] | 1,929.22 | 1,929.22 |
| Less: Provision for impairment (refer note 25) | (1,929.22) | (1,929.22) |
| IndiGrid 1 Limited ("IGL1") (formerly known as "Sterlite Grid 2 Limited") # [93.35 Million equity shares (March 31, 2021: 93.35 Million) of ₹ 10 each fully paid up] | 14,041.18 | 14,041.76 |
| IndiGrid 2 Limited ("IGL2") (formerly known as "Sterlite Grid 3 Limited") * [26.05 Million equity shares (March 31, 2021: 26.05 Million) of ₹ 10 each fully paid up] | 536.84 | 518.31 |
| Patran Transmission Company Limited ("PTCL") ** [50 Million (March 31, 2021: 50 Million) equity shares of ₹ 10 each fully paid-up] | 735.53 | 735.53 |
| East-North Interconnection Company Limited ("ENICL") [1.05 Million equity shares (March 31, 2021: 1.05 Million) of ₹ 10 each fully paid up] | 1,290.26 | 1,294.72 |
| Gurgaon-Palwal Transmission Limited ("GPTL") ^ [0.69 Million equity shares (March 31, 2021: 0.69 Million) of ₹ 10 each fully paid up] | 905.79 | 906.36 |
| Jhajjar KT Transco Private Limited ("JKTPL") ^^ [22.66 Million equity shares (March 31, 2021: 22.66 Million) of ₹ 10 each fully paid up] | 1,418.21 | 1,404.20 |
| Parbati Koldam Transmission Company Limited ("PrKTCL") ## [201.90 Million equity shares (March 31, 2021: 201.90 Million) of ₹ 10 each fully paid up] | 3,205.52 | 3,212.97 |
| NER II Transmission Limited ("NER") @@ [2.32 Million equity shares (March 31, 2021: 2.32 Million) of ₹ 10 each fully paid up] | 19,280.83 | 14,090.65 |
| IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) [12.00 Million equity shares (March 31, 2021: Nil) of ₹ 10 each fully paid up] | 78.73 | - |
| IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) [12.00 Million equity shares (March 31, 2021: Nil) of ₹ 10 each fully paid up] | 85.17 | - |

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Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|------------------|------------------|
| Preference shares, at cost (unquoted) | | |
| IndiGrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") [665.82 Million (March 31, 2021: 665.82 Million) 0.01% Optionally convertible redeemable non cumulative preference shares ("OCRPS") of ₹ 10 each fully paid-up] * | 1,001.96 | 1,001.96 |
| Less: Provision for impairment (refer note 25) | (1,001.96) | (13.39) |
| | - | 988.57 |
| Compulsorily-convertible debentures (unquoted) (at amortised cost) | | |
| IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) [81.628684 Million compulsorily convertible debentures (March 31, 2021: Nil) of ₹ 10 each] | 550.81 | - |
| IndiGrid Solar-II (AP) Private Limited [81.00 Million compulsorily convertible debentures (March 31, 2021: Nil) of ₹ 10 each] | 606.04 | - |
| Total non-current investments | 42,734.91 | 37,193.07 |

* The OCRPS are either convertible into equity shares of IGL in the ratio of 1:1 or redeemable solely at the option of IGL within a period of 7 years from the date of issue.

Details of the subsidiaries are as follows:

| Name of subsidiary | Country of incorporation | Ownership interest % | |
|---|--------------------------|----------------------|----------------|
| | | 31 March 2022 | March 31, 2021 |
| Directly held by the Trust: | | | |
| IndiGrid Limited ("IGL") | India | 100% | 100% |
| IndiGrid 1 Limited ("IGL1") | India | 100% | 100% |
| IndiGrid 2 Limited ("IGL2") | India | 100% | 100% |
| Patran Transmission Company Limited ("PTCL") | India | 100% | 74% |
| East-North Interconnection Company Limited@ | India | 100% | 49% |
| Gurgaon-Palwal Transmission Limited ("GPTL")^ | India | 49% | 49% |
| Jhajjar KT Transco Private Limited ("JKTPL")^^ | India | 100% | 100% |
| Parbati Koldam Transmission Company Limited ('PrKTCL') ## | India | 74% | 74% |
| NER II Transmission Limited ("NER") @@ | India | 49% | 49% |
| "IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ^^^" | India | 100% | 0% |
| "IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ^^^" | India | 100% | 0% |
| Indirectly held by the Trust (through subsidiaries): | | | |
| Bhopal Dhule Transmission Company Limited ("BDTCL") | India | 100% | 100% |
| Jabalpur Transmission Company Limited ("JTCL") | India | 100% | 100% |
| Purulia & Kharagpur Transmission Company Limited ("PKTCL") | India | 100% | 100% |
| RAPP Transmission Company Limited ("RTCL") | India | 100% | 100% |
| Maheshwaram Transmission Limited ("MTL") | India | 100% | 100% |
| NRSS XXIX Transmission Limited ("NTL") | India | 100% | 100% |
| Odisha Generation Phase-II Transmission Limited ("OGPTL") | India | 100% | 100% |
| Kallam Transmission Limited ("KTL")@@@ | India | 100% | 0% |

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

^The Trust acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from 28 August 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" (SPTL)) and Sterlite Grid 4 Limited ('SGL4'), (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated August 28, 2020 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in GPTL and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in GPTL from the Selling Shareholder. The Trust has beneficial interest based on the rights available to it under the SPA.

^^ The Trust acquired 74% of paid up equity capital of Jhajjar KT Transco Private Limited ('JKTPL') with effect from 28 September 2020 from Kalpataru Power Transmission Limited, Techno Electric & Engineering Company Limited, (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 29 May 2020 ("SPA") and acquired the remaining 26% equity stake in JKTPL on October 03, 2020.

The Trust acquired 74% of paid up equity capital of Parbati Koldam Transmission Company Limited ('PrKTCL') with effect from January 08, 2021 from Reliance Infrastructure Limited (referred as "the Selling Shareholder") pursuant to Share Purchase Agreement dated November 28, 2020 ("SPA"). The balance 26% share in PrKTCL is held by PowerGrid Corporation of India Limited ("PGCIL").

@@ The Trust also acquired 49% of paid up equity capital of NER II Transmission Limited ("NER") with effect from March 25, 2021 from Sterlite Power Transmission Limited (SPTL) and Sterlite Grid 4 Limited ('SGL4'), (together referred as

"the Selling Shareholders") pursuant to Share Purchase Agreement dated March 05, 2021, as amended on March 25, 2021 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in NER and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in NER from the Selling Shareholders. As of March 31, 2021, the Trust has paid additional consideration equivalent to 25% of the total consideration as an advance which would be adjusted towards payable for acquisition of 25% of equity stake. The Trust has beneficial interest based on rights available to it under SPA

^^^The Trust also acquired 100% of paid up equity capital of IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ('ISPL1') and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ('ISPL2') with effect from July 13, 2021 from FRV Solar Holdings XI B.V. and Fotowatio Renewable Ventures S.L (together referred as ""the Selling Shareholders"") pursuant to Share Purchase Agreement dated December 18,2020 ("SPA").

@@@The letter of intent for development of Kallam Transmission Limited (KTL) is awarded to consortium of IGL1 and IGL2 ("IndiGrid Consortium") by the REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) on November 30, 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid Consortium acquired the project on December 28, 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on June 27, 2023."

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 6: INVESTMENTS

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| Non-Current | | |
| Non-convertible debentures (unquoted) (at amortised cost) | | |
| Indigrd Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") (665.82 Million (March 31, 2021: 665.82 Million) 0.01% Non-convertible debentures of ₹ 10 each)# | 6,915.54 | - |
| Less: Provision for impairment (refer note 25) | (684.17) | - |
| Total | 6,231.37 | - |
| Current | | |
| Non-convertible debentures (unquoted) (at amortised cost) | | |
| Indigrd Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") (665.82 Million (March 31, 2021: 665.82 Million) 0.01% Non-convertible debentures of ₹ 10 each)# | - | 6,448.33 |
| Total | - | 6,448.33 |

Non Convertible debenture (NCD) of Face value of ₹ 10 each were issued by Indigrd Limited (formerly known as "Sterlite Grid 1 Limited"). The NCD were redeemable at the option of the NCD holder anytime after July 22, 2019, but if the NCD holders do not exercise their right of redeeming the NCDs, the same were due for repayment at the end of July 2021. On July 20, 2021, the due date of redemption of NCD was revised to July 22, 2024. Since the interest rate for the NCD is below market rate, an equivalent amount has been re-classified as equity contribution in subsidiary disclosed under investment in subsidiary.

NOTE 7: LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---------------------------------------|--------------------|--------------------|
| Non-current | | |
| Loan to subsidiaries (refer note 27)* | 1,32,476.19 | 1,11,361.96 |
| Total | 1,32,476.19 | 1,11,361.96 |

(₹ in Million)

| Details of loan to subsidiaries | Rate of Interest | Secured/ unsecured | March 31, 2022 | March 31, 2021 |
|--|------------------|-----------------------|----------------|----------------|
| Bhopal Dhule Transmission Company Limited | 15.00% | Unsecured | 8,825.32 | 8,330.72 |
| Jabalpur Transmission Company Limited | 15.00% | Unsecured | 19,167.86 | 18,803.95 |
| Maheshwaram Transmission Limited | 15.00% | Unsecured | 3,943.81 | 3,900.73 |
| RAPP Transmission Company Limited | 15.00% | Unsecured | 2,053.52 | 2,149.13 |
| Purulia & Kharagpur Transmission Company Limited | 15.00% | Unsecured | 3,612.50 | 3,766.87 |
| Patran Transmission Company Limited | 15.00% | Unsecured | 1,571.86 | 1,730.28 |
| NRSS XXIX Transmission Limited | 15.75% | Unsecured | 24,288.06 | 25,555.01 |
| Odisha Generation Phase-II Transmission Limited | 15.00% | Unsecured | 10,951.24 | 5,729.37 |
| East North Interconnection Company Limited | 15.00% | Unsecured | 8,410.97 | 9,041.96 |
| Gurgaon-Palwal Transmission Limited | 15.00% | Unsecured | 9,783.28 | 2,751.21 |
| Jhajjar KT Transco Private Limited | 15.00% | Unsecured | 1,549.81 | 1,720.30 |
| Parbati Koldam Transmission Company Limited | 8.45% | Unsecured | 3,481.42 | - |
| NER II Transmission Limited | 15.00% | Unsecured | 28,105.73 | 27,305.57 |
| IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) | 15.00% | Unsecured | - | - |
| IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) | 15.00% | Unsecured | 2,841.34 | - |
| | | Unsecured | 2,776.51 | - |
| Indigrd Limited | 15.00% | Unsecured | 583.23 | 341.10 |

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Million)

| Details of loan to subsidiaries | Rate of Interest | Secured/ unsecured | March 31, 2022 | March 31, 2021 |
|---------------------------------|------------------|--------------------|--------------------|--------------------|
| Indigrid 1 Limited | 15.75% | Unsecured | 93.03 | - |
| Indigrid 2 Limited | 15.00% | Unsecured | 253.12 | 235.76 |
| Kallam Transmission Limited | 15.50% | Unsecured | 183.60 | - |
| Total | | | 1,32,476.19 | 1,11,361.96 |

* Loans are non-derivative financial assets which are repayable by subsidiaries upon expiry of period of their respective Transmission Services Agreement. Further, the subsidiaries are entitled to prepay all or any portion of the outstanding principal with a prior notice. The loans to subsidiaries carry interest @ 8.45% - 15.75% p.a.

NOTE 8: OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD) (CARRIED AT AMORTISED COST)

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|----------------|
| Non-Current | | |
| Security deposits | 38.90 | - |
| Bank deposits with remaining maturity of more than 12 months# (refer note 11) | 418.00 | - |
| Total | 456.90 | - |
| Current | | |
| Interest receivable from subsidiaries (refer note 27) | 3,190.79 | 518.30 |
| Advances receivable in cash or kind | 2.19 | 6.30 |
| Interest accrued on deposits | 68.32 | 26.19 |
| Others | 0.05 | - |
| Total | 3,261.35 | 550.79 |

The above deposits of ₹ 418.00 Million (March 31, 2021: ₹ Nil Million) are kept in Interest Service Reserve Account ('ISRA')/ Debt Service Reserve Account ('DSRA') as per borrowing agreements with lender.

NOTE 9: OTHER NON CURRENT ASSETS (UNSECURED , CONSIDERED GOOD)

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Advance income tax, including TDS (net of provisions) | 28.41 | 19.71 |
| Others | 3.42 | - |
| Total | 31.83 | 19.71 |

The above deposits of ₹ 418.00 Million (March 31, 2021: ₹ Nil Million) are kept in Interest Service Reserve Account ('ISRA')/ Debt Service Reserve Account ('DSRA') as per borrowing agreements with lender

NOTE 10: CASH AND CASH EQUIVALENTS

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| Balance with banks | | |
| - in current accounts ^ | 7,846.97 | 4,279.55 |
| Deposit with original maturity of less than 3 months # | - | 2,625.65 |
| Total | 7,846.97 | 6,905.20 |

Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Trust and earn interest at the respective deposit rates.

^ Out of total amount, ₹ 11.38 Million (March 31, 2021: ₹ 9.35 Million) pertains to unclaimed distribution to unitholders.

Includes amount of NIL (March 31, 2021: ₹ 2,044.20 Million) is kept in Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 11: OTHER BANK BALANCES

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|----------------|
| Current | | |
| Deposit with original maturity for more than 12 months# | 1,648.50 | 498.95 |
| Amount disclosed under the head "other non current financial asset" | (418.00) | - |
| | 1,230.50 | 498.95 |
| Deposit with original maturity for more than 3 months but less than 12 months # | 1,092.08 | 342.10 |
| Total | 2,322.58 | 841.05 |

Includes amount of ₹ 2,322.58 Million (March 31, 2021: Nil) kept in Interest Service Reserve Account ('ISRA')/ Debt Service Reserve Account ('DSRA') as per borrowing agreements with lender.

NOTE 12: UNIT CAPITAL

Reconciliation of the units outstanding at the beginning and at the end of the reporting period

(₹ in Million)

| | Number of units | Amount |
|---|-----------------|------------------|
| As at 01 April 2020 | 583.49 | 53,145.69 |
| Units issued during the year | - | - |
| As at March 31, 2021 | 583.49 | 53,145.69 |
| Units Issued during the year (refer note below) | 116.70 | 12,836.49 |
| Issue expenses (refer note below) | - | (79.03) |
| As at 31 March 2022 | 700.19 | 65,903.15 |

Note:

- The Trust offered an issue of up to 116,695,404 units of India Grid Trust ("Indigrid" and such units, the "units"), for cash at a price of ₹ 110.00 per unit (the "issue price"), aggregating to ₹ 12,836.49 Million to the eligible unitholders (as defined in the Letter of Offer) on a rights basis in the ratio of one lot for every five lots (each lot comprising 1,701 units) held by them on the record date, being 30 March 2021 (the "Issue") in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder, including the SEBI Rights Issue Guidelines (the "InvIT Regulations"). The issue opened on 06 April 2021 and closed on 13 April 2021, which was extended to 16 April 2021. The Allotment Committee of the Board of Directors of IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) ('Investment Manager'), considered and approved allotment of 116,695,404 rights units to the eligible unitholders of IndiGrid on 22 April 2021.
- Issue expenses of ₹ 79.03 Million incurred in connection with issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

a. Terms/rights attached to units

The Trust has only one class of units. Each unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the InvIT Regulations. The Investment Manager approves distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays distribution in Indian rupees.

A unitholder has no equitable or proprietary interest in the projects of IndiGrid and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of IndiGrid. A unitholder's right is limited to the right to require due administration of IndiGrid in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)
b. Unitholders holding more than 5 percent Units in the Trust

(₹ in Million)

| | March 31, 2022 | | March 31, 2021 | |
|---------------------------------------|-------------------|-----------|-------------------|-----------|
| | (Nos. in Million) | % holding | (Nos. in Million) | % holding |
| Esoteric II Pte. Limited | 165.90 | 23.69% | 136.04 | 23.31% |
| Government of Singapore | 140.18 | 20.02% | 116.82 | 20.02% |
| Larsen And Toubro Limited | 38.07 | 5.44% | 36.68 | 6.29% |
| Sterlite Power Transmission Limited * | - | 0.00% | 2.04 | 0.35% |

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef November 15, 2020.

- c. The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further the Trust has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date.

NOTE 13: OTHER EQUITY

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|-----------------|
| Retained earnings/ (Accumulated deficit) | | |
| Balance as per last financial statements | 1,951.03 | (1,713.72) |
| Add: Profit for the year | 9,208.60 | 10,724.92 |
| Less: Distribution paid to unitholders | (8,866.01) | (7,060.17) |
| Closing balance | 2,293.62 | 1,951.03 |

Retained earnings are the profits earned by the Trust till date, less distribution paid to unitholder

NOTE 14: BORROWINGS

(₹ in Million)

| | Effective Interest Rate | March 31, 2022 | March 31, 2021 |
|---|-------------------------|----------------|----------------|
| Non-Current borrowings | | | |
| Debentures | | | |
| 6.65% Category I & II Non-convertible debentures (refer note D below) | 6.65% | 0.01 | - |
| 6.75% Category III & IV Non-convertible debentures (refer note D below) | 7.23% | 100.79 | - |
| 7.45% Category I & II Non-convertible debentures (refer note D below) | 7.76% | 849.69 | - |
| 7.6% Category III & IV Non-convertible debentures (refer note D below) | 7.91% | 953.34 | - |
| 7.7% Category I & II Non-convertible debentures (refer note D below) | 7.94% | 991.64 | - |
| 7.9% Category III & IV Non-convertible debentures (refer note D below) | 8.14% | 403.95 | - |
| 7.49% Category I & II Non-convertible debentures (refer note D below) | 7.49% | 4.72 | - |
| 7.69% Category III & IV Non-convertible debentures (refer note D below) | 7.93% | 118.83 | - |
| 7.95% Category I & II Non-convertible debentures (refer note D below) | 8.14% | 124.80 | - |
| 8.2% Category III & IV Non-convertible debentures (refer note D below) | 8.39% | 5,913.14 | - |
| 7.72% Category I & II Non-convertible debentures (refer note D below) | 7.72% | 4.72 | - |
| 7.97% Category III & IV Non-convertible debentures (refer note D below) | 8.15% | 406.78 | - |
| 7.11% Non-convertible debentures (secured) (refer note A below) | 7.11% | 4,350.00 | 4,350.00 |
| 8.60% Non-convertible debentures (secured) (refer note A below) | 8.60% | 2,500.00 | 2,500.00 |
| 8.40% Non-convertible market linked debentures (secured) (refer note B below) | NA | - | 1,702.19 |
| 9.00% Non-convertible market linked debentures (secured) (refer note B below) | NA | - | 1,976.71 |
| 8.85% Non-convertible debentures (secured) (refer note A below) | 9.53% | - | 1,980.06 |
| 9.10% Non-convertible debentures (secured) (refer note A below) | 9.51% | 2,976.28 | 16,925.60 |

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Million)

| | Effective Interest Rate | March 31, 2022 | March 31, 2021 |
|---|-------------------------|--------------------|--------------------|
| 8.40% Non-convertible debentures (secured) (refer note A and (i) below) | 8.30% | 3,497.63 | 3,496.51 |
| 6.72% Non-convertible debentures (secured) (refer note A and (i) below) | 6.81% | 8,470.48 | - |
| 6.52% Non-convertible debentures (secured) (refer note C and (i) below) | 6.76% | 1,488.66 | - |
| 7.00% Non-convertible debentures (secured) (refer note A below) | 7.05% | 2,493.70 | 2,496.17 |
| 7.25% Non-convertible debentures (secured) (refer note A below) | 7.38% | 1,494.65 | 1,493.30 |
| 7.40% Non-convertible debentures (secured) (refer note C below) | 7.61% | 993.54 | 992.09 |
| 7.32% Non-convertible debentures (secured) (refer note A below) | 7.35% | 3,991.06 | - |
| 8.50% Non-convertible debentures (secured) (refer note A and (i) below) | 8.75% | 3,982.52 | 3,974.08 |
| 7.25% Non-convertible debentures (secured) (refer note C and (i) below) | NA | - | 26,498.93 |
| | | 46,110.93 | 68,385.64 |
| Term loans | | | |
| Indian rupee loan from banks (secured) (refer note D and (ii) below) | 7.00%-8.85% | 61,375.49 | 35,631.63 |
| | | 61,375.49 | 35,631.63 |
| Total non-current borrowings | | 1,07,486.42 | 1,04,017.27 |
| Current borrowings | | | |
| Current maturities of long term borrowings | | | |
| 8.85% Non-convertible debentures (secured) (refer note A below) | 9.53% | 1,989.20 | - |
| 9.10% Non-convertible debentures (secured) (refer note A below) | 9.36% | 13,993.83 | - |
| 8.10% Non-convertible debentures (secured) (refer note A and i below) | NA | - | 998.83 |
| Indian rupee loan from banks (secured) (refer note D and (ii) below) | 7.00%-8.85% | 1,232.50 | 493.55 |
| Total current borrowings | | 17,215.53 | 1,492.38 |
| The above amount includes : | | | |
| Secured borrowings | | 1,24,701.95 | 1,05,509.65 |
| Unsecured borrowings | | - | - |
| Total borrowings | | 1,24,701.95 | 1,05,509.65 |

(i) The above items represent new secured non-convertible debentures that have been issued by the Trust during the year ended March 31, 2021.

(ii) During the year ended March 31, 2022 the Trust has taken new Indian rupee loan from banks of ₹ 27,600 Million (March 31, 2021: ₹ 24,900 Million.)

(A) Secured Non-convertible debentures referred above to the extent of:

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
- (ii) First pari-passu charge on Escrow account of the Trust;
- (iii) Pledge over 51% of the share capital of specified SPVs. "

(B) Secured market linked non-convertible debentures referred above to the extent of:

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
- (ii) First pari-passu charge on Escrow account of the Trust;
- (iii) Pledge over 51% of the share capital of specified SPVs. During the year, the Trust has prepaid the market linked non-convertible debentures.

(C) Secured non-convertible debentures referred above to the extent of:

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;

- (ii) First pari-passu charge on Escrow account of the Trust
- (iii) First pari-passu charge on the ISRA and DSRA accounts.
- (iv) Pledge over 51% of the share capital of specified SPVs

(D) Secured Listed non-convertible debentures referred above to the extent of:

- (i) First pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
- (ii) First pari-passu charge on Escrow account of the Trust
- (iii) First pari-passu charge on the ISRA and DSRA accounts.
- (iv) Pledge over 51% of the share capital of specified SPVs

The below table shows the maturity profile of outstanding NCD and MLD of the Trust the principal of which is repayable in full at the time of maturity :

| Repayment Commencement Date | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2028-2029 | 2031-2032 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| June 03, 2022 | 14,000.00 | - | - | - | - | - | - |
| November 02, 2022 | 2,000.00 | - | - | - | - | - | - |
| March 01, 2024 | - | 4,000.00 | - | - | - | - | - |
| June 28, 2024 | - | - | 2,500.00 | - | - | - | - |
| July 29, 2024 | - | - | 3,000.00 | - | - | - | - |
| June 27, 2025 | - | - | - | 1,500.00 | - | - | - |
| December 26, 2025 | - | - | - | 1,000.00 | - | - | - |
| August 31, 2028 | - | - | - | - | - | 2,500.00 | - |
| February 14, 2029 | - | - | - | - | - | 4,350.00 | - |
| June 14, 2023 | - | 2,500.00 | - | - | - | - | - |
| June 14, 2023 | - | 1,000.00 | - | - | - | - | - |
| June 30, 2031 | - | - | - | - | - | - | 4,000.00 |
| September 14, 2026 | - | - | - | - | 8,500.00 | - | - |
| April 07, 2025 | - | - | - | 1,500.00 | - | - | - |

| Repayment Commencement Date | 2024-2025 | 2026-2027 | 2028-2029 | 2031-2032 |
|-----------------------------|-----------|-----------|-----------|-----------|
| May 06, 2024 | 0.01 | - | - | - |
| May 06, 2024 | 101.82 | - | - | - |
| May 06, 2026 | - | 859.85 | - | - |
| May 06, 2026 | - | 964.74 | - | - |
| May 06, 2028 | - | - | 1,004.25 | - |
| May 06, 2028 | - | - | 409.09 | - |
| May 06, 2028 | - | - | 4.72 | - |
| May 06, 2028 | - | - | 120.34 | - |
| May 06, 2031 | - | - | - | 126.46 |
| May 06, 2031 | - | - | - | 5,991.84 |
| May 06, 2031 | - | - | - | 4.72 |
| May 06, 2031 | - | - | - | 412.18 |

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(D) Term loan from bank

The Indian rupee term loan from bank carries interest at the rate of 7.40% to 8.25% payable monthly. Loan amount installments shall be repayable as per the payment schedule over 5 and 15 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

Financial covenants

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, Net Debt to AUM, Net Debt to EBITDA etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower periodically. For the financial year ended March 31, 2022, the Trust has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable. The Trust has not defaulted on any loans payable.

NOTE 15: TRADE PAYABLES (CARRIED AT AMORTISED COST)

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 55.87 | - |
| | 55.87 | - |
| Trade payables | | |
| - to related parties (refer note 27) | 0.07 | - |
| - to others | 55.80 | - |
| Total | 55.87 | - |

Trade payable Ageing schedule as at March 31, 2022

(₹ in Million)

| | Outstanding for following periods from the due date of payment | | | | | | Total |
|--|--|---------|------------------|-----------|-----------|-------------------|--------------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 34.08 | - | 21.79 | - | - | - | 55.87 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Trade payable Ageing schedule as at March 31, 2021 | | | | | | | |

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

Trade payable Ageing schedule as at March 31, 2021

| | Outstanding for following periods from the due date of payment | | | | | | Total |
|--|--|---------|------------------|-----------|-----------|-------------------|-------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Trade payables are not-interest bearing and are normally settled on 30-90 days terms. | | | | | | | |
| For explanation on the Company's risk management policies, refer note 31. | | | | | | | |

NOTE 16: OTHER FINANCIAL LIABILITIES (CARRIED AT AMORTISED COST)

| | (₹ in Million) | |
|--|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Other financial liabilities | | |
| Interest accrued but not due on borrowings | 981.19 | 823.65 |
| Distribution payable | 11.38 | 9.58 |
| Payable towards project acquired# | | |
| - To related party (refer note 27) | 1,108.97 | 1,694.94 |
| - To others | 374.92 | 57.14 |
| Others* | 6.91 | 120.36 |
| | 2,483.37 | 2,705.67 |
| Total | 2,483.37 | 2,705.67 |

Liability of ₹ 1,483.89 Million (March 31, 2021: ₹ 1,752.08 Million) is towards acquisition of equity shares of NRSS XXIX Transmission Limited, Odisha Generation Phase-II Transmission Limited, East-North Interconnection Company Limited, Gurgaon-Palwal Transmission Limited, Jhajjar KT Transco Private Limited, Parbati Koldam Transmission Company Limited, NER II Transmission Limited, IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) pursuant to respective share purchase agreements.

* Other payables are non-interest bearing and have an average term of six months and includes amounts pertaining to provision for expenses.

For explanation on the Company's risk management policies, refer note 31.

NOTE 17: OTHER CURRENT LIABILITIES

| | (₹ in Million) | |
|---------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Current | | |
| Withholding taxes (TDS) payable | 0.78 | 8.46 |
| GST payable | 0.02 | 1.50 |
| Total | 0.80 | 9.96 |

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 18: TAX EXPENSE

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

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| - Current tax | 23.62 | - |
| - Income tax for earlier years | - | (1.18) |
| Income tax expenses reported in the statement of profit and loss | 23.62 | (1.18) |

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

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Accounting profit before income tax | 9,232.22 | 10,723.74 |
| At India's statutory income tax rate of 42.74% (March 31, 2021: 31.20%) | 3,495.85 | 3,345.81 |
| Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust | (3,495.85) | (3,346.99) |
| At the effective income tax rate | 23.62 | (1.18) |
| Income tax expense reported in the statement of profit and loss | 23.62 | (1.18) |

NOTE 19: REVENUE FROM OPERATIONS

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|------------------|------------------|
| Interest income on loans given to subsidiaries (refer note 27) | 19,558.18 | 11,863.88 |
| Finance income on non-convertible debentures issued by subsidiary on EIR basis | 467.21 | 624.43 |
| Total | 20,025.39 | 12,488.31 |

NOTE 20: OTHER INCOME

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Processing fees on loan given to subsidiary (refer note 27) | 18.85 | - |
| Other income | 0.18 | - |
| Total | 19.03 | - |

NOTE 21: OTHER EXPENSES

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Investment management fees (refer note 27) | 6.53 | 2.14 |
| Rent | - | 0.37 |
| Rates and taxes | 7.91 | 7.45 |
| Insurance expenses | 0.98 | 0.27 |
| Vehicle hire charges | - | 0.06 |
| Interest on TDS | - | 3.15 |
| Earn out expenses * | - | 796.62 |
| Advertisement expenses | - | - |
| Miscellaneous expenses | 6.37 | 17.88 |
| Total | 21.79 | 827.94 |

*Earn out expense of Nil (31st March 2021 : ₹ 796.62 Million) paid to Sterlite Power Grid Ventures (now merged with Sterlite Power Transmission Limited) on account of amounts received by the Trust due to change in law orders received by its subsidiary entities. Such amounts are passed on to the selling shareholder as per the terms of the respective agreements with them.

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)
NOTE 22: DEPRECIATION EXPENSE

| | (₹ in Million) | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Depreciation of property plant and equipment (refer note 3.1) | 0.37 | - |
| Amortisation of intangible assets (refer note 3.2) | 1.38 | - |
| Total | 1.75 | - |

NOTE 23: FINANCE COST

| | (₹ in Million) | |
|--|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Financial liabilities measured at amortised cost | 9,429.84 | 4,345.42 |
| Other bank and finance charges | 2.99 | 1.55 |
| Total | 9,432.83 | 4,346.97 |

NOTE 24: EARNINGS PER UNIT (EPU)

Basic EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year.

Diluted EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

The following reflects in the profit and unit data used in the basic and diluted EPU computation

| | (₹ in Million) | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Profit after tax for calculating basic and diluted EPU (₹ in Million) | 9,208.60 | 10,724.92 |
| Weighted average number of units in calculating basic and diluted EPU (No. in Million) | 693.14 | 583.49 |
| Effect of dilution: | | |
| Weighted average number of equity shares in calculating diluted EPU (No. Million) | | |
| Earnings Per Unit: | | |
| Basic and Diluted (Rupees/unit) | 13.29 | 18.38 |

NOTE 25: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

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

(a) Classification of Unitholders' funds

Under the provisions of the InvIT Regulations, IndiGrid is required to distribute to unitholders not less than ninety percent of the net distributable cash flows of IndiGrid for each financial year. Accordingly, a portion of the

unitholders' funds contains a contractual obligation of the Trust to pay to its unitholders cash distributions. The unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20 October 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the distribution payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

the carrying amounts of assets and liabilities or fair value disclosures within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

(a) Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer note 26A and 26B). In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager quarterly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such

as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

(b) Impairment of non-financial assets

Non-financial assets of the Trust primarily comprise of investments in subsidiaries.

The provision for impairment/(reversal) of impairment of investments in subsidiaries is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiaries has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies. Based on the valuation exercise so carried out, there is a net impairment of ₹ 1,672.75 Million for the year ended March 31, 2022 (year ended March 31, 2021: impairment reversal of ₹ 3,497.47 Million) which is primarily on account of maturity of the SPV assets.

The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 26A.

NOTE 26A: FAIR VALUE MEASUREMENTS**Description of significant unobservable inputs to valuation:**

| Significant unobservable inputs | Input for March 31, 2022 | Input for March 31, 2021 | Sensitivity of input to the fair value | Increase /(decrease) in fair value | |
|---------------------------------|--|--|--|------------------------------------|----------------|
| | | | | 31 March 2022 | March 31, 2021 |
| WACC | 7.55% to 9.12% | 7.57% to 8.23% | + 0.5% | (10,168.42) | (11,336.00) |
| | | | - 0.5% | 11,434.87 | 9,083.00 |
| Tax rate (normal tax and MAT) | Normal Tax - 25.168% | Normal Tax - 25.168% | + 2% | (520.00) | (410.22) |
| | | | - 2% | 471.00 | 374.92 |
| Inflation rate | Revenue(Escalable): 5.00% Expenses: 2.46% to 4.84% | Revenue(Escalable): 5.00% Expenses: 2.63% to 4.97% | + 1% | (3,173.14) | (1,850.04) |
| | | | - 1% | 2,604.90 | 1,495.56 |

The independent valuer has considered effect of COVID-19 on the significant unobservable inputs used in fair valuation as referred above.

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)
NOTE 26B: FAIR VALUE HIERARCHY

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022 and March 31, 2021:

(₹ in Million)

| | Date of valuation | Fair value measurement using | | |
|---|-------------------|---|---|---|
| | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets for which fair values are disclosed: | | | | |
| Investment in subsidiaries (including loan to subsidiaries) | 31 March 2022 | - | - | 2,00,167.00 |
| | March 31, 2021 | - | - | 1,84,778.16 |

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

NOTE 27: RELATED PARTY DISCLOSURES
I. List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures
(a) Name of related party and nature of its relationship:
Subsidiaries

Indigrd Limited (formerly known as Sterlite Grid 1 Limited) (IGL)
 Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited) (IGL1)
 Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited) (IGL2)
 Bhopal Dhule Transmission Company Limited (BDTCL)
 Jabalpur Transmission Company Limited (JTCL)
 Maheshwaram Transmission Limited (MTL)
 RAPP Transmission Company Limited (RTCL)
 Purulia & Kharagpur Transmission Company Limited (PKTCL)
 Patran Transmission Company Limited (PTCL)
 Odisha Generation Phase II Transmission Limited (OGPTL)
 East-North Interconnection Company Limited (ENICL)
 Gurgaon-Palwal Transmission Limited (GPTL) (from 28 August 2020)
 Jhajjar KT Transco Private Limited (JKTPL) (from 28 September 2020)
 Parbati Koldam Transmission Company Limited ('PrKTCL') (from January 08, 2021)
 NER II Transmission Limited ("NER") (from March 25, 2021)
 IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) (IGS1) (from July 29, 13, 2021)
 IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) (IGS2) (from July 13, 2021)
 Kallam Transmission Limited (KTL) (from December 28, 2021)

(b) Other related parties under Ind AS-24 with whom transactions have taken place during the year
Entities with significant influence over the Trust

Esoteric II Pte. Ltd (from 04 May 2019) - Sponsor w.e.f. 28 September 2020
 Sterlite Power Grid Ventures Limited (SPGVL)^ - Sponsor and Project manager of IndiGrid - upto November 15, 2020
 Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid - w.e.f. November 15, 2020
 Sterlite Grid 4 Limited (SGL4)^ - Subsidiary of Sponsor (SPTL)
 Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) - Investment manager of IndiGrid

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

II. List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations

(a) Parties to IndiGrid

Esoteric II Pte. Ltd (EPL) - Sponsor (w.e.f. 28 September 2020)
Sterlite Power Grid Ventures Limited (SPGVL)[^] - Sponsor and Project manager of IndiGrid (upto November 15, 2020)
Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid (w.e.f. November 15, 2020)
Sterlite Power Transmission Limited (SPTL) - Project manager of IndiGrid (upto 30 June 2021 for all SPV other than NER)
IndiGrid Limited (IGL) (formerly Sterlite Grid 1 Limited) - Project manager of IndiGrid (for all SPVs)
IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) - Investment manager of IndiGrid
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

(b) Promoters of the parties to IndiGrid specified in (a) above

Twin Star Overseas Limited - Promoter of SPTL
Sterlite Power Transmission Limited - Promoter of IIML*
Electron IM Pte. Ltd. - Promoter of IIML *
Axis Bank Limited - Promoter of ATSL
KKR Ingrid Co-Invest L.P.-Cayman Island - Promoter of EPL

(c) Directors of the parties to IndiGrid specified in (a) above

Directors of SPTL:

Pravin Agarwal
Pratik Agarwal
A. R. Narayanaswamy
Arun Todarwal Lalchand (till July 24, 2021)
Zhao Haixia
Avaantika Kakkar (till 02, 2021)
Anoop Seth
Manish Agarwal (from December 17, 2021)

Directors of IIML:

Harsh Shah (whole time director)
Tarun Kataria
Rahul Asthana
Ashok Sethi (from October 20, 2020)
Hardik Shah (from Novmeber 30, 2021)
Jayashree Vaidhyanthan (from Novmeber 30, 2021)
Ami Momaya (from January 27, 2022)
Late Shashikant Bhojani (till July 22, 2020)
Pratik Agarwal (till January 14, 2022)
Sanjay Omprakash Nayar (till January 27, 2022)

Key Managerial Personnel of IIML:

Harsh Shah (CEO and whole time director)
Jyoti Kumar Agarwal (Chief Financial Officer wef 16 September 2020)
Swapnil Patil (Company Secretary)

INDIA GRID TRUST**Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)****Directors of ATSL:**

Rajesh Kumar Dahiya
Ganesh Sankaran
Deepa Rath (from May 01, 2021)
Sanjay Sinha (till April 30, 2021)
Directors of Esoteric II Pte. Ltd.:
Tang Jin Rong (from 19, 2021)
Ngan Nim Ying (from April 05, 2021)
Madhura Narawane (from January 26, 2022)
Wong Wai Kin (till February 19, 2021)
Terence Lee Chi Hur (till February 19, 2021)
Ooi Yi Jun (till February 19, 2021)
Velasco Azonos Cecilio Francisco (till January 26, 2022)

Relative of directors mentioned above:

Sonakshi Agarwal
Jyoti Agarwal
Sujata Asthana
Mala Todarwal (till July 24, 2021)

Firm in which director of sponsor is partner:

Cyril Amarchand Mangaldas (till 02 February 2021)

* During the year 2019-20, Electron IM Pte. Ltd. purchased 40% stake in Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) from Sterlite Power Transmission Limited post which Electron IM Pte. Ltd. holds 60% of stake in IIML.

On July 02, 2021 and January 14, 2022, Sterlite Power Transmission Limited has further transferred a stake of 14% and then 26% to Electron IM Pte. Ltd. post which Electron IM Pte. Ltd. holds 100% of stake in IIML."

^ Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef November 15, 2020.

^^ Sterlite Grid 4 Limited (SGL4) has been merged with Sterlite Power Transmission Limited ('SPTL') wef 17 February 2022.

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

(₹ in Millions)

| Particulars | Relation | 2021-22 | 2020-21 |
|---|------------|----------|-----------|
| 1. Unsecured loans given to subsidiaries | | | |
| Bhopal Dhule Transmission Company Limited (BDTCL) | Subsidiary | 1,185.00 | 549.44 |
| Jabalpur Transmission Company Limited (JTCL) | Subsidiary | 363.91 | 1,959.35 |
| Maheshwaram Transmission Limited (MTL) | Subsidiary | 61.40 | 162.04 |
| RAPP Transmission Company Limited (RTCL) | Subsidiary | 73.33 | 282.34 |
| Purulia & Kharagpur Transmission Company Limited (PKTCL) | Subsidiary | 88.45 | 535.08 |
| Patran Transmission Company Limited (PTCL) | Subsidiary | 67.80 | 676.40 |
| NRSS XXIX Transmission Limited (NRSS) | Subsidiary | 487.41 | 19,140.97 |
| Odisha Generation Phase II Transmission Limited (OGPTL) | Subsidiary | 5,409.80 | 151.31 |
| East-North Interconnection Company Limited (ENICL) | Subsidiary | 283.21 | 12,033.25 |
| Gurgaon-Palwal Transmission Limited (GPTL) | Subsidiary | 7,662.38 | 901.10 |
| Jhajjar KT Transco Private Limited (JKTPL) | Subsidiary | 143.00 | 1,793.67 |
| Parbati Koldam Transmission Company Limited (PrKTCL) | Subsidiary | 3,792.24 | - |
| NER II Transmission Limited (NER) | Subsidiary | 905.36 | 27,305.57 |
| IndiGrid Solar-I (AP) Private Limited (IGS1) formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) | Subsidiary | 2,911.34 | - |
| IndiGrid Solar-II (AP) Private Limited (IGS2) (formerly FRV India Solar Park-II Private Limited) | Subsidiary | 2,856.49 | - |
| Kallam Transmission Limited (KTL) | Subsidiary | 183.60 | - |
| Indigrd Limited (formerly known as Sterlite Grid 1 Limited) | Subsidiary | 242.13 | 341.11 |
| Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited) | Subsidiary | 93.03 | 31.22 |
| Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited) | Subsidiary | 17.36 | 6.19 |
| 2. Repayment of loan from subsidiaries | | | |
| Bhopal Dhule Transmission Company Limited (BDTCL) | Subsidiary | 690.40 | 954.78 |
| Jabalpur Transmission Company Limited (JTCL) | Subsidiary | - | 700.00 |
| Maheshwaram Transmission Limited (MTL) | Subsidiary | 18.32 | 41.46 |
| RAPP Transmission Company Limited (RTCL) | Subsidiary | 168.94 | 349.67 |
| Purulia & Kharagpur Transmission Company Limited (PKTCL) | Subsidiary | 242.82 | 629.62 |
| Patran Transmission Company Limited (PTCL) | Subsidiary | 226.23 | 497.53 |
| NRSS XXIX Transmission Limited (NRSS) | Subsidiary | 1,754.36 | 19,290.56 |
| Odisha Generation Phase II Transmission Limited (OGPTL) | Subsidiary | 187.93 | 421.32 |
| East-North Interconnection Company Limited (ENICL) | Subsidiary | 914.19 | 3,551.90 |
| Gurgaon-Palwal Transmission Limited (GPTL) | Subsidiary | 630.32 | 402.17 |
| Jhajjar KT Transco Private Limited (JKTPL) | Subsidiary | 313.49 | 73.37 |
| Parbati Koldam Transmission Company Limited (PrKTCL) | Subsidiary | 310.82 | - |
| NER II Transmission Limited (NER) | Subsidiary | 105.20 | - |
| IndiGrid Solar-I (AP) Private Limited (IGS1) formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) | Subsidiary | 70.00 | - |
| IndiGrid Solar-II (AP) Private Limited (IGS2) (formerly FRV India Solar Park-II Private Limited) | Subsidiary | 79.99 | - |
| Kallam Transmission Limited (KTL) | Subsidiary | - | - |
| Indigrd Limited (formerly known as Sterlite Grid 1 Limited) | Subsidiary | - | - |
| Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited) | Subsidiary | - | - |
| Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited) | Subsidiary | - | 0.20 |
| 3. Interest income from subsidiaries | | | |
| Bhopal Dhule Transmission Company Limited (BDTCL) | Subsidiary | 1,239.73 | 1,321.63 |
| Jabalpur Transmission Company Limited (JTCL) | Subsidiary | 2,856.80 | 2,729.80 |
| Maheshwaram Transmission Limited (MTL) | Subsidiary | 589.97 | 581.70 |
| RAPP Transmission Company Limited (RTCL) | Subsidiary | 318.60 | 334.02 |

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Millions)

| Particulars | Relation | 2021-22 | 2020-21 |
|---|---|----------|-----------|
| Purulia & Kharagpur Transmission Company Limited (PKTCL) | Subsidiary | 557.65 | 583.68 |
| Patran Transmission Company Limited (PTCL) | Subsidiary | 249.67 | 258.78 |
| NRSS XXIX Transmission Limited (NRSS) | Subsidiary | 3,920.38 | 4,099.21 |
| Odisha Generation Phase II Transmission Limited (OGPTL) | Subsidiary | 1,559.59 | 905.67 |
| East-North Interconnection Company Limited (ENICL) | Subsidiary | 1,304.78 | 310.10 |
| Gurgaon-Palwal Transmission Limited (GPTL) | Subsidiary | 1,437.73 | 252.70 |
| Jhajjar KT Transco Private Limited (JKTPL) | Subsidiary | 246.67 | 133.13 |
| Parbati Koldam Transmission Company Limited (PrKTCL) | Subsidiary | 143.34 | - |
| NER II Transmission Limited (NER) | Subsidiary | 4,180.04 | 78.55 |
| IndiGrid Solar-I (AP) Private Limited (IGS1) formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) | Subsidiary | 395.64 | - |
| IndiGrid Solar-II (AP) Private Limited (IGS2) (formerly FRV India Solar Park-II Private Limited) | Subsidiary | 388.26 | - |
| Kallam Transmission Limited (KTL) | Subsidiary | 3.33 | - |
| Indigrid Limited (formerly known as Sterlite Grid 1 Limited) | Subsidiary | 70.03 | 13.81 |
| Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited) | Subsidiary | 4.75 | 171.54 |
| Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) | Subsidiary | 91.22 | 89.55 |
| 4. Dividend income from subsidiaries | | | |
| Parbati Koldam Transmission Company Limited | Subsidiary | 282.66 | - |
| 5. Loan arrangement fees received from subsidiaries | | | |
| Parbati Koldam Transmission Company Limited | Subsidiary | 18.85 | - |
| 6. Deposits Given | | | |
| Sterlite Power Transmission Limited | Subsidiary | 36.00 | - |
| 7. Adjustment in consideration for equity shares of Indigrid 1 Limited on account of events mentioned in SPA | | | |
| Sterlite Power Grid Ventures Limited* | Sponsor and Project Manager/ Entity with significant influence | (0.58) | - |
| 8. Consideration for equity shares of Indigrid 2 Limited on account of events mentioned in SPA | | | |
| Sterlite Power Grid Ventures Limited* | Sponsor and Project Manager/ Entity with significant influence | 18.53 | - |
| 9. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA | | | |
| Sterlite Power Grid Ventures Limited* Sterlite Power Transmission Limited | Sponsor and Project Manager/ Entity with significant influence | (4.46) | - |
| 10. Adjustment in consideration for equity shares of GPTL on account of events mentioned in SPA | | | |
| Sterlite Grid 4 Limited | Sponsor and Project Manager/ Entity with significant influence | (0.57) | - |
| 11. Purchase of equity shares of NER | | | |
| Sterlite Grid 4 Limited | Sponsor and Project Manager/ Entity with significant influence | 5,179.33 | 14,090.65 |
| 12. Rights Issue of unit capital | | | |
| Esoteric II Pte. Ltd | Sponsor/Entity with significant influence over the Trust | 3,285.28 | - |
| Sterlite Power Transmission Limited # | Sponsor of IndiGrid | 44.72 | - |
| 13. Conversion of subsidiary loan and interest outstanding to equity | | | |
| Indigrid 1 Limited | Subsidiary | - | 1,377.97 |

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Millions)

| Particulars | Relation | 2021-22 | 2020-21 |
|---|---|----------|----------|
| 14. Purchase of equity shares of Indigrid 1 Limited | | | |
| Sterlite Power Grid Ventures Limited* | Sponsor and Project Manager/ Entity with significant influence | - | 37.13 |
| 15. Purchase of equity shares of ENICL | | | |
| Sterlite Power Grid Ventures Limited* | Sponsor and Project Manager/ Entity with significant influence | - | 6.17 |
| 16. Purchase of equity shares of GPTL | | | |
| Sterlite Grid 4 Limited | Entity with significant influence | - | 906.36 |
| 17. Purchase of loan to GPTL | | | |
| Sterlite Grid 4 Limited | Entity with significant influence | - | 2,252.28 |
| 18. Received towards indemnification of liabilities | | | |
| Sterlite Power Grid Ventures Limited* | Sponsor and Project Manager/ Entity with significant influence | - | 15.36 |
| 19. Earn Out Expenses | | | |
| Sterlite Power Grid Ventures Limited* | Sponsor and Project Manager/ Entity with significant influence | - | 796.62 |
| 20. Distribution to unit holders | | | |
| Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited# | Sponsor of IndiGrid | 14.09 | 537.73 |
| Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) | Investment manager of IndiGrid | 6.55 | 2.08 |
| Esoteric II Pte. Ltd | Sponsor/Entity with significant influence over the Trust | 2,100.73 | 1,646.03 |
| Pravin Agarwal | Director of Sponsor (SPTL) and Investment Manager | 1.05 | 2.39 |
| Harsh Shah | Whole time director of Investment Manager | 0.18 | 0.12 |
| Swapnil Patil | Company Secretary of Investment Manager | 0.06 | 0.03 |
| Sonakshi Agarwal | Relative of director | 0.24 | 0.19 |
| Jyoti Agarwal | Relative of director | 0.30 | 0.25 |
| Sujata Asthana | Relative of director | 1.55 | 1.01 |
| Arun Tadarwal | Director of Sponsor (SPTL) | 0.05 | 0.08 |
| A. R. Narayanaswamy | Director of Sponsor (SPTL) | 0.25 | 0.19 |
| Mala Tadarwal | Relative of director | 0.05 | 0.06 |
| 21. Trustee fee | | | |
| Axis Trustee Services Limited (ATSL) | Trustee | 3.32 | 3.01 |
| 22. Legal and professional services taken | | | |
| Cyril Amar chand Mangaldas | Firm in which director of sponsor (SPGVL) is partner | - | 10.88 |
| 23. Investment Management Fees | | | |
| Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) | Investment manager of IndiGrid | 6.53 | 2.14 |
| 24. Consideration for equity shares of NER on account of events mentioned in SPA | | | |
| Sterlite Grid 4 Limited | Entity with significant influence | 10.58 | - |

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef November 15, 2020.

Sterlite Power Transmission Limited had subscribed to rights issue of the Trust and allotted 0.41 Million units. Subsequently, SPTL has disinvested 0.25 Million units on 09 June 2021 and 0.16 Million units on 10 June 2021.

Further SPTL has disinvested remaining 2.04 Million units on 07 September 2021.

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)
(C) The outstanding balances of related parties are as follows:-

| | (₹ in Million) | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Unsecured loan receivable from subsidiaries | 1,32,476.19 | 1,11,361.96 |
| Interest receivable from subsidiaries | 3,190.79 | 518.30 |
| Non-Convertible Debentures of subsidiary (including accrued interest on EIR) (excluding provision for impairment) | 6,915.54 | 6,448.33 |
| Compulsorily-convertible debentures of subsidiary | 1,156.85 | - |
| Investment in equity shares of subsidiary (excluding provision for impairment) | 43,507.28 | 38,133.72 |
| Optionally convertible redeemable preference shares (excluding provision for impairment) | 1,001.96 | 1,001.96 |
| Payable towards project acquired | 1,108.97 | 1,704.94 |
| Deposits given | 36.00 | - |
| Trade payable | 0.07 | - |

Details in respect of related party transactions involving acquisition of InvIT assets as required by Para 4.4(b)(iv) of Section A of Annexure A to SEBI Circular dated October 20, 2016 are as follows:

For the year ended March 31, 2022

- No acquisition from related party for the year ended March 31, 2022.

FOR THE YEAR ENDED MARCH 31, 2021:

(A) Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations):

| | (₹ in Million) | |
|----------------------------|-----------------------------|--------|
| Particulars | NER | GPTL |
| Enterprise value | 51,175 | 11,638 |
| Method of valuation | Discounted Cash Flow | |
| Discounting rate (WACC): | 7.40% | 7.96% |

(B) Material conditions or obligations in relation to the transactions:
Acquisition of Gurgaon Palwal Transmission Limited (GPTL):

Pursuant to the share purchase agreements dated August 28, 2020 ("SPA") executed among Sterlite Power Grid Ventures Limited*, Sterlite Grid 4 Limited, Axis Trustee Services Limited, Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) and Gurgaon Palwal Transmission Limited ('GPTL') for acquisition of equity stake in GPTL, Indigrid has acquired 49% of paid up equity capital of GPTL with effect from August 28, 2020.

Under the Agreements, the Trust has the following rights:

- Right to nominate the majority of the directors on the Board of Directors of GPTL.
- The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of GPTL in a manner favourable for the interests of IndiaGrid Trust.
- Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of GPTL at a later date (on expiry of the respective mandatory shareholding period).
- Pledge on the remaining 51% equity stake in GPTL, of which 2% is pledged to lenders of GPTL.
- Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in GPTL.

The acquisition of equity shares of GPTL was financed by money raised through Qualified Institutional Placement (QIP) of ₹ 25,140 Million by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of NER II Transmission Limited (NER):

Pursuant to the share purchase agreements dated March 05, 2021 ("SPA") executed among Sterlite Power Transmission Limited, Sterlite Grid 4 Limited, Axis Trustee Services Limited, Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) and NER II Transmission Limited ('NER') for acquisition of equity stake in NER, Indigrid

INDIA GRID TRUST**Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

has acquired 49% of paid up equity capital of NER with effect from March 25, 2021. As of March 31, 2021, the Trust has paid additional consideration equivalent to 25% of the total consideration which would be adjusted towards payable for acquisition of 25% of equity stake. Under the Agreements, the Trust has the following rights:

- a. Right to nominate the majority of the directors on the Board of Directors of NER.
- b. The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of NER in a manner favourable for the interests of IndiaGrid Trust.
- c. Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of NER at a later date (on expiry of the respective mandatory shareholding period).
- d. Pledge on the remaining 51% equity stake in NER.
- e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in NER.

The acquisition of equity shares of NER was financed by money raised through Qualified Institutional Placement (QIP) of ₹ 25,140 Million by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

NOTE 28: CAPITAL AND OTHER COMMITMENTS

- (a) The Trust has entered into a Framework agreement on April 30, 2019 with Sterlite Grid Ventures Limited ('SPGVL')* for acquisition of Khargone Transmission Limited ('KTL').

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') w.e.f November 15, 2020"

NOTE 29: CONTINGENT LIABILITY

The Trust has no contingent liability to be reported.

NOTE 30: SEGMENT REPORTING

The Trust's activities comprise of owning and investing in transmission and solar SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given.

NOTE 31: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust's principal financial liabilities comprise of borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Trust's operations. The Trust's principal financial assets include investments, loans, cash and bank balances and other financial assets that derive directly from its operations.

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

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

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

(A) Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's borrowings are at fixed rate, hence the Trust is not exposed to Interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Trust did not have any exposure in foreign currency as at March 31, 2022 and March 31, 2021.

Equity price risk

The Trust's investments in equity shares of subsidiaries are susceptible to market price risk

INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

arising from uncertainties about future values of those investments. Reports on the equity portfolio are submitted to the senior management on a regular basis. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions. At the reporting date, the exposure to equity investments in subsidiary at carrying value was ₹42,734.91 Million (March 31, 2021: ₹37,193.07 Million). Sensitivity analyses of significant unobservable inputs used in the fair value measurement are disclosed in Note 26A.

(B) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Trust is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at March 31, 2022 and March 31, 2021, the credit risk is considered

low since substantial transactions of the Trust are with its subsidiaries.

(C) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The other financial liabilities are with short term durations. The table below summarises the maturity profile of the Trust's financial liabilities based on contractual undiscounted payments:

(₹ in Million)

| Particulars | Payable on demand | Less than 3 months | 3 months to 12 months | 1 to 5 years | More than 5 years | Total |
|-----------------------------|-------------------|--------------------|-----------------------|------------------|-------------------|--------------------|
| March 31, 2022 | | | | | | |
| Borrowings | - | 14,292.58 | 2,925.95 | 39,209.31 | 68,274.10 | 1,24,701.94 |
| Trade payables | - | 55.87 | - | - | - | 55.87 |
| Other financial liabilities | - | 999.48 | 1,483.89 | - | - | 2,483.37 |
| Total | - | 15,347.93 | 4,409.84 | 39,209.31 | 68,274.10 | 1,27,241.18 |

(₹ in Million)

| Particulars | Payable on demand | Less than 3 months | 3 months to 12 months | 1 to 5 years | More than 5 years | Total |
|-----------------------------|-------------------|--------------------|-----------------------|-----------------|-------------------|--------------------|
| March 31, 2021 | | | | | | |
| Borrowings | - | - | 1,492.38 | 4,844.55 | 99,172.72 | 1,05,509.65 |
| Trade payables | - | - | - | - | - | - |
| Other financial liabilities | - | 944.01 | 1,761.66 | - | - | 2,705.67 |
| Total | - | 944.01 | 3,254.04 | 4,844.55 | 99,172.72 | 1,08,215.32 |

NOTE 32: CAPITAL MANAGEMENT

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

The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Trust may adjust the distribution to unitholders (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders), return capital to unitholders or issue new units. The Trust monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Trust's policy is to keep the gearing ratio optimum. The Trust includes within net debt, interest bearing loans and borrowings and other payables less cash and cash equivalents, other bank balances and short term investments.

INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|--------------------|--------------------|
| Borrowings* | 1,24,701.95 | 1,05,509.65 |
| Less: Cash and cash equivalents, other bank balances and short term investments | (7,846.97) | (14,194.58) |
| Net debt (A) | 1,16,854.98 | 91,315.07 |
| Unit capital | 65,903.15 | 53,145.69 |
| Other equity | 2,293.62 | 1,951.03 |
| Total capital (B) | 68,196.77 | 55,096.72 |
| Capital and net debt ((C) = (A) + (B)) | 1,85,051.75 | 1,46,411.79 |
| Gearing ratio (A)/(C) | 63% | 62% |

Financial Covenants

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

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

NOTE 33: SUBSEQUENT EVENT

On May 20, 2022, the Board of directors of the Investment Manager approved a distribution of ₹ 3.1875 per unit for the period January 01, 2022 to March 31, 2022 to be paid on or before 15 days from the date of declaration.

NOTE 34: IMPACT OF COVID-19

The ongoing spread of COVID-19 has impacted business in various countries including India and there have been disruptions to regular business operations due to COVID response measures undertaken in certain geographies. The management has assessed impact on business and financial risks on account of COVID-19 on the financial statements of the Trust. Considering that the subsidiaries of the Trust are engaged in the business of transmission of

electricity which is considered as an "Essential Service", the management believes that the impact of COVID-19 is not significant. The management does not see any risks in the Trust's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Further, the management will continue to monitor and assess impact of economic conditions arising due to COVID-19. The impact of COVID-19 may differ from that expected at the date of approval of the financial statements.

NOTE 35: OTHER INFORMATION

- (i) The Trust does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Trust does not have any transactions with Companies struck off.
- (iii) The Trust have not traded or invested in Cryptocurrency or Virtual Currency during the financial year.
- (iv) The Trust does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**For and on behalf of the Board of Directors of
Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)
(as Investment Manager of India Grid Trust)**

per Huzefa Ginwala
Partner
Membership Number : 111757

Place : Pune
Date : May 20, 2022

Harsh Shah
CEO & Whole-time Director
DIN: 02496122

Place : Mumbai
Date : May 20, 2022

Swapnil Patil
Company Secretary
Membership Number : 24861

Place : Mumbai
Date : May 20, 2022

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 20, 2022

Independent Auditor's Report

To the Unit holders of India Grid Trust

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of India Grid Trust (hereinafter referred to as "the InvIT") and its subsidiaries (the InvIT and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Changes in Unit Holder's Equity, the consolidated Statement of Cash Flow for the year then ended, the consolidated Statement of Net Assets at fair value as at March 31, 2022, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows ('NDCFs') of the InvIT, the underlying Holding Companies ("HoldCos") and each of its subsidiaries for the year then ended, and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (together referred as the "InvIT Regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with InvIT regulations, of the consolidated state of affairs of the Group as at March 31, 2022, its consolidated profit including other comprehensive income, its consolidated cash movements and its consolidated movement of the unit holders' funds for the year ended March 31, 2022, its consolidated net assets at fair value as at March 31, 2022, its consolidated total returns at fair value and the net distributable cash flows of the InvIT, the underlying HoldCos and each of its subsidiaries for the year ended March 31, 2022.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|--|--|
| <p>Applicability of Appendix D of Ind AS 115 'Service Concession Arrangement <i>(as described in Note 28 of the consolidated financial statements)</i></p> <p>The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25/35 years. Generally, the subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff-based bidding process to Build, Own, Operate and Maintain ("BOOM")/ Build, Own and Operate ("BOO") the transmission infrastructure for a period of 25/35 years or have entered into Power Purchase Agreements ("PPA") with Solar Energy Corporation of India ("SECI"), a limited liability company owned 100% by the Government of India, for development of solar power project, generation and sale of solar power with a contractual period of 25 years at a fixed tariff.</p> <p>The Management of Investment Manager ("the management") is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee or solar power developer to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license or power purchase agreement as well as at the end of the license period or expiry date of power purchase agreement. In the view of management, generally the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission/solar infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D is not applicable to the Group.</p> <p>Considering the judgement involved in determining the grantor's involvement and whether the grantor controls, through ownership, beneficial entitlement or otherwise, and any significant residual interest in the transmission/solar infrastructure at the end of the term of the arrangement, this is considered as a key audit matter.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We obtained and read the TSAs/ PPAs to understand roles and responsibilities of the grantor. • We read and evaluated the TSAs/ PPAs to understand whether the grantor controls significant residual interest in the infrastructure at the end of the term of the arrangement through ownership, beneficial ownership or otherwise. • We discussed with the management regarding the extent of grantor's involvement in the transmission/solar assets and grantor's intention not to control the significant residual interest through ownership, beneficial entitlement or otherwise. • We assessed the positions taken by other entities in India with similar projects/TSAs/ PPAs as to the extent of involvement of the grantor and the consequent evaluation of the applicability of Appendix D for such entities and confirmed our understanding. • We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements. |

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|---|--|
| Key judgements and estimates used in the application of Appendix D of Ind AS 115 'Service Concession Arrangement' a subsidiary of the Group - Jhajjar KT Transco Private Limited (JKTPL) | |
| <i>(as described in Note 28 of the consolidated financial statements)</i> | |
| <p>JKTPL acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years issued by Haryana Electricity Regulation Commission. JKTPL has entered into TSA with Haryana Vidyut Prasaran Nigam Limited through a tariff-based bidding process to Design, Build, Finance, Operate and Transfer ("DBFOT") the transmission infrastructure for a period of 25 years.</p> <p>The Group constructs transmission infrastructure and operates and maintains such infrastructure for a specified period of time. The infrastructure constructed by the Group is not recorded as property, plant and equipment of the Group because the TSA does not transfer to the concessionaire the right to control the use of public services infrastructure. The group only has the right to operate the infrastructure for the provision of public services on behalf of the grantor, as provided in the contract. Thus, under the terms of the TSA, the Group only acts as a service provider. Hence this arrangement is accounted for under Appendix D to Ind AS 115 – Service Concession Arrangements.</p> <p>The Group has classified the concession arrangements under financial asset model since the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the services.</p> <p>Accordingly, the above matter was determined to be a key audit matter in our audit of the consolidated financial statements.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We evaluated terms of the TSA to understand roles and responsibilities of the grantor. • We tested, on sample basis, the base data and supporting documents for basis of key assumptions and estimates used by the management. • We read and evaluated the TSA to understand whether the grantor controls significant residual interest in the infrastructure at the end of the term of the arrangement through ownership, beneficial ownership or otherwise. • We evaluated the management's assessment process for applicability of Appendix D of Ind AS 115 for transmission projects based on the terms of the agreement and tested the judgements/ estimates relating to future cash flows over the concession period, and discounting rate used to discount expected cash flows. • We tested the arithmetical accuracy of the valuation models. • We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements. |
| Impairment of property, plant and equipment and service concession arrangements | |
| <i>(as described in Note 3 and 28 of the consolidated financial statements)</i> | |

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| <p>The Group owns and operates various power transmission and generation assets. The carrying value of the power transmission and generation assets as at March 31, 2022, included under property, plant and equipment and service concession arrangements is ₹ 170,830.81 million.</p> <p>In accordance with Ind AS 36 and Ind AS 109, at each reporting period end, management assesses the existence of impairment indicators of property, plant and equipment and service concession arrangements. In case of existence of impairment indicators, property, plant and equipment and service concession arrangements balances are subjected to impairment test.</p> <p>The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license or solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's process on assessment of impairment of property, plant and equipment and service concession arrangements and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained and read the valuation report of the Group's independent valuation expert, and assessed the expert's competence, capability and objectivity. • We evaluated the independent valuation expert's methodology, assumptions and estimates used in the calculations. • We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders. • We tested completeness, arithmetical accuracy and validity of the data used in the calculations. • In performing the above procedures, we involved valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • We read and assessed the disclosures included in the notes to the consolidated financial statements |
| <p>Classification of unit holders' funds as equity (as described in Note 28 of the consolidated financial statements)</p> | |
| <p>The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the InvIT to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circulars") issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements.</p> <p>Considering the judgment required for classification of unit holders' funds as equity, this is considered as a key audit matter.</p> | <p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> • We obtained and read the requirements for classification of financial liability and equity under Ind AS 32 and evaluated the provisions of SEBI Circulars for classification/presentation of unit holders' funds in the financial statements of an Infrastructure Investment Trust. • We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant requirements of InvIT regulations. |

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| <p>Acquisition of Transmission/ Solar Special Purpose Vehicles ("SPVs") classified as asset acquisitions <i>(as described in Note 28 of the consolidated financial statements)</i></p> <p>The Group acquires operational transmission/ solar SPVs from the Sponsor or from third parties. The purchase consideration primarily pertains to the fair value of the transmission assets/ solar assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements/ Power Purchase Agreements (TSAs/PPAs) for 25/35 years. The only key activity for these SPVs is the maintenance of the transmission assets/ solar assets which is outsourced to third parties. Generally, there are no employees in these entities and no other significant processes are performed for earning tariff revenues in any of the SPVs except in case of Parbati Koldam Transmission Company Limited, Indigrd Solar-I (AP) Private Limited (ISPL1) and Indigrd Solar-I (AP) Private Limited (ISPL2) wherein there are few employees.</p> <p>Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS, including evaluation under the optional concentration test, and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management classified the acquisition of transmission/ solar SPVs as asset acquisition.</p> <p>Considering the management judgement involved in determining if the acquisition of transmission/ solar SPVs constitute business or asset, it is considered as a key audit matter.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We read the relevant guidance under Ind AS on determining if the acquired SPV constitutes a business. • We assessed the activities of the transmission/ solar SPVs. • We read and assessed the Group's accounting policy for recognition and classification on the acquisition of transmission/ solar SPVs. • We discussed with the management the key assumption underlying the Group's assessment and tested the underlying data used for classification made by the Group. • We read and assessed the disclosures in the consolidated financial statements for compliance with the relevant accounting standards requirement. |
| <p>Disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations <i>(as described in Note 28 of the consolidated financial statements)</i></p> | |

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| <p>The Group is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the the Group.</p> <p>For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.</p> <p>The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p> | <p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> • We read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • We discussed with the Management and obtained an understating of the Group's policy on the assessment of fair value and the assumptions used by the management, including design and implementation of controls, validation of management review controls. • Obtained understating of the Group's process for preparation statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations and the assumption used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained and read the valuation report by the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • We evaluated independent valuation expert's methodology, assumptions and estimates used in the calculations. • We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs/ PPAs / tariff orders. • We tested completeness, arithmetical accuracy and validity of the data used in the calculations. • In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • We read and assessed the disclosures included in the notes to the consolidated financial statements. |

Other Information

The management of Indigrd Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) (the "Investment Manager") is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial

statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Management of the Investment Manager ('the Management') is responsible for the preparation and

Independent Auditor's Report (Contd.)

presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash movements and the consolidated movement of the unit holder's funds for the year ended March 31, 2022, the consolidated net assets at fair value as at March 31, 2022, the consolidated total returns at fair value of the InvIT and the net distributable cash flows of the InvIT, the underlying HoldCos and each of its subsidiaries in accordance with the requirements of the InvIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management, as aforesaid.

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

The Management and respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information

Independent Auditor's Report (Contd.)

we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries whose financial statements include total assets of ₹ 6,152.37 million as at March 31, 2022, and total revenues of ₹ 630.90 million and net cash outflows of ₹ 238.80 million for the year ended on that date. These financial statement and other

financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

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

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are in agreement with the books of account;
- (c) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent not inconsistent with InvIT Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 22111757AJIQMX6075

Place of Signature: Pune

Date: May 20, 2022

INDIA GRID TRUST

Consolidated Balance Sheet

as at March 31, 2022

(All amounts in ₹ Million unless otherwise stated)

| | Notes | March 31, 2022 | March 31, 2021 |
|---|-------|--------------------|--------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3.1 | 1,67,882.05 | 1,63,898.29 |
| Intangible assets | 3.2 | 497.95 | - |
| Capital work-in-progress | 4 | 36.42 | 97.09 |
| Financial Assets | | | |
| i. Other financial assets | 7 | 3,289.66 | 2,856.18 |
| Other non-current assets | 8 | 639.81 | 333.31 |
| | | 1,72,345.89 | 1,67,184.87 |
| Current assets | | | |
| Financial assets | | | |
| i. Investments | 5 | 1,451.73 | - |
| ii. Trade receivables | 9 | 3,898.15 | 2,976.55 |
| iii. Cash and cash equivalents | 10 | 11,873.37 | 26,066.29 |
| iv. Bank Balances other than (iii) above | 11 | 3,167.87 | 1,771.81 |
| v. Loans | 6 | - | 0.85 |
| vi. Other financial assets | 7 | 2,675.69 | 2,096.22 |
| Other current assets | 8 | 157.65 | 257.91 |
| | | 23,224.46 | 33,169.63 |
| Regulatory deferral account credit balances and related deferred tax balances | 42 | - | - |
| Total assets | | 1,95,570.35 | 2,00,354.50 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Unit capital | 12 | 65,903.15 | 53,145.69 |
| Other equity | 13 | | |
| Retained earnings/ (Accumulated deficit) | | (11,720.89) | (6,389.90) |
| Other reserves | | | |
| Self insurance reserve | | - | 68.13 |
| Equity attributable to Non-controlling interests | | 796.58 | 1,681.02 |
| Total unit holders' equity | | 54,978.84 | 48,504.92 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 1,11,311.50 | 1,36,032.57 |
| ii. Leases | 15 | 26.58 | 32.12 |
| ii. Other financial liabilities | 17 | 286.41 | - |
| Employee Benefit Obligations | 18 | 8.43 | 3.94 |
| Deferred tax liabilities (net) | 20 | 1,049.44 | 921.39 |
| | | 1,12,682.36 | 1,36,990.02 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14 | 22,036.95 | 9,729.50 |
| ii. Leases | 15 | 15.04 | 13.75 |
| iii. Trade payables | 16 | | |
| a. Total outstanding dues of micro enterprises and small enterprises | | 9.05 | 23.25 |
| b. Total outstanding dues of creditors other than micro enterprises and small enterprises | | 477.24 | 202.08 |
| iv. Other financial liabilities | 17 | 5,067.05 | 4,600.46 |
| Employee Benefit Obligations | 18 | 23.33 | 12.37 |
| Other current liabilities | 19 | 280.49 | 278.15 |
| | | 27,909.15 | 14,859.56 |
| Total liabilities | | 1,40,591.51 | 1,51,849.58 |
| Total equity and liabilities | | 1,95,570.35 | 2,00,354.50 |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per **Huzefa Ginwala**
Partner
Membership Number : 111757

Place : Pune
Date : May 20, 2022

For and on behalf of the Board of Directors of
Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)
(as Investment Manager of India Grid Trust)

Harsh Shah
CEO & Whole-time Director
DIN: 02496122

Swapnil Patil
Company Secretary
Membership Number : 24861

Place : Mumbai
Date : May 20, 2022

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 20, 2022

INDIA GRID TRUST

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Million unless otherwise stated)

| | Notes | March 31, 2022 | March 31, 2021 |
|---|-------|------------------|------------------|
| INCOME | | | |
| Revenue from contracts with customers | 21 | 22,221.83 | 16,769.19 |
| Income from investment in mutual funds | | 193.62 | 129.91 |
| Interest income on investment in fixed deposits | | 146.37 | 135.77 |
| Other finance income | | 9.48 | 13.63 |
| Other income | | 173.11 | 93.03 |
| Total income (I) | | 22,744.41 | 17,141.53 |
| EXPENSES | | | |
| Employee benefit expenses | 23 | 288.35 | 140.78 |
| Transmission infrastructure maintenance charges | | 441.51 | 300.79 |
| Legal and professional fees | | 176.12 | 145.38 |
| Annual listing fee | | 9.83 | 6.18 |
| Rating fee | | 31.55 | 50.71 |
| Valuation expenses | | 8.58 | 3.05 |
| Trustee fee | | 4.63 | 3.48 |
| Audit Fees | | | |
| - Statutory audit fees | | 13.98 | 11.22 |
| - Tax audit fees | | 3.05 | 2.14 |
| - Other services (including certification) | | 2.67 | 7.77 |
| Other expenses | 24 | 1,163.12 | 1,720.26 |
| Depreciation and amortisation expense | | 6,654.86 | 4,304.85 |
| Finance costs | 25 | 10,501.48 | 6,864.95 |
| (Reversal of impairment) /impairment of property, plant and equipment and service concession receivable | | (54.97) | 175.11 |
| Total expenses (II) | | 19,244.76 | 13,736.67 |
| Regulatory Deferral Income (refer note 42) | | 6.93 | (15.51) |
| Profit before tax (I-II) | | 3,492.72 | 3,420.37 |
| Tax expense | | | |
| Current tax | | 43.66 | 49.85 |
| Deferred tax | | 10.97 | 24.92 |
| Income tax for earlier years | | 5.34 | 1.51 |
| Tax expense | | 59.97 | 76.28 |
| Profit for the year | | 3,432.75 | 3,344.09 |
| Other comprehensive income | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | | - | - |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | (0.80) | (3.62) |
| Other comprehensive income for the year | | (0.80) | (3.62) |
| Total comprehensive income for the year | | 3,433.55 | 3,347.71 |
| Profit for the year | | 3,432.75 | 3,344.09 |
| Attributable to: | | | |
| Unit holders | | 3,484.12 | 3,337.09 |
| Non-controlling interests | | (51.37) | 7.00 |
| Other comprehensive income for the year | | (0.80) | (3.62) |
| Attributable to: | | | |
| Unit holders | | (0.46) | (2.68) |
| Non-controlling interests | | (0.34) | (0.94) |
| Total comprehensive income for the year | | 3,433.55 | 3,347.71 |
| Attributable to: | | | |
| Unit holders | | 3,484.58 | 3,339.76 |
| Non-controlling interests | | (51.03) | 7.95 |
| Earnings per unit | | | |
| Basic and diluted (in ₹) | 27 | 5.03 | 5.72 |
| (Computed on the basis of profit for the year) | | | |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors of
Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)
(as Investment Manager of India Grid Trust)

per Huzefa Ginwala
Partner
Membership Number : 111757

Harsh Shah
CEO & Whole-time Director
DIN: 02496122

Swapnil Patil
Company Secretary
Membership Number : 24861

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Pune
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

INDIA GRID TRUST

Consolidated Statement of Changes in Unit Holders' Equity

for the year ended March 31, 2022

A. UNIT CAPITAL

(All amounts in ₹ Million unless otherwise stated)

| | Nos. in Million | ₹ in Million |
|--|-----------------|------------------|
| Balance as at April 01, 2020 | 583.49 | 53,145.69 |
| Units issued during the year (refer note 12) | - | - |
| Issue expenses | - | - |
| Balance as at March 31, 2021 | 583.49 | 53,145.69 |
| Units issued during the year (refer note 12) | 116.70 | 12,836.49 |
| Issue expenses (refer note 12) | - | (79.03) |
| Balance as at March 31, 2022 | 700.19 | 65,903.15 |

B. OTHER EQUITY

(All amounts in ₹ Million unless otherwise stated)

| | Attributable to unitholders | | | Non-controlling interest | Total other equity |
|--|-----------------------------|--|------------------------|--------------------------|--------------------|
| | Other comprehensive income | Retained earnings/ Accumulated deficit | Self Insurance Reserve | | |
| As at April 01, 2020 | - | (2,659.44) | - | - | (2,659.44) |
| Add: Acquisition of subsidiary | - | - | 58.07 | 1,673.07 | 1,731.14 |
| Profit for the year | - | 3,337.09 | - | 7.00 | 3,344.09 |
| Other comprehensive income | 2.68 | - | - | 0.94 | 3.62 |
| Add/Less: Transferred to self insurance reserve/from retained earnings | - | (10.06) | 10.06 | - | - |
| Less: Distribution during the year (refer note below) | - | (7,060.17) | - | - | (7,060.17) |
| As at March 31, 2021 | 2.68 | (6,392.58) | 68.13 | 1,681.02 | (4,640.75) |
| Profit for the year | - | 3,484.12 | - | (51.37) | 3,432.75 |
| Other comprehensive income | 0.46 | - | - | 0.34 | 0.80 |
| Less: Acquisition of subsidiary | - | - | - | (751.79) | (751.79) |
| Add/Less: Transferred from self insurance reserve/to retained earnings | - | 50.44 | (68.10) | 17.69 | - |
| Less: Dividend during the year | - | - | - | (99.31) | (99.31) |
| Less: Distribution during the year (refer note below) | - | (8,866.01) | - | - | (8,866.01) |
| As at March 31, 2022 | 3.14 | (11,724.03) | - | 796.58 | (10,924.31) |

Note:

The distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2020-21 and does not include the distribution relating to the last quarter of FY 2021-22 which will be paid after March 31, 2022.

The distributions made by IndiGrid to its unitholders are based on the Net Distributable Cash Flows (NDCF) of IndiGrid under the InvIT Regulations and hence part of the same includes repayment of capital as well.

As per our report of even date

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

For and on behalf of the Board of Directors of
IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)
(as Investment Manager of India Grid Trust)

per Huzefa Ginwala
Partner
Membership Number : 111757

Harsh Shah
CEO & Whole-time Director
DIN: 02496122

Swapnil Patil
Company Secretary
Membership Number : 24861

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Pune
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

INDIA GRID TRUST

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Million unless otherwise stated)

| | March 31, 2022 | March 31, 2021 |
|--|--------------------|--------------------|
| A. CASH FLOW GENERATED FROM OPERATING ACTIVITIES | | |
| Net profit as per statement of profit and loss | 3,433.55 | 3,347.71 |
| Adjustment for taxation | 59.97 | 76.28 |
| Profit before tax | 3,493.52 | 3,423.99 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation expenses | 6,654.86 | 4,304.85 |
| (Reversal)/ Impairment of investment in subsidiaries | (54.97) | 175.11 |
| Foreign exchange (gain)/ loss on borrowing | (126.93) | 61.46 |
| Finance cost | 10,628.41 | 6,864.95 |
| Income from investment in mutual funds | (193.62) | (129.91) |
| Interest income on investment in fixed deposits | (146.37) | (135.77) |
| Other finance income | (9.48) | (13.63) |
| Operating profit before working capital changes | 20,245.42 | 14,551.05 |
| Movements in working capital : | | |
| - trade payables | 464.11 | (151.39) |
| - other current financial liabilities | 420.88 | 862.04 |
| - other current liabilities | 15.92 | (20.96) |
| - other non-current financial liabilities | 286.65 | - |
| - trade receivables | (668.26) | 1,562.92 |
| - other non-current financial asset | 230.53 | 136.24 |
| - other non-current asset | (140.25) | 26.10 |
| - other current financial asset | (301.31) | (407.88) |
| - other current assets | 140.47 | 27.29 |
| Changes in working capital | 448.74 | 2,034.36 |
| Cash generated from operations | 20,694.16 | 16,585.41 |
| Direct taxes paid (net of refunds) | 112.42 | 210.35 |
| Net cash flow generated from operating activities (A) | 20,806.58 | 16,795.76 |
| B. CASH FLOW (USED IN) INVESTING ACTIVITIES | | |
| Purchase of property plant & equipment (including capital work-in-progress and capital advances) | (11,050.09) | (54,955.51) |
| Purchase of service concession receivable of subsidiary | - | (3,128.27) |
| Purchase of equity shares/NCD/CCD of subsidiaries | (165.99) | - |
| Acquisition of other assets (net of other liabilities) | (970.89) | (670.67) |
| Proceeds from sale property plant & equipment | 0.03 | - |
| Interest income on investment in fixed deposits | 117.83 | 135.56 |
| Income from investment in mutual funds | 193.62 | 129.91 |
| Interest on others | 9.48 | 13.63 |
| Investment in mutual funds | (1,451.73) | - |
| Investment in fixed deposits (net) | (1,850.63) | (496.51) |
| Net cash flow used in investing activities (B) | (15,168.37) | (58,971.86) |
| C. CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of unit capital | 12,836.49 | - |
| Unit issue expense incurred | (79.03) | - |
| Proceeds of long term borrowings | 51,600.00 | 54,530.79 |
| Repayment of long term borrowings | (70,721.01) | (15,764.01) |
| Acquisition of borrowings | 7,106.84 | 38,807.08 |
| Acquisition of non controlling interest | (807.65) | - |
| Payment of upfront fees of long term borrowings | (272.57) | (266.53) |

INDIA GRID TRUST
Consolidated Cash Flow Statement
for the year ended March 31, 2022 (Contd.)

(All amounts in ₹ Million unless otherwise stated)

| | March 31, 2022 | March 31, 2021 |
|---|--------------------|------------------|
| Finance costs | (10,530.72) | (6,095.42) |
| Payment of dividend to non controlling interest | (99.31) | - |
| Payment of distributions to unitholders | (8,864.21) | (7,057.93) |
| Net cash flow (used in)/generated from financing activities (C) | (19,831.17) | 64,153.98 |
| Net (decrease)/increase in cash and cash equivalents (A + B + C) | (14,192.96) | 21,977.88 |
| Cash and cash equivalents as at beginning of year | 26,066.29 | 4,088.41 |
| Components of cash and cash equivalents as at year end | 11,873.33 | 26,066.29 |

Components of cash and cash equivalents:

(All amounts in ₹ Million unless otherwise stated)

| | March 31, 2022 | March 31, 2021 |
|--|------------------|------------------|
| Balances with banks: | | |
| - On current accounts ^ | 11,873.37 | 23,101.29 |
| - Deposit with original maturity of less than 3 months # | - | 2,965.00 |
| Total cash and cash equivalents (refer note 10) | 11,873.37 | 26,066.29 |

^ Out of total amount, ₹ 11.38 Million (March 31, 2021: ₹ 9.35 Million) pertains to unclaimed distribution to unitholders.

Includes amount of ₹ Nil Million (March 31, 2021: ₹ 2,044.20) is kept in Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

Reconciliation between opening and closing balances for liabilities arising from financing activities (including current maturities) :-

| Particulars | Long term borrowings (Including current maturities) |
|------------------------------------|---|
| April 01, 2021 | 64,004.27 |
| Cash flow | |
| - Interest | (6,095.42) |
| - Proceeds/(repayments) | 81,701.71 |
| Foreign exchange loss on borrowing | 113.40 |
| Lease liability | 45.87 |
| Accrual | 6,864.95 |
| March 31, 2021 | 1,46,634.78 |
| Cash flow | |
| - Interest | (10,530.72) |
| - Proceeds/(repayments) | (13,129.81) |
| Foreign exchange loss on borrowing | (126.93) |
| Lease liability | 41.62 |
| Accrual | 10,501.48 |
| March 31, 2022 | 1,33,390.42 |

Summary of significant accounting policies

2.2

As per our report of even date

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

 For and on behalf of the Board of Directors of
 Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)
 (as Investment Manager of India Grid Trust)

per Huzefa Ginwala
 Partner
 Membership Number : 111757

Harsh Shah
 CEO & Whole-time Director
 DIN: 02496122

Swapnil Patil
 Company Secretary
 Membership Number : 24861

Jyoti Kumar Agarwal
 Chief Financial Officer

 Place : Pune
 Date : May 20, 2022

 Place : Mumbai
 Date : May 20, 2022

 Place : Mumbai
 Date : May 20, 2022

 Place : Mumbai
 Date : May 20, 2022

INDIA GRID TRUST

Disclosures Pursuant to SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations)

A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT

(₹ in Million)

| Particulars | March 31, 2022 | | March 31, 2021 | |
|--------------------------------|----------------|-------------|----------------|-------------|
| | Book value | Fair value | Book value | Fair value |
| A. Assets | 1,95,570.35 | 2,32,813.33 | 2,00,354.50 | 2,37,186.21 |
| B. Liabilities (at book value) | 1,40,591.51 | 1,40,591.51 | 1,51,849.58 | 1,51,849.58 |
| C. Net Assets (A-B) | 54,978.85 | 92,221.82 | 48,504.92 | 85,336.63 |
| D. Number of units | 700.19 | 700.19 | 583.49 | 583.49 |
| E. NAV (C/D) | 78.52 | 131.71 | 83.13 | 146.25 |

Total assets after provision for impairment on investment in subsidiaries determined based on fair valuation. For the purpose of NAV Computation we have considered 100% of the fair valued assets and liabilities of PrKTCL and NER II (till 2020-2021) and the effect of non controlling interest of 26% of the fair valued assets and liabilities is not considered to arrive at the computed NAV.

Project wise breakup of fair value of assets as at March 31, 2022

(₹ in Million)

| Project | March 31, 2022 | March 31, 2021 |
|---|--------------------|--------------------|
| Bhopal Dhule Transmission Company Limited | 21,000.16 | 20,903.57 |
| Jabalpur Transmission Company Limited | 17,216.04 | 16,340.59 |
| Maheshwaram Transmission Limited | 6,007.60 | 5,984.30 |
| RAPP Transmission Company Limited | 4,524.97 | 4,295.43 |
| Purulia & Kharagpur Transmission Company Limited | 6,835.12 | 6,964.28 |
| Patran Transmission Company Limited | 2,693.67 | 2,622.19 |
| NRSS XXIX Transmission Limited | 47,854.07 | 49,275.13 |
| Odisha Generation Phase-II Transmission Limited | 14,906.52 | 15,188.55 |
| East North Interconnection Company Limited | 12,013.95 | 12,821.20 |
| Gurgaon-Palwal Transmission Limited# | 12,446.29 | 12,858.56 |
| Jhajjar KT Transco Private Limited# | 3,524.22 | 3,172.87 |
| Parbati Koldam Transmission Company Limited# | 9,792.84 | 10,226.37 |
| NER II Transmission Limited# | 53,738.42 | 67,695.29 |
| IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ^ | 4,080.18 | - |
| IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ^ | 4,090.17 | - |
| Kallam Transmission Limited | 243.38 | - |
| Subtotal | 2,20,967.62 | 2,28,348.33 |
| Assets (in IndiGrid) | 11,845.72 | 8,837.88 |
| Total assets | 2,32,813.33 | 2,37,186.21 |

The Trust has acquired Gurgaon-Palwal Transmission Limited with effect from August 28, 2020, Jhajjar KT Transco Private Limited with effect from September 28, 2020, Parbati Koldam Transmission Company Limited with effect from January 08, 2021 and NER II Transmission Limited with effect from March 25, 2021.

^ The Trust has acquired IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) (from July 13, 2021) with effect from July 13, 2021.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

| (₹ in Million) | | |
|--|------------------|------------------|
| Project | March 31, 2022 | March 31, 2021 |
| Total comprehensive income (as per the statement of profit and loss) | 3,433.55 | 3,347.71 |
| Add/ (Less): other changes in fair value (e.g., in property, plant & equipment (if cost model is followed)) not recognised in total comprehensive income | 9,009.91 | 28,286.19 |
| Total Return | 12,443.46 | 31,633.90 |

Notes:

- Fair value of assets as at March 31, 2022 and as at March 31, 2021 and other changes in fair value for the year then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.
- Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 29A.

ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF ANNEXURE A TO THE SEBI CIRCULAR NO. CIR/IMD/DF/127/2016
A) Statement of Net Distributable Cash Flows (NDCFs) of India Grid Trust

| (₹ in Million) | | |
|--|---|---|
| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
| Cash flows received from the Portfolio Assets in the form of interest | 16,885.69 | 11,370.40 |
| Cash flows received from the Portfolio Assets in the form of dividend | 282.66 | 413.89 |
| Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid | 161.96 | 78.30 |
| Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid | 4,132.52 | 26,912.59 |
| Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law | - | - |
| Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently | - | - |
| Total cash inflow at the IndiGrid level (A) | 21,462.83 | 38,775.18 |
| Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i and ii) | (9,371.42) | (5,206.08) |
| Less: Costs/retention associated with sale of assets of the Portfolio Assets: | - | - |
| -related debts settled or due to be settled from sale proceeds of Portfolio Assets; | - | - |
| -transaction costs paid on sale of the assets of the Portfolio Assets; and | - | - |
| -capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments. | - | - |
| Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/special purpose vehicles (Excluding refinancing) | - | - |
| Less: Income tax (if applicable) at the standalone IndiGrid level | (23.62) | 1.18 |
| Less: Amount invested in any of the Portfolio Assets for service of debt or interest | (2,609.64) | (25,487.90) |
| Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets | (35.00) | - |
| Total cash outflows / retention at IndiGrid level (B) | (12,039.68) | (30,692.80) |
| Net Distributable Cash Flows (C) = (A+B) | 9,423.15 | 8,082.38 |

Notes :

- Does not include interest accrued but not due for quarter and year ended March 31, 2022 of Nil (March 31, 2021: ₹ 348.47 Million) related to market linked non convertible debentures ('MLDs') which was payable on maturity of these MLDs from FY 2022 to FY 2024. In the current year, the Trust has repaid the MLDs and corresponding interest accrued to the extent of ₹ 659.32 Million and has been included in the NDCF computation.
- Does not include Earn - out expenses for quarter and year ended March 31, 2022 of Nil (quarter ended December 31, 2021 of Nil, quarter ended March 31, 2021 of Nil and year ended March 31, 2021 of ₹ 117.27 Million).

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

B) Statement of Net Distributable Cash Flows (NDCFs) of underlying Holdcos and SPVs**(i) IndiGrid Limited (formerly known as Sterlite Grid 1 Limited) (Holdco)**

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | (960.78) | 851.22 |
| Add: Depreciation, impairment and amortisation | 25.16 | (1,481.96) |
| Add/Less: Decrease/(increase) in working capital | (31.28) | 50.50 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 537.24 | 638.24 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | - | (21.92) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | 187.60 | (157.16) |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 718.72 | (972.29) |
| Net Distributable Cash Flows (C) = (A+B) | (242.06) | (121.07) |

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(ii) Bhopal Dhule Transmission Company Limited (BDTCL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | (157.55) | 97.41 |
| Add: Depreciation, impairment and amortisation | 709.21 | 704.88 |
| Add/Less: Decrease/(increase) in working capital | (79.66) | 110.82 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 1,239.73 | 1,321.63 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (66.97) | (85.26) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | 40.40 |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on interest free loan or other debentures; | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | 3.39 | 3.75 |
| Loss on account of MTM of F/W & ECB | (116.66) | 113.40 |
| Non Cash Income - Reversal of Prepayment penalty | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | (43.79) |
| Total Adjustments (B) | 1,689.04 | 2,165.83 |
| Net Distributable Cash Flows (C) = (A+B) | 1,531.49 | 2,263.24 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(iii) Jabalpur Transmission Company Limited (JTCL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | (1,815.28) | 329.75 |
| Add: Depreciation, impairment and amortisation | 410.58 | (1,617.83) |
| Add/Less: Decrease/(increase) in working capital | (65.80) | 131.83 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 2,856.80 | 2,729.80 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | 26.91 | (25.16) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 3,228.49 | 1,218.64 |
| Net Distributable Cash Flows (C) = (A+B) | 1,413.21 | 1,548.39 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(iv) Maheshwaram Transmission Limited (MTL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | (177.74) | (157.52) |
| Add: Depreciation, impairment and amortisation | 121.75 | 121.77 |
| Add/Less: Decrease/(increase) in working capital | (7.62) | 18.09 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 589.97 | 581.70 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (0.02) | (1.64) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 704.08 | 719.92 |
| Net Distributable Cash Flows (C) = (A+B) | 526.34 | 562.40 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(v) RAPP Transmission Company Limited (RTCL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | 20.22 | 10.80 |
| Add: Depreciation, impairment and amortisation | 85.93 | 85.65 |
| Add/Less: Decrease/(increase) in working capital | 1.80 | 39.98 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 318.60 | 334.02 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | 0.07 | (7.54) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 406.40 | 452.11 |
| Net Distributable Cash Flows (C) = (A+B) | 426.63 | 462.91 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(vi) Purulia & Kharagpur Transmission Company Limited (PKTCL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | 47.46 | (22.74) |
| Add: Depreciation, impairment and amortisation | 143.03 | 142.88 |
| Add/Less: Decrease/(increase) in working capital | (18.24) | 53.63 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 557.65 | 583.68 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (0.65) | (3.93) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | 1.26 | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 683.05 | 776.26 |
| Net Distributable Cash Flows (C) = (A+B) | 730.51 | 753.52 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(vii) Patran Transmission Company Limited (PTCL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | (115.32) | (144.84) |
| Add: Depreciation, impairment and amortisation | 159.75 | 180.98 |
| Add/Less: Decrease/(increase) in working capital | (3.88) | 14.04 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 249.67 | 258.78 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (6.13) | (7.00) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 399.41 | 446.80 |
| Net Distributable Cash Flows (C) = (A+B) | 284.09 | 301.96 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(viii) IndiGrid 1 Limited (formerly known as Sterlite Grid 2 Limited) (Holdco)

| Description | (₹ in Million) | |
|--|---|---|
| | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
| Profit/(loss) after tax as per profit and loss account (A) | (18.78) | (172.27) |
| Add: Depreciation, impairment and amortisation | - | - |
| Add/Less: Decrease/(increase) in working capital | (2.63) | 19.10 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 4.75 | 171.54 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (0.35) | - |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 1.77 | 190.64 |
| Net Distributable Cash Flows (C) = (A+B) | (17.01) | 18.37 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(ix) NRSS XXIX Transmission Limited (NRSS) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | 102.42 | 28.31 |
| Add: Depreciation, impairment and amortisation | 828.28 | 828.58 |
| Add/Less: Decrease/(increase) in working capital | 85.47 | 243.04 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 3,920.38 | 4,099.21 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (19.82) | (9.55) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | (12.70) |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | 16.45 | 54.61 |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 4,830.76 | 5,203.19 |
| Net Distributable Cash Flows (C) = (A+B) | 4,933.18 | 5,231.50 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(x) IndiGrid 2 Limited (formerly known as Sterlite Grid 3 Limited) (Holdco)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | (99.13) | (87.95) |
| Add: Depreciation, impairment and amortisation | - | - |
| Add/Less: Decrease/(increase) in working capital | 0.30 | 36.39 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 91.22 | 89.55 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (0.15) | - |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 91.37 | 125.94 |
| Net Distributable Cash Flows (C) = (A+B) | (7.76) | 37.99 |

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xi) Odisha Generation Phase-II Transmission Limited (OGPTL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | (439.85) | (79.36) |
| Add: Depreciation, impairment and amortisation | 398.84 | 381.40 |
| Add/Less: Decrease/(increase) in working capital | (97.69) | 193.14 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 1,559.59 | 905.67 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| -related debts settled or due to be settled from sale proceeds; | - | - |
| -directly attributable transaction costs; | - | - |
| -proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (8.67) | (4.37) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| -any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| -interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| -deferred tax; | - | - |
| -unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| -portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| -reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | 12.19 | 1.25 |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | (13.59) |
| Total Adjustments (B) | 1,864.26 | 1,463.51 |
| Net Distributable Cash Flows (C) = (A+B) | 1,424.41 | 1,384.15 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xii) East-North Interconnection Company Limited (ENICL)(SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | Year ended March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) | (466.85) | (105.97) |
| Add: Depreciation, impairment and amortisation | 564.83 | 556.58 |
| Add/Less: Decrease/(increase) in working capital | 33.21 | 141.10 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 1,304.78 | 310.10 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (5.59) | (3.20) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 1,897.23 | 1,004.58 |
| Net Distributable Cash Flows (C) = (A+B) | 1,430.38 | 898.61 |

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xiii) Gurgaon-Palwal Transmission Limited (GPTL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | August 28, 2020* to March 31, 2021 (Audited) |
|--|---|--|
| Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid) | (414.53) | (64.16) |
| Add: Depreciation, impairment and amortisation | 358.42 | 210.11 |
| Add/Less: Decrease/(increase) in working capital | (4.31) | 120.94 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 1,437.73 | 252.70 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (70.25) | 0.02 |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | (1.10) |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | (37.60) | (21.68) |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | 117.56 |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 1,683.99 | 678.55 |
| Net Distributable Cash Flows (C) = (A+B) | 1,269.46 | 614.39 |

* Being the date of acquisition by IndiGrid.

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xiv) Jhajjar KT Transco Private Limited (JKTPL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | September 28, 2020* to March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid) | 10.23 | (7.82) |
| Add: Depreciation, impairment and amortisation | 0.18 | - |
| Add/Less: Decrease/(increase) in working capital | 145.23 | 46.19 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 246.67 | 150.59 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | 0.80 | - |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | (2.40) |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | (1.15) | 2.01 |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 391.73 | 196.39 |
| Net Distributable Cash Flows (C) = (A+B) | 401.96 | 188.57 |

* Being the date of acquisition by IndiGrid.

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xv) Parbati Koldam Transmission Company Limited (PrKTCL) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | January 08, 2021* to March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid) | 75.19 | 69.09 |
| Add: Depreciation, impairment and amortisation | 391.82 | 88.92 |
| Add/Less: Decrease/(increase) in working capital | 175.92 | 156.63 |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 108.02 | - |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (4.25) | (7.73) |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | (13.06) |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | (7.59) | (1.87) |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | 23.22 | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | (186.68) | (89.64) |
| Total Adjustments (B) | 500.46 | 133.24 |
| Net Distributable Cash Flows (C) = (A+B) | 575.65 | 202.33 |

* Being the date of acquisition by IndiGrid.

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xvi) NER II Transmission Limited (NER) (SPV)

(₹ in Million)

| Description | Year ended March 31, 2022 (Audited) | March 25, 2021* to March 31, 2021 (Audited) |
|--|---|---|
| Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid) | (1,258.63) | (46.47) |
| Add: Depreciation, impairment and amortisation | 983.03 | 14.14 |
| Add/Less: Decrease/(increase) in working capital | (471.21) | (62.13) |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 4,180.04 | 58.13 |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (0.00) | - |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | - | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 4,691.86 | 10.14 |
| Net Distributable Cash Flows (C) = (A+B) | 3,433.23 | (36.33) |

* Being the date of acquisition by IndiGrid.

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xvii) **IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) (ISPL1) (SPV)**

(₹ in Million)

| Description | July 13, 2021* to March 31, 2022 (Audited) | Year ended March 31, 2021 |
|--|--|------------------------------|
| Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid) | (262.81) | - |
| Add: Depreciation, impairment and amortisation | 122.69 | - |
| Add/Less: Decrease/(increase) in working capital | 21.13 | - |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 403.20 | - |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (1.76) | - |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | 22.20 | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 567.46 | - |
| Net Distributable Cash Flows (C) = (A+B) | 304.65 | - |

* Being the date of acquisition by IndiGrid.

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST
Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xviii) IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) (ISPL2) (SPV)

(₹ in Million)

| Description | July 13, 2021* to March 31, 2022 (Audited) | Year ended March 31, 2021 |
|--|--|------------------------------|
| Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid) | (242.16) | - |
| Add: Depreciation, impairment and amortisation | 123.57 | - |
| Add/Less: Decrease/(increase) in working capital | (2.73) | - |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | 395.63 | - |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| - related debts settled or due to be settled from sale proceeds; | - | - |
| - directly attributable transaction costs; | - | - |
| - proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | (1.53) | - |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| - any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| - interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| - deferred tax; | 21.58 | - |
| - unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| - portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| - reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | 536.52 | - |
| Net Distributable Cash Flows (C) = (A+B) | 294.36 | - |

* Being the date of acquisition by IndiGrid.

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

INDIA GRID TRUST

Disclosures Pursuant To SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations) (Contd.)

(xix) Kallam Transmission Limited (KTL) (SPV)

(₹ in Million)

| Description | December 28, 2021+ to March 31, 2022 (Audited) | Year ended March 31, 2021 |
|--|---|------------------------------|
| Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid) | - | - |
| Add: Depreciation, impairment and amortisation | - | - |
| Add/Less: Decrease/(increase) in working capital | - | - |
| Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid | - | - |
| Add/less: Loss/gain on sale of infrastructure assets | - | - |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: | - | - |
| -related debts settled or due to be settled from sale proceeds; | - | - |
| -directly attributable transaction costs; | - | - |
| -proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations | - | - |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account | - | - |
| Less: Capital expenditure, if any | - | - |
| Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items) | - | - |
| -any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; | - | - |
| -interest cost as per effective interest rate method (difference between accrued and actual paid); | - | - |
| -deferred tax; | - | - |
| -unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest | - | - |
| -portion reserve for major maintenance which has not been accounted for in profit and loss statement; | - | - |
| -reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement) | - | - |
| Amortisation of Upfront fees | - | - |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements | - | - |
| Total Adjustments (B) | - | - |
| Net Distributable Cash Flows (C) = (A+B) | - | - |

* Being the date of acquisition by IndiGrid.

INDIA GRID TRUST

Notes

to Consolidated Financial Statements for the year ended March 31, 2022
1. GROUP INFORMATION

The consolidated financial statements comprise financial statements of India Grid Trust ("the Trust" or "IndiGrid") and its subsidiaries (collectively, the Group) for the year ended March 31, 2022. IndiGrid is an irrevocable trust settled by Sterlite Power Grid Ventures Limited (the "Sponsor") on October 21, 2016 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on November 28, 2016 having registration number IN/InvIT/16-17/0005. The Trustee of IndiGrid is Axis Trustee Services Limited (the "Trustee"). The Investment manager for IndiGrid is Indigrid Investment Managers Limited (the "Investment Manager" or the "Management").

The objectives of IndiGrid are to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of IndiGrid is to own and invest in power transmission assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at March 31, 2022, Group has following project entities ("Special Purpose Vehicles" or "SPVs") which are transmission infrastructure projects and Solar Projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

1. Bhopal Dhule Transmission Company Limited ('BDTCL')
2. Jabalpur Transmission Company Limited ('JTCL')
3. RAPP Transmission Company Limited ('RTCL')
4. Purulia & Kharagpur Transmission Company Limited ('PKTCL')
5. Maheshwaram Transmission Limited ('MTL')
6. Patran Transmission Company Limited ('PTCL')
7. NRSS XXIX Transmission Limited ('NTL')
8. Odisha Generation Phase-II Transmission Limited ('OGPTL')
9. East-North Interconnection Company Limited ('ENICL')
10. Gurgaon-Palwal Transmission Limited ('GPTL')
11. Parbati Koldam Transmission Company Limited ('PrKTCL')
12. NER II Transmission Limited ('NER')
13. Kallam Transmission Limited ('KTL')

As at March 31, 2022, Group has following project entities which are transmission infrastructure projects developed on Build, Operate and Transfer ('BOT') basis:

1. Jhajjar KT Transco Private Limited ('JKTPL')

These SPVs have executed Transmission Services Agreements ("TSAs") with Long term transmission customers under which the SPVs have to maintain the transmission infrastructure for 25 or 35 years post commissioning.

As at March 31, 2022, following project entities which are engaged in generation of electricity through Solar projects developed Build, Own, Operate and Maintain ('BOOM') basis:

1. IndiGrid Solar – I (AP) Private Limited ('IndiGrid Solar – I')
2. IndiGrid Solar – I (AP) Private Limited ('IndiGrid Solar – II')

These SPVs have executed Power Purchase Agreements ("PPAs") with Solar Energy Corporation Limited ('SECI') for sale of electricity for 25 years post commissioning.

The address of the registered office of the Investment Manager is Unit No 101, First Floor, Windsor Village, Kolkalyan Off CST Road, Vidyanagari Marg, Santacruz(East) Mumbai, Maharashtra- 400098, India. The financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 27 May 2022.

2. SIGNIFICANT ACCOUNTING POLICIES
2.1 Basis of preparation

The consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2022 and the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCF's) of the Trust, the underlying holding company ("HoldCo") and each of its subsidiaries for the year then ended and a summary of significant accounting policies and other explanatory notes prepared in accordance with Indian Accounting Standards as defined in Rule 2(1) (a) of the Companies (Indian Accounting Standards) Rules, 2015(as amended), prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations").

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

- Derivative financial instruments
- Certain financial assets measured at fair value (e.g. Liquid mutual funds)

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

As at March 31, 2022, current liabilities exceed the current assets of the Group because of current maturity of the long-term borrowings. The Group is exploring the options to refinance the current maturity of the long-term borrowing when they become due for repayment. As per regulation 20 of INVIT regulations 2014, the Group is eligible for a total debt (net of cash and cash equivalents) of 70% to AUM. As at March 31, 2022, the total debt (net of cash and cash equivalents) to AUM is within the prescribed limits.

2.2 Basis of consolidation

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

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

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

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., year ended on March 31.

Consolidation procedure:

- (a). Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b). Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c). Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the unit holders of the Trust and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Acquisition of Transmission and Solar SPVs classified as asset acquisitions

The Group acquires operational transmission

and Solar Project SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission and Solar assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years and fixed tariff rate per unit under power purchase agreement ('PPA') for 25 years. The only key activity for these SPVs is the maintenance of the transmission assets and project assets which is outsourced to third parties and partially done in house. There are few employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

The Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

c) Foreign currencies

The Group's consolidated financial statements are presented in ₹ (INR), which is its functional currency. The Group does not have any foreign operation.

Transactions and balances

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

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

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

d) Fair value measurement

The Group measures financial instruments such as mutual funds at fair value at each balance sheet date.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability,

assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

In estimating the fair value of transmission assets/projects, the Group engages independent qualified external valuers to perform the valuation. The management works closely with the external valuers to establish the appropriate valuation techniques and inputs to the model. The management in conjunction with the external valuers also compares the change in fair value with relevant external sources to determine whether the change is reasonable. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

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

- Quantitative disclosures of fair value measurement hierarchy
- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

e) Revenue from contracts with customers

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

Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for periods of 35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power

transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

Solar Business – Electricity generation

Revenue from contracts with customers comprises of revenue arrangement is based on long term PPA with its customer SECI. As per the PPA, the Group's performance obligation is to supply solar power at a rate specified in the PPA. Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer. Estimates used in the revenue recognition as mentioned above are re-assessed periodically and are adjusted if required.

Regulatory Assets and revenue:

The group determines revenue gap for the period (i.e shortfall in actual returns over assured returns) based on the principles laid down under the CERC regulations and tariff orders issued by CERC. In respect of such revenue gaps, appropriate adjustments, have been made for the respective periods on a conservative basis in accordance with accounting policies and the requirement of Ind AS 114, "regulatory deferral accounts" read with guidance note on rate regulated activities issued by Institute of Chartered Accountants of India. ("ICAI")

Service Concession Arrangements:

The group through one of its subsidiaries also has operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor.

Under Appendix D to Ind AS 115, this arrangement is considered as Service Concession Arrangement and in accordance with para 16 of the Appendix D to Ind AS 115, rights to receive the consideration from the grantor for providing services has been recognised as "financial assets".

Finance Income for Service Concession Arrangements under finance assets model is recognised using effective interest rate method.

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Revenue from operations and maintenance services are separately recognised in each period as and when services are rendered.

Contract balances

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been billed to the customers are disclosed as Trade receivables and amounts which are to be billed to the customers (and not conditional on the group's future performance) are disclosed under Other financial assets. Refer accounting policies for financial assets in Financial instruments – initial recognition and subsequent measurement.

f) Interest income/Dividend income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Income from dividend on investments is accrued in the year in which it is declared, whereby the Group's right to receive is established.

g) Taxation

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

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

Sales/value added/goods and service taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added/goods and service taxes paid, except:

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

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

h) Property, plant and equipment

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

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

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

| Asset Category | Useful Life considered | Useful life (Schedule II#) |
|---|-------------------------------|-----------------------------------|
| Leasehold improvements | Lease Period* | 30 |
| Buildings (substation) | 25 | 30 |
| Substations | 25-35 | 40 |
| Transmission lines (including components) | 25-35 | 40 |
| Plant and machinery | 2-5 | 15 |
| Solar Plants | 25 | 40 |
| Data Processing Equipment (Computers) | 3-5 | 3-6 |
| Furniture and Fittings | 5-7.5 | 10 |
| Office equipment's | 4-5 | 3 |
| Motor Vehicles | 8 | 8 |
| Roads | 10 | 10 |

Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies.

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

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

The Group, based on technical assessments made by technical experts and management estimates, depreciates buildings (substation) and certain items of plant and equipment, data processing equipment, furniture and fittings, office equipment and vehicles over estimated useful lives which are different from the useful lives prescribed in Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

i) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated useful life on a straight-line basis. Software is amortised over the estimated useful life ranging from 5-10 years.

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 consolidated statement of profit and loss when the asset is derecognised.

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 different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

j) Borrowing Costs

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

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

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

Right-of-use assets

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

- Office Premises 5 years

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments)

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 32).

Short-term leases and leases of low-value assets

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

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of

ownership of an asset are classified as operating leases. Rental income from operating lease is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

I) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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.

m) Provisions

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

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

n) Financial instruments

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

Financial assets

Initial recognition and measurement

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

date, i.e., the date that the Group commits to purchase or sell the asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTOCI

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have any financial assets which are subsequently measured at FVTOCI.

Debt instrument at FVTPL

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

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

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are

classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Derecognition

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

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

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

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Impairment of financial assets

Majority of the financial assets of the Group which are not reflected at fair value pertain to trade and other receivables. Considering the nature of business, the Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. Also, the Group does not have any history of impairment of trade and other receivables.

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

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

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

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

Offsetting of financial instruments

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

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

o) Derivative financial instruments and hedge accounting

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

Since the Group does not meet the strict criteria for hedge accounting, it has not applied hedge accounting in respect of its derivative contracts.

p) Cash and cash equivalents

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

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

q) Cash distribution to unit holders

The Group recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

r) Earnings per unit

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units

outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unit holders of the Trust and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Changes in accounting policies and disclosures

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2020.

These amendments had no impact on the financial statements of the Trust.

(ii) Amendments to Ind AS 103 Business Combinations

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS. This amendment had no impact on the standalone financial statements of the Trust.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Trust.

(iv) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Trust.

These amendments are applicable prospectively for annual periods beginning on or after the April 1, 2020. The amendments to the definition of material are not expected to have a significant impact on the Trust's standalone financial statements.

(v) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Trust. Trust intends to use the practical expedients in future periods if they become applicable.

(vi) (Conceptual framework for financial reporting under Ind AS issued by ICAI

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Trust.

These amendments are applicable prospectively for annual periods beginning on or after the April 1, 2020. The amendments to the definition of material are not expected to have a significant impact on the Trust's standalone financial statements.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT (PPE)

| Particulars | Freehold land | Lease hold land | Building - office (leasehold improvements) | Building - Substations | Substations | Transmission lines | Plant and machinery | Data processing equipments | Furniture and fitting | Office equipment | Vehicle | Solar Power Plant | Road | Right of use (refer note (a) below) | Total |
|---|---------------|-----------------|--|------------------------|-------------|--------------------|---------------------|----------------------------|-----------------------|------------------|---------|-------------------|------|-------------------------------------|-------------|
| Gross block | | | | | | | | | | | | | | | |
| As at April 01, 2020 | 121.57 | 89.86 | 0.59 | 119.83 | 16,250.75 | 97,553.84 | 6.10 | 3.25 | 2.44 | 4.51 | 4.24 | - | 5.57 | 53.67 | 1,14,216.22 |
| Additions | - | - | 1.35 | - | 102.09 | 2,466.20 | 0.12 | 7.84 | 0.52 | 1.18 | - | - | - | - | 2,579.31 |
| Additions on account of acquisition (refer note 28) | 651.88 | - | - | 102.68 | 14,243.50 | 42,499.56 | 0.62 | 0.06 | 5.81 | 7.36 | - | - | - | - | 57,511.47 |
| Disposals | - | - | - | - | (57.84) | (3.48) | (0.26) | (0.01) | (0.13) | (0.02) | - | - | - | - | (61.74) |
| Adjustments for Present Value | - | - | - | - | - | - | - | - | - | - | - | - | - | (1.34) | (1.34) |
| As at March 31, 2021 | 773.45 | 89.86 | 1.94 | 222.51 | 30,538.50 | 1,42,516.13 | 6.58 | 11.14 | 8.64 | 13.03 | 4.24 | - | 5.57 | 52.33 | 1,74,243.92 |
| Additions | 17.07 | - | - | - | 104.40 | 61.99 | 75.60 | 57.85 | 15.91 | 32.93 | 2.92 | - | - | - | 368.67 |
| Additions on account of acquisition (refer note 28) | 2.04 | - | - | - | - | - | - | - | - | - | - | 5,895.99 | - | 3.88 | 5,901.92 |
| Disposals | - | - | - | - | - | 4,461.87 | (0.45) | - | (0.02) | (0.99) | (0.80) | - | - | - | (2.25) |
| Adjustments on account of acquisition | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,461.87 |
| As at March 31, 2022 | 792.56 | 89.86 | 1.94 | 222.51 | 30,642.90 | 1,47,039.99 | 81.73 | 69.00 | 24.53 | 44.98 | 6.36 | 5,895.99 | 5.57 | 56.21 | 1,84,974.13 |
| Depreciation | | | | | | | | | | | | | | | |
| As at April 01, 2020 | - | 9.95 | 0.07 | 17.18 | 1,174.27 | 4,838.14 | 2.46 | 1.23 | 1.11 | 2.28 | 0.65 | - | 3.05 | 2.67 | 6,053.06 |
| Charge for the year | - | 3.52 | 0.06 | 6.21 | 559.67 | 3,717.85 | 0.80 | 1.95 | 0.86 | 2.61 | 0.93 | - | - | 10.39 | 4,304.85 |
| Disposals | - | - | - | - | (12.28) | - | - | - | - | - | - | - | - | - | (12.28) |
| Impairment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | - | 13.47 | 0.13 | 23.39 | 1,721.66 | 8,555.99 | 3.26 | 3.18 | 1.97 | 4.89 | 1.58 | - | 3.05 | 13.06 | 10,345.63 |
| Charge for the year | - | 3.51 | 0.01 | 12.48 | 1,014.16 | 5,302.30 | 0.84 | 7.53 | 2.86 | 7.46 | 1.21 | 263.32 | - | 10.64 | 6,626.31 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | 120.14 | - | - | - | - | - | - | - | - | 120.14 |
| As at March 31, 2022 | - | 16.98 | 0.14 | 35.87 | 2,735.82 | 13,978.44 | 4.10 | 10.70 | 4.83 | 12.35 | 2.79 | 263.32 | 3.05 | 23.70 | 17,092.08 |
| Net Block | | | | | | | | | | | | | | | |
| As at March 31, 2021 | 773.45 | 76.39 | 1.81 | 199.12 | 28,816.84 | 1,33,960.13 | 3.32 | 7.97 | 6.67 | 8.14 | 2.66 | - | 2.52 | 39.27 | 1,63,898.29 |
| As at March 31, 2022 | 792.56 | 72.88 | 1.80 | 186.64 | 27,907.08 | 1,33,061.56 | 77.63 | 58.29 | 19.70 | 32.63 | 3.57 | 5,632.67 | 2.52 | 32.51 | 1,67,882.05 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)
Note a): Right-of- use asset

The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The lease liability has been measured by using the incremental borrowing rate.

The Group has also taken leasehold land which has lease term of 25 years from the commercial operation date (COD) in relation to which the company is required to pay a fixed annual operating and maintenance expenses for using common infrastructure facilities. The lease liability has been measured by using the incremental borrowing rate.

Note 3.1: Intangible assets

(₹ in million)

| Particulars | Computer software/License | Right-to-use common | Total |
|--|---------------------------|---------------------|---------------|
| Gross block | | | |
| As at April 01, 2020 | - | - | - |
| Additions | - | - | - |
| Acquisition of a subsidiary (restated) | - | - | - |
| As at March 31, 2021 | - | - | - |
| Additions | 93.07 | | 93.07 |
| Acquisition of a subsidiary (restated) | 4.98 | 428.45 | 433.43 |
| Discontinued operations | - | - | - |
| As at March 31, 2022 | 98.05 | 428.45 | 526.50 |
| Amortisation and impairment | | | |
| As at April 01, 2020 | - | - | - |
| Amortisation | - | - | - |
| As at March 31, 2021 | - | - | - |
| Amortisation | 14.50 | 14.05 | 28.55 |
| Impairment | - | - | - |
| Discontinued operations | - | - | - |
| As at March 31, 2022 | 14.50 | 14.05 | 28.55 |
| Net book value | | | |
| As at March 31, 2022 | 83.55 | 414.40 | 497.95 |
| As at March 31, 2021 | - | - | - |

NOTE 4: CAPITAL WORK-IN-PROGRESS (CWIP)

(₹ in million)

| | March 31, 2022 | March 31, 2021 |
|-----------------|----------------|----------------|
| Opening balance | 97.09 | - |
| Additions | 29.88 | 97.09 |
| Capitalised | (90.55) | - |
| Total | 36.42 | 97.09 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

| CWIP Ageing Schedule as at March 31, 2022 | Amount in CWIP for a period of | | | | Total |
|--|--------------------------------|-----------|-----------|----------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 36.42 | - | - | - | 36.42 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 36.42 | - | - | - | 36.42 |

| CWIP Ageing Schedule as at March 31, 2021 | Amount in CWIP for a period of | | | | Total |
|--|--------------------------------|-----------|-----------|----------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 97.09 | - | - | - | 97.09 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 97.09 | - | - | - | 97.09 |

NOTE 5: INVESTMENTS

(₹ in million)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|----------------|
| Current | | |
| Investment in mutual funds (valued at fair value through profit or loss) | | |
| Book and market value of quoted investments | | |
| Axis Overnight Fund - Direct Growth (6,496.68 units @ ₹ 1,123.84 each) | 7.30 | - |
| SBI Liquid Fund - Direct Growth (40,632.11 units @ ₹ 3,333.09 each) | 135.43 | - |
| SBI Overnight Fund - Direct Growth (33,551.75 units @ 3,461.35 each) | 144.78 | - |
| HDFC Liquid Fund - Direct Plan-Growth Option (18,762.47 units @ 4,184.74 each) | 78.51 | - |
| Kotak Liquid Fund Direct Plan Growth (18,249.48 units @ 4,302.16 each) | 78.53 | - |
| Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (51,909.77 units @ 5,208.03 each) | 270.35 | - |
| Axis Liquid Fund - Direct Growth (1,16,032 units @ 2,364.08 each) | 274.31 | - |
| Nippon India Overnight Fund - Direct Growth Plan (56,979.86 units @ 114.12 each) | 6.50 | - |
| UTI Liquid Cash Plan - Direct Plan - Growth (71,285.10 units @ 3,488.04 each) | 248.65 | - |
| Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan (5,76,593.20 units @ 343.12 each) | 197.87 | - |
| Aditya Birla Sun Life Overnight Fund -Growth-Direct Plan (8,267.23 units @ 1,149.69) | 9.50 | - |
| Total | 1,451.73 | - |

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 6: LOANS (UNSECURED, CONSIDERED GOOD)

| | (₹ in Million) | |
|-----------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Current | | |
| Education loan to employees | - | 0.85 |
| Total | - | 0.85 |

NOTE 7: OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD) (CARRIED AT AMORTISED COST)

| | (₹ in Million) | |
|---|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Non-Current | | |
| Service Concession receivable (refer note 28) | 2,787.29 | 3,178.09 |
| Less : Provision for expected credit loss | (182.63) | (182.63) |
| Less : Provision for impairment (refer note 28) | - | (175.11) |
| | 2,604.66 | 2,820.35 |
| Viability Gap Funding (VGF) receivable\$ | 143.62 | - |
| Security deposits | 61.38 | 10.40 |
| Bank deposits for remaining maturity of more than 1 year# (refer note 11) | 480.00 | 25.43 |
| Total | 3,289.66 | 2,856.18 |
| Current | | |
| Contract assets - unbilled revenue* | 1,958.43 | 1,849.31 |
| Service Concession Receivable | 344.10 | 132.81 |
| Viability Gap Funding (VGF) receivable\$ | 222.50 | - |
| Advances receivable in cash or kind | 37.88 | 44.33 |
| Interest accrued on deposits | 93.34 | 64.80 |
| Security deposits | 0.23 | - |
| Others | 19.21 | 4.96 |
| Total | 2,675.69 | 2,096.22 |

* Unbilled revenue is the transmission charges and sale of solar power for the month of March 2022 amounting to ₹ 1,958.43 Million (March 31, 2021 : ₹ 1,849.31 Million) billed in the month of April 2022.

\$The Company was eligible to apply for the Viability Gap Funding (VGF) subject to the compliance of certain conditions of VGF Securitisation Agreement, Letter of Intent and Power Purchase Agreement. During the year, the Company has, filed an application to the SECI requesting for VGF disbursement, confirming compliance with the terms and conditions attached to Grant, including creation of charge on June 23, 2021. In the opinion of the management, upon compliance with the terms and conditions, it is now reasonably certain that the VGF collection will ultimately be made and has accordingly, recorded the total grant receivable amounting to ₹ 445.00 Million basis discounting to derive present value of ₹ 328.75 Million, which is disclosed as receivable above and has recognised the income over the useful life on the depreciation asset in the proportions in which depreciation on related assets is charged from the commissioning date.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 9: TRADE RECEIVABLES

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| Trade receivables | 3,904.23 | 2,972.70 |
| Receivables from related parties (refer note 30) | - | 3.85 |
| Less: Allowance for doubtful debts | (6.08) | - |
| Total | 3,898.15 | 2,976.55 |
| Current portion | 3,898.15 | 2,976.55 |
| Non-current portion | - | - |
| Break-up of security details: | | |
| Trade receivables | | |
| - Unsecured, considered good | 3,898.15 | 2,976.55 |
| - Trade receivables which have significant increase in credit risk | - | - |
| - Trade receivables - credit impaired | 6.08 | - |
| | 3,904.23 | 2,976.55 |
| Impairment allowance (allowance for bad and doubtful debts) | | |
| - Unsecured, considered good | - | - |
| - Trade receivables which have significant increase in credit risk | - | - |
| - Trade receivables - credit impaired | (6.08) | - |
| | (6.08) | - |
| Total Trade receivables | 3,898.15 | 2,976.55 |

| Ageing schedule as at March 31, 2022 | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|----------|
| Undisputed Trade Receivables - considered good | 2,912.57 | - | - | - | - | 2,912.57 |
| Undisputed Trade Receivables - which have significant increase in credit risk | 2.95 | 17.44 | 131.68 | 122.90 | - | 274.97 |
| Undisputed Trade receivable - credit impaired | - | - | - | - | 6.08 | 6.08 |
| Disputed Trade Receivables - considered good | - | - | - | 710.61 | - | 710.61 |

| Ageing schedule as at March 31, 2021 | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|----------|
| Undisputed Trade Receivables - considered good | 1,899.09 | 79.11 | 135.53 | 3.91 | - | 2,117.64 |
| Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable - credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | 124.44 | - | 734.47 | - | - | 858.91 |

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

Trade Receivables includes ₹ 710.61 Million (March 31, 2021 - ₹ 734.47 Million) billed on NTPC for the period from the readiness of the Transmission Lines to the date of actual Power Flow. As per the order issued by the CERC, tariff for this is period was to be paid by NTPC. NTPC has filed appeal with the Appellate Tribunal of Electricity against the order of the CERC. NTPC has also filed an stay application against the bill raised by the Company. APTEL has admitted the stay application and asked no coercive action

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

should be taken place till the hearing of the said application. The said Interim Application is listed for hearing on August 2, 2022. Further, the company has provided amount payable to beneficiaries corresponding to the above recoverable amount and according to the prevailing practice the amount shall be paid as and when the same is realised from NTPC. Interest recoverable/payable on these amounts shall be accounted for on actuality in view of uncertainty involved.

Trade receivables are non-interest bearing and are generally on terms of 60 days.

See Note 37 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTE 10: CASH AND CASH EQUIVALENTS

| | (₹ in Million) | |
|--|------------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| Balance with banks | | |
| - in current accounts ^ | 11,873.37 | 23,101.29 |
| Deposit with original maturity of less than 3 months # | - | 2,965.00 |
| Total | 11,873.37 | 26,066.29 |

Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Trust and earn interest at the respective deposit rates.

^ Out of total amount, ₹ 11.38 Million (March 31, 2021: ₹ 9.35 Million) pertains to unclaimed distribution to unitholders.

Includes amount of ₹ Nil Million (March 31, 2021: 2,566.70 Million) is kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

NOTE 11: OTHER BANK BALANCES

| | (₹ in Million) | |
|---|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Current | | |
| Bank deposits with original maturity of more than 12 months | 2,413.43 | 25.43 |
| Amount disclosed under head "other non current financial asset" (refer note 7) | (480.00) | (25.43) |
| | 1,933.43 | - |
| Deposit with original maturity for more than 3 months but less than 12 months # | 1,234.44 | 959.01 |
| Deposit with original maturity for more than 12 months# | - | 812.80 |
| Total | 3,167.87 | 1,771.81 |

Details of lien marked deposits:

1. ₹ 2,322.58 Million (March 31, 2021: ₹ 653.16 Million) is kept in interest service reserve account ('ISRA')/debt service reserve account ('DSRA') as per borrowing agreements with lenders.
2. ₹ 49.58 Million (March 31, 2021: ₹ 291.10 Million) held as lien by bank against bank guarantees.
3. ₹ Nil (March 31, 2021: ₹ 55.00 Million) earmarked against self insurance reserve.
4. ₹ 0.05 Million (March 31, 2021: ₹ 0.05 Million) pledged with Sales Tax Department.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 12: UNIT CAPITAL

A. Reconciliation of the units outstanding at the beginning and at the end of the reporting period

(₹ in Million)

| | Number of units (In Million) | Amount (₹ in Million) |
|--|---------------------------------|--------------------------|
| As at April 01, 2020 | 583.49 | 53,145.69 |
| Units issued during the year (Refer note below) | - | - |
| Issue expenses (Refer note below) | - | - |
| Conversion of loan into equity shares [^] | - | - |
| As at March 31, 2021 | 583.49 | 53,145.69 |
| Issued during the year (refer note below) | 116.70 | 12,836.49 |
| Issue expenses (refer note below) | - | (79.03) |
| Conversion of loan into equity shares [^] | - | - |
| As at March 31, 2022 | 700.19 | 65,903.15 |

Note:

- a) The Trust offered an issue of up to 116,695,404 units of India Grid Trust ("IndiGrid" and such units, the "units"), for cash at a price of ₹ 110.00 per unit (the "issue price"), aggregating to ₹ 12,836.49 Million to the eligible unitholders (as defined in the Letter of Offer) on a rights basis in the ratio of one lot for every five lots (each lot comprising 1,701 units) held by them on the record date, being March 30, 2021 (the "Issue") in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder, including the SEBI Rights Issue Guidelines (the "InvIT Regulations"). The issue opened on April 06, 2021 and closed on April 13, 2021, which was extended to April 16, 2021. The Allotment Committee of the Board of Directors of IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) ('Investment Manager'), considered and approved allotment of 116,695,404 rights units to the eligible unitholders of IndiGrid on 22 April 2021.
- b) Issue expenses of ₹ 79.03 Million incurred in connection with issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

a. Terms/rights attached to units

The Trust has only one class of units. Each unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the InvIT Regulations. The Investment Manager approves distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays distribution in Indian rupees.

A unitholder has no equitable or proprietary interest in the projects of IndiGrid and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of IndiGrid. A unitholder's right is limited to the right to require due administration of IndiGrid in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

B. Unitholders holding more than 5 percent Units in the Trust

(₹ in Million)

| | March 31, 2022 | | March 31, 2021 | |
|---------------------------------------|-------------------|-----------|-------------------|-----------|
| | (Nos. in Million) | % holding | (Nos. in Million) | % holding |
| Esoteric II Pte. Limited | 165.90 | 23.69% | 136.04 | 23.31% |
| Government of Singapore | 140.18 | 20.02% | 116.82 | 20.02% |
| Larsen And Toubro Limited | 38.07 | 5.44% | 36.68 | 6.29% |
| Sterlite Power Transmission Limited * | - | 0.00% | 2.04 | 0.35% |

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef November 15, 2020.

- d. The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further the Trust has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)
NOTE 13: OTHER EQUITY

| | (₹ in Million) | |
|---|--------------------|-------------------|
| | March 31, 2022 | March 31, 2021 |
| Retained earnings/ (Accumulated deficit) | | |
| Balance as per last financial statements | (6,389.90) | (2,659.44) |
| Add: Profit for the year attributable to unit holders | 3,484.58 | 3,339.76 |
| Less: Distribution paid to unitholders | (8,866.01) | (7,060.17) |
| Add: Transferred from self insurance reserve | 50.44 | - |
| Less: Transferred to self insurance reserve | - | (10.06) |
| Closing balance | (11,720.89) | (6,389.90) |
| Self Insurance Reserve | | |
| Balance as per last financial statements | 68.13 | - |
| Add: Transferred from retained earnings | - | 68.13 |
| Less: Transferred to retained earnings | (50.42) | - |
| Less: Transferred to non controlling interest | (17.71) | - |
| Closing balance | - | 68.13 |

NOTE 14: BORROWINGS

| | | (₹ in Million) | |
|---|----------------------------|----------------|----------------|
| | Effective rate of interest | March 31, 2022 | March 31, 2021 |
| Non-current borrowings | | | |
| Debentures | | | |
| 6.65% Category I & II Non convertible Debentures (refer note D below) | 6.65% | 0.01 | - |
| 6.75% Category III & IV Non convertible Debentures (refer note D below) | 7.23% | 100.79 | - |
| 7.45% Category I & II Non convertible Debentures (refer note D below) | 7.76% | 849.69 | - |
| 7.6% Category III & IV Non convertible Debentures (refer note D below) | 7.91% | 953.34 | - |
| 7.7% Category I & II Non convertible Debentures (refer note D below) | 7.94% | 991.64 | - |
| 7.9% Category III & IV Non convertible Debentures (refer note D below) | 8.14% | 403.95 | - |
| 7.49% Category I & II Non convertible Debentures (refer note D below) | 7.49% | 4.72 | - |
| 7.69% Category III & IV Non convertible Debentures (refer note D below) | 7.93% | 118.83 | - |
| 7.95% Category I & II Non convertible Debentures (refer note D below) | 8.14% | 124.80 | - |
| 8.2% Category III & IV Non convertible Debentures (refer note D below) | 8.39% | 5,913.14 | - |
| 7.72% Category I & II Non convertible Debentures (refer note D below) | 7.72% | 4.72 | - |
| 7.97% Category III & IV Non convertible Debentures (refer note D below) | 8.15% | 406.78 | - |
| 7.11% Non-convertible debentures (secured) (refer note A below) | 7.11% | 4,350.00 | 4,350.00 |
| 8.60% Non-convertible debentures (secured) (refer note A below) | 8.60% | 2,500.00 | 2,500.00 |
| 8.40% Non-convertible market linked debentures (secured) (refer note B below) | NA | - | 1,702.19 |
| 9.00% Non-convertible market linked debentures (secured) (refer note B below) | NA | - | 1,976.71 |
| 8.85% Non-convertible debentures (secured) (refer note A below) | 9.53% | 1,989.20 | 1,980.06 |
| 9.10% Non-convertible debentures (secured) (refer note A below) | 9.51% | 2,976.28 | 16,925.60 |
| 8.40% Non-convertible debentures (secured) (refer note A below) | 8.30% | 3,497.63 | 3,496.51 |
| 6.72% Non-convertible debentures (secured) (refer note A and (i) below) | 6.81% | 8,470.48 | - |
| 7.85% Non-convertible debentures (secured) | NA | - | 6,560.00 |
| 6.52% Non-convertible debentures (secured) (refer note A and (i) below) | 6.76% | 1,488.66 | - |
| 7.00% Non-convertible debentures (secured) (refer note A below) | 7.05% | 2,493.70 | 2,496.17 |
| 7.25% Non-convertible debentures (secured) (refer note A below) | 7.38% | 1,494.65 | 1,493.30 |
| 7.40% Non-convertible debentures (secured) (refer note A below) | 7.61% | 993.54 | 992.09 |
| 7.32% Non-convertible debentures (secured) (refer note ii below) | 7.35% | 3,991.06 | - |

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Million)

| | Effective rate of interest | March 31, 2022 | March 31, 2021 |
|---|----------------------------|--------------------|--------------------|
| 8.50% Non-convertible debentures (secured) (refer note A below) | 8.75% | 3,982.52 | 3,974.08 |
| 7.25% Non-convertible debentures (secured) (refer note A and (i) below) | NA | - | 26,498.93 |
| | | 48,100.13 | 74,945.64 |
| Term loans | | | |
| Indian rupee loan from banks (secured) (refer note D and (ii) below) | 7.00%- 8.85% | 61,375.49 | 45,075.91 |
| Indian rupee loan from financial institution (secured) | NA | - | 13,991.34 |
| Foreign currency loan from financial institution (secured) | 7.02% | 1,835.88 | 2,019.68 |
| | | 63,211.37 | 61,086.93 |
| Total non-current borrowings | | 1,11,311.50 | 1,36,032.57 |
| Current borrowings | | | |
| Current maturities of long term borrowings | | | |
| 7.85% Non-convertible debentures (secured) | 7.85% | 6,560.00 | 150.00 |
| 9.10% Non-convertible Debentures of ₹ 10,000,00 each | 9.36% | 13,993.83 | - |
| 8.10% Non-convertible debentures (secured) (refer note B below) | NA | - | 998.83 |
| Indian rupee loan from banks (secured) (refer note D and (ii) below) | 7.00%- 8.85% | 1,232.50 | 8,252.28 |
| Indian rupee loans from financial institution (secured) | NA | - | 109.65 |
| Foreign currency loan from financial institution (secured) | 7.02% | 250.62 | 218.74 |
| Total current borrowings | | 22,036.95 | 9,729.50 |
| The above amount includes : | | | |
| Secured borrowings | | 1,33,348.45 | 1,45,762.07 |
| Unsecured borrowings | | - | - |
| Total long term borrowings | | 1,33,348.45 | 1,45,762.07 |

(i) The above items represent new secured non-convertible debentures that have been issued by the Group during the year ended March 31, 2022.

(ii) During the year ended March 31, 2022 the Group has taken new Indian rupee loans from banks of ₹ 27,600 Million (March 31, 2021 - ₹ 24,900 Million).

(A) Secured Non-convertible debentures referred above to the extent of:

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust /Holdcos to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
- (ii) First pari-passu charge on Escrow account of the Trust;
- (iii) Pledge of the share capital of specified SPVs.

(B) Secured market linked non-convertible debentures referred above to the extent of:

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust /Holdcos to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
- (ii) First pari-passu charge on Escrow account of the Trust;
- (iii) Pledge of the share capital of specified SPVs. During the year, the Trust has prepaid the market linked non-convertible debentures."

(C) Secured non-convertible debentures referred above to the extent of:

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- (ii) First pari-passu charge on Escrow account of the Trust
- (iii) First pari-passu charge on the ISRA and DSRA accounts.
- (iv) Pledge over 51% of the share capital of specified SPVs
The Trust is in the process of creating security charge on the above NCDs."

(D) Secured Listed non-convertible debentures referred above to the extent of:

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
- (ii) First pari-passu charge on Escrow account of the Trust
- (iii) First pari-passu charge on the ISRA and DSRA accounts.
- (iv) Pledge over 51% of the share capital of specified SPVs"

(D) Term loan from banks and financial institutions India Grid Trust
Term loan from banks:
(E) Term loan from banks:

The Indian rupee term loan from bank carries interest at the rate of 7.40% to 8.25% payable monthly. Loan amount installments shall be repayable as per the payment schedule over 5 and 15 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

Bhopal Dhule Transmission Company Limited
Non-Convertible Debentures:

Bhopal Dhule Transmission Company Limited ('BDTCL') had issued 7,350 Non Convertible Debentures ('NCDs') of ₹ 1,000,000/- each on private placement basis which carries an interest at the rate of 7.85%. The interest is payable quarterly at the end of each quarter. 11% of the total debentures are redeemable in structured instalments in accordance

with the redemption schedule. The balance 89% shall be repayable as a bullet repayment on April 04, 2022. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

- (i) First and exclusive charge on all movable assets and immovable assets of issuers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, uncalled capital, right of way/land, civil structures, tower and cables, office buildings. present and future if any for the project.
- (ii) First charge by way of:
 - a) Assignment/hypothecation or creation of security interest present and future of all rights, titles, interest, benefits, claims and demands whatsoever of BDTCL in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;
 - b) All rights, title, interest, benefits, claims and demands whatsoever of the company in the permits, approvals and clearances pertaining to the projects, in the letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document;
 - c) All insurances proceeds (debenture trustee to be the loss payee in the insurance policy).
- (iii) A First charge on letter of credit, Escrow account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.
- (iv) First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of BDTCL, present and future.
- (v) Pledge of 51% of the equity share capital of the BDTCL.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Term loans from bank and financial institutions:

Foreign currency loan from financial institution carries interest at the rate of 6m LIBOR + 2.10% to 3.80% spread. BDTCL has taken currency and interest rate swap to hedge 6m LIBOR to fixed rate. Amount of US\$ 15.62 Million being 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. Remaining amount of US\$ 17.78 Million is being repaid in quarterly instalments till December 2026. 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 BDTCL 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 BDTCL 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 BDTCL 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 India Grid Trust 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 BDTCL."

Odisha Generation Phase-II Transmission Limited**Term loan from banks:**

Odisha Generation Phase-II Transmission Limited had taken Indian rupee term loan from bank. The interest rate was aligned with the bank's 3 year MCLR plus five basis points. 73% of the total amount is repayable in 46 structured quarterly instalments in accordance with amortisation

schedule balance 27% is repayable as a bullet repayment as a last instalment. The Loan together with interest, fees, commission and other monies payable to the bank were secured by:

- (i) A first charge on all the borrower's tangible moveable assets and all other movable assets and current and non-current assets, both present and future.
- (ii) A first charge over all the accounts of the borrower and receivables
- (iii) A first charge on all intangible assets of The Borrower including but not limited to goodwill, rights and undertakings and intellectual property rights and uncalled capital, book debts, current assets, operating cash flows, commissions, revenues of whatsoever nature, both present and future.
- (iv) A first charge on all immovable assets of the Borrower, present and future.
- (v) Pledge of equity shares representing at least 51% of the equity share capital (if Axis bank is sole lender, shares pledged shall be restricted to 30% and balance 21% shall be under a non-disposal undertaking).

During the year, entire loan has been prepaid."

Gurgaon-Palwal Transmission Limited**Term loan from banks:**

Indian rupee term loan from bank and financial Institutions carried interest at the rate of 10.65% p.a to 12.25%. 60% of total loan amount was repayable in 46 structured quarterly instalments post one year moratorium period in accordance with amortisation schedule. Balance 40% of the total loan amount was repayable as a bullet repayment as a last instalment. The loan was 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 were 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

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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 were 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.

During the year, entire loan has been prepaid.

Parbati Koldam Transmission Company Limited
Term loan from banks and financial institutions:
Term Loans from Banks and Financial Institutions (principal undiscounted amount) were secured by:

- a) First pari-passu charge by way of mortgage of all immovable properties acquired for the project, both present and future,
- b) First pari-passu charge by way of hypothecation of all movable assets, including moveable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, present and future,
- c) First pari-passu charge on all the cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future,
- d) First pari-passu charge on all intangibles assets, present and future,
- e) First pari-passu charge on guarantees, letter of credit, performance bond, indemnities etc.
- f) Pledge of promoter's Equity (India Grid Trust) Interest representing at least 51% of the project Equity Capital,

- g) First pari-passu charge on all Insurance Contracts and Insurance Proceeds.
- j) The loan shall be repaid in 168 monthly instalment starting from October 30, 2016.

During the year, entire loan has been prepaid.

NER II Transmission Limited
Term loan from banks:

Indian rupee term loan from banks and from financial institutions carried interest at the rate of 10.50%- 12.65% p.a payable monthly (linked to the Lead Lenders Benchmark Rate with Spread). Total loan amount was repayable in 47 structured quarterly instalments post 6 months moratorium period in accordance with amortisation schedule (tenure of 15 year). The loan was 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 were 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. During the year, entire loan has been prepaid.

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

The below table shows the maturity profile of outstanding NCD and MLD of the Trust and its SPV's the principal of which is repayable in full at the time of maturity :

| Rate of Interest | Repayment | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2028-2029 | 2031-2032 |
|--|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 14,000 9.10% Non-convertible debentures of ₹ 10,00,000 each | June 03, 2022 | 14,000.00 | - | - | - | - | - | - |
| 2,000 8.85% Non-convertible debentures of ₹ 10,00,000 each | November 02, 2022 | 2,000.00 | - | - | - | - | - | - |
| 4,000 8.50% Non-convertible debentures of ₹ 10,00,000 each | March 01, 2024 | - | 4,000.00 | - | - | - | - | - |
| 2,500 7.00% Non-convertible debentures of ₹ 10,00,000 each | June 28, 2024 | - | - | 2,500.00 | - | - | - | - |
| 3000 9.10% Non-convertible debentures of ₹ 10,00,000 each | July 29, 2024 | - | - | 3,000.00 | - | - | - | - |
| 1,500 7.25% Non-convertible debentures of ₹ 10,00,000 each | June 27, 2025 | - | - | - | 1,500.00 | - | - | - |
| 1,000 7.40% Non-convertible debentures of ₹ 10,00,000 each | December 26, 2025 | - | - | - | 1,000.00 | - | - | - |
| 2,500 8.60% Non-convertible debentures of ₹ 10,00,000 each | August 31, 2028 | - | - | - | - | - | 2,500.00 | - |
| 4,350 7.11% Non-convertible debentures of ₹ 10,00,000 each | February 14, 2029 | - | - | - | - | - | 4,350.00 | - |
| 3,500 8.40% Non-convertible debentures of ₹ 10,00,000 each | June 14, 2023 | - | 3,500.00 | - | - | - | - | - |
| 4,000 7.32% Non-convertible debentures of ₹ 10,00,000 each | June 30, 2031 | - | - | - | - | - | - | 4,000.00 |
| 8,500 6.72% Non-convertible debentures of ₹ 10,00,000 each | September 14, 2026 | - | - | - | - | 8,500.00 | - | - |
| 4,000 6.52% Non-convertible debentures of ₹ 10,00,000 each partly paid | April 07, 2025 | - | - | - | 1,500.00 | - | - | - |
| 7,350 7.85% Non-convertible debentures of ₹ 10,00,000 each | April 04, 2022 | 6,560.00 | - | - | - | - | - | - |

Public NCD

| Rate of Interest | Repayment | 2024-2025 | 2026-2027 | 2028-2029 | 2031-2032 |
|--|--------------|-----------|-----------|-----------|-----------|
| 6.65% Category I & II Non-convertible debentures | May 06, 2024 | 0.01 | - | - | - |
| 6.75% Category III & IV Non-convertible debentures | May 06, 2024 | 101.82 | - | - | - |
| 7.45% Category I & II Non-convertible debentures | May 06, 2026 | - | 859.85 | - | - |
| 7.60% Category III & IV Non-convertible debentures | May 06, 2026 | - | 964.74 | - | - |
| 7.70% Category I & II Non-convertible debentures | May 06, 2028 | - | - | 1,004.25 | - |
| 7.90% Category III & IV Non-convertible debentures | May 06, 2028 | - | - | 409.09 | - |
| 7.49% Category I & II Non-convertible debentures | May 06, 2028 | - | - | 4.72 | - |

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

| | | | | | |
|---|--------------|---|---|--------|----------|
| 7.69% Category III & IV Non-convertible debentures | May 06, 2028 | - | - | 120.34 | - |
| 7.95% Category I & II Non-convertible debentures | May 06, 2031 | - | - | - | 126.46 |
| 8.20% Category III & IV Non-convertible debentures | May 06, 2031 | - | - | - | 5,991.84 |
| 7.72% Category I & II Non-convertible debentures | May 06, 2031 | - | - | - | 4.72 |
| 7.97% Category III & IV Non-convertible debentures | May 06, 2031 | - | - | - | 412.18 |

Financial covenants

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, Net Debt to AUM, Net Debt to EBITDA etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower periodically. For the financial year ended March 31, 2022, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

The Group has not defaulted on any loans payable.

NOTE 15: LEASES

| | (₹ in Million) | |
|-----------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Non-Current | | |
| Lease liabilities (refer note 36) | 26.58 | 32.12 |
| | 26.58 | 32.12 |
| Current | | |
| Lease liabilities (refer note 36) | 15.04 | 13.75 |
| | 15.04 | 13.75 |

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 16: TRADE PAYABLES

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises (refer note 35) | 9.05 | 23.25 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 477.24 | 202.08 |
| | 486.29 | 225.33 |
| Trade payables | | |
| - to related parties (refer note 30) | 102.35 | 102.44 |
| - to others | 383.94 | 122.89 |
| Total | 486.29 | 225.33 |

| Ageing schedule as at March 31, 2022 | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|----------|---------|------------------|-----------|-----------|-------------------|--------|
| Total outstanding dues of micro enterprises and small enterprises | - | - | 8.18 | - | - | 0.87 | 9.05 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 296.93 | 129.24 | 27.30 | 23.77 | - | - | 477.24 |

| Ageing schedule as at March 31, 2021 | Not due | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|---------|---------|------------------|-----------|-----------|-------------------|--------|
| Total outstanding dues of micro enterprises and small enterprises | - | 4.20 | - | - | - | 19.05 | 23.25 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 98.19 | 19.05 | 18.39 | 17.07 | 2.64 | 46.74 | 202.08 |

Trade payables are not-interest bearing and are normally settled on 30-90 days terms.

For explanation on the Company's risk management policies, refer note 29A.

NOTE 17: OTHER FINANCIAL LIABILITIES

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Non-Current | | |
| Deferred revenue grant | 270.11 | - |
| Others | 16.30 | - |
| Total | 286.41 | - |
| Current | | |
| Derivative instruments | | |
| Foreign exchange forward contracts | 6.19 | 197.86 |
| Cross currency interest rate swap | 7.04 | - |
| | 13.23 | 197.86 |
| Other financial liabilities at amortised cost | | |
| Interest accrued but not due on borrowings | 1,109.17 | 826.83 |
| Payables for purchase of property, plant and equipment | 917.33 | 616.22 |
| Distribution payable | 11.38 | 9.58 |
| Payable towards project acquired# (refer note 30) | 1,559.21 | 1,780.17 |
| Deferred revenue grant | 13.12 | - |

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|----------------------------------|-----------------|-----------------|
| Employee payable | 30.25 | 24.92 |
| Tariff payable to beneficiaries@ | 1,406.45 | 782.37 |
| Others* | 6.91 | 362.51 |
| | 5,053.82 | 4,402.60 |
| Total | 5,067.05 | 4,600.46 |

* Other payables are non-interest bearing and have an average term of six months and includes amounts pertaining to provision for expenses.

For explanation on the Company's risk management policies, refer note 29A.

@Tariff payables to beneficiaries includes the ₹ 624.08 Million on account of tariff truing up petition filed with CERC for tariff period 2014-19 and 2019-24. It also includes ₹ 782.36 Million payable to beneficiaries due to CERC order on determination of COD on certain elements of project.

Includes ₹ 1,483.89 Million (March 31, 2021: ₹ 1,752.08 Million) is towards acquisition of equity shares of NRSS XXIX Transmission Limited, Odisha Generation Phase-II Transmission Limited, East-North Interconnection Company Limited, Gurgaon-Palwal Transmission Limited, Jhajjar KT Transco Private Limited, Parbati Koldam Transmission Company Limited, NER II Transmission Limited, IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) pursuant to respective share purchase agreements.

NOTE 18: EMPLOYEE BENEFIT OBLIGATIONS

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Non current | | |
| Provision for gratuity (refer note 39) | 4.07 | 1.93 |
| Provision for leave benefit | 4.36 | 2.01 |
| Total | 8.43 | 3.94 |
| Current | | |
| Provision for gratuity (refer note 39) | 0.47 | 0.03 |
| Provision for leave benefit | 0.50 | 1.05 |
| Long term incentive plan (refer note 41) | 22.36 | 11.29 |
| Total | 23.33 | 12.37 |

NOTE 19: OTHER CURRENT LIABILITIES

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---------------------------------|----------------|----------------|
| Current | | |
| Withholding taxes (TDS) payable | 23.27 | 61.80 |
| Advance from customers | 166.62 | 166.62 |
| Statutory dues payables | - | 4.06 |
| WCT payable | 0.38 | - |
| Professional tax payable | 0.04 | - |
| GST payable | 22.45 | - |
| Provident fund payable | 1.62 | - |
| Others | 66.11 | 45.67 |
| Total | 280.49 | 278.15 |

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 20: DEFERRED TAX LIABILITY (NET)

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|------------------|------------------|
| Deferred tax liability | | |
| Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation for financial reporting | 14,995.31 | 11,800.80 |
| Service concession receivable : Impact of difference between tax depreciation and effective rate of interest for financial reporting | 600.76 | 631.72 |
| Recoverable from beneficiaries | (649.63) | (656.57) |
| Gross deferred tax liability (A) | 14,946.44 | 11,775.95 |
| Deferred tax asset | | |
| Financial assets | 93.60 | 204.92 |
| Other items | - | - |
| Allowance for doubtful debts - trade receivables | - | - |
| Tax Losses | 13,803.40 | 10,443.77 |
| Unabsorbed losses under income tax | - | 197.05 |
| Impact of effective interest rate on borrowings | - | 8.82 |
| Gross deferred tax asset (B) | 13,897.00 | 10,854.56 |
| Net deferred tax liability (A-B) | 1,049.44 | 921.39 |

Reconciliation of deferred tax liability

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|----------------|
| Opening deferred tax liability, net | 921.39 | 602.06 |
| Deferred tax liability (net of asset) acquired during the year | 117.07 | 294.41 |
| Deferred tax credit / (charge) recorded in statement of profit and loss | 10.97 | 24.92 |
| Deferred tax (credit) / charge recorded in OCI | - | - |
| Closing deferred tax liability, net | 1,049.43 | 921.39 |

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

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| - Current tax | 43.66 | 49.85 |
| - Deferred tax | 10.97 | 24.92 |
| - Income tax for earlier years | 5.34 | 1.51 |
| Income tax expenses reported in the statement of profit and loss | 59.97 | 76.28 |

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

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Accounting profit before income tax | 3,492.72 | 3,420.37 |
| At India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%) | 879.12 | 860.84 |
| Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust | (830.12) | (784.56) |
| Impact on deferred tax due to change in tax rates (refer note above) | 10.97 | 24.92 |
| At the effective income tax rate | 59.97 | 76.28 |
| Income tax expense reported in the statement of profit and loss | 59.97 | 76.28 |

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- As at March 31, 2022, based on the expected future profitability of the SPVs, the management has recognised deferred tax assets on the unabsorbed tax depreciation carried forward only to the extent of deferred tax liability.
- The Group has ₹ 13,923.31 Million (March 31, 2021: ₹ 7,131.07 Million) of tax losses carried forward on which deferred tax asset has not been recognised. If the Group was able to recognise all unrecognised deferred tax assets, profit after tax would have increased and equity would have increased by ₹ 3,504.50 Million (March 31, 2021: ₹ 1,794.89 Million). Further, for the calculation of deferred tax assets/liabilities, the Group has not considered tax holiday available under the Income Tax Act for some of the project SPVs for the computation of deferred tax assets/liabilities. The management based on estimated cash flow workings for these project, believes that since there will be losses in the initial years of these project, no benefit under the Income tax Act would accrue to these projects in respect of the tax holiday. Management will re-assess this position at each balance sheet date.

NOTE 21: REVENUE FROM CONTRACTS WITH CUSTOMERS

| | (₹ in Million) | |
|--|------------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| Disaggregated revenue information | | |
| Type of service | | |
| Power transmission services | 21,614.28 | 16,769.19 |
| Revenue from sale of electricity (solar) | 607.55 | - |
| Total | 22,221.83 | 16,769.19 |

(A) Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCS) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCS. The TSAs are executed for a period of 35 / 25 years and have fixed tariff charges as approved by CERC (except some escalable portion and some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group's performance obligation is to provide power transmission services. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. The payment is generally due within 60 days upon receipt of monthly invoice by the customer. The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and

Losses) Regulations, 2010 ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCS are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount.

(B) Revenue from sale of solar power generated is recognised on accrual basis (net of deviations as per the Deviation Settlement Mechanism) on the basis of the billings as per the long term Power Purchase Agreement with Solar Energy Corporation of India (SECI) and includes unbilled revenues accrued upto the end of the accounting period."

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures since the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|------------------|------------------|
| Revenue as per contracted price | 21,665.43 | 16,093.42 |
| Adjustments: | | |
| Incentives earned for higher asset availabilities | 508.56 | 457.41 |
| Surcharges received for late payments | 159.02 | 271.68 |
| Rebates given for early payments | (111.18) | (53.32) |
| Total revenue from contracts with customers | 22,221.83 | 16,769.19 |

Project wise break up of revenue from contracts with Customers

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|------------------|------------------|
| Bhopal Dhule Transmission Company Limited | 2,717.86 | 3,081.25 |
| Jabalpur Transmission Company Limited | 1,546.12 | 1,540.60 |
| Maheshwaram Transmission Limited | 580.72 | 587.22 |
| RAPP Transmission Company Limited | 457.18 | 460.32 |
| Purulia & Kharagpur Transmission Company Limited | 773.37 | 758.88 |
| Patran Transmission Company Limited | 318.60 | 320.71 |
| NRSS XXIX Transmission Limited | 5,021.84 | 5,233.88 |
| Odisha Generation Phase-II Transmission Limited | 1,648.67 | 1,736.29 |
| East North Interconnection Company Limited | 1,494.32 | 1,472.73 |
| Gurgaon-Palwal Transmission Limited# | 1,494.28 | 908.86 |
| Jhajjar KT Transco Private Limited# | 292.47 | 191.40 |
| Parbati Koldam Transmission Company Limited# | 1,088.26 | 376.30 |
| NER II Transmission Limited# | 4,157.23 | 100.75 |
| Kallam Transmission Limited* | - | - |
| IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) * | 305.54 | - |
| IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited)* | 325.37 | - |
| Total revenue from contracts with customers | 22,221.83 | 16,769.19 |

* In the current year, the Trust has acquired IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) with effect from July 13, 2021 and Kallam Transmission Limited with effect from December 28, 2021. Amounts stated above pertain to post acquisition revenue.

In the previous year, the Trust acquired Gurgaon-Palwal Transmission Limited with effect from August 28, 2020, Jhajjar KT Transco Private Limited with effect from September 28, 2020, Parbati Koldam Transmission Company Limited with effect from January 08, 2021 and NER II Transmission Limited with effect from March 25, 2021. Amounts stated above pertain to post acquisition revenue.

- a. The Appellate Tribunal for Electricity ('ATE') vide its order dated October 20, 2020 provided its approval for claiming additional cost incurred by Bhopal Dhule Transmission Company Limited ('BDTCL') due to delay in actual commercial operation dates ('COD') as a change in law event. As per the terms of the Transmission Service Agreement (TSA), for an increase in the cost of the project, BDTCL is entitled to claim additional tariff from the COD. The additional cost has resulted in an increase in non-escalable tariff by approximately 2.99% from the date of COD. Accordingly, BDTCL has revised its monthly billing to the Power Grid Corporation of India Limited (PGCIL) (CTU) effective from October 2020 by 2.99% for additional tariff and the same is accounted as revenue from operations in the statement of profit and loss for the quarter ended December 31, 2020 and year ended March 31, 2021. Additional arrear revenue from the actual COD till September 30, 2020 amounting to ₹ 428.35 Million was been received by BDTCL during the last quarter of the year and has been recognised as revenue from operations for the quarter / year.

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

BDTCL has also entered into a Project Implementation and Management Agreement between Axis Trustee Services Limited (as the Trustee of India Grid Trust), IndiGrid Investment Mangers Limited (as the Investment Manager of India Grid Trust) and Sterlite Power Grid Ventures Limited* as the Project Manager, as per which payment of 70% of the Net Present Value of additional tariff received by BDTCL has to be paid to SPGVL* by the Group.

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL')."

- b. Jhajjar KT Transco Private Limited has entered into a transmission agreement with Haryana Vidyut Prasaran Nigam Limited (HVPNL) for obtaining exclusive right to construct, operate and maintain the transmission lines on design, build, finance, operate and transfer (DBFOT) basis for a specified period (concession period) commencing from the date of grant of the Transmission License and receive monthly determinable annuity payments. The agreement provides an option for extension of the concession period. Upon completion of concession period or on

termination of agreement, transmission lines will vest with the grantor free and clear of all encumbrances. In terms of para 16 of Appendix D to IndAS 115, cost of construction of transmission lines has been recognised as a part of financial assets under the head service concession receivable. Annuity payments received under the agreement have been accounted as revenue from contracts with customers.

- c. Parbati Koldam Transmission Company Limited during the period has proportionately recognised the Transmission Service Charges (TSC) for the period starting from April 01, 2020 till March 31, 2021 which is based on the final tariff order approved by the CERC and applicable as on March 31, 2019, since the tariff petition for the tariff period 2019 -2024 is yet to be filed by PrKTCL. Difference in the revenue recognised and the tariff approved for tariff period 2019-24 shall be recognised once the tariff petition is filed by PrKTCL and the same is approved by the CERC for the tariff period 2020-2024.
- d. Initial License fees is recognised based on monthly license fees agreed between NER II Transmission Limited and licensee's for use of infrastructure assets.

NOTE 22: OTHER INCOME

| | (₹ in Million) | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Sale of scrap | 28.86 | - |
| Profit on sale of property, plant and equipment | 0.19 | - |
| Reimbursements received | 43.55 | 82.88 |
| Deferred income on VGF | 13.12 | - |
| Miscellaneous income | 74.89 | 10.15 |
| Total | 162.01 | 93.03 |

NOTE 23: EMPLOYEE BENEFIT EXPENSES

| | (₹ in Million) | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Salaries, wages and bonus | 238.13 | 113.30 |
| Contribution to provident fund and superannuation fund | 8.75 | 6.72 |
| Employees long term incentive programme (refer note 33) | 17.90 | 11.29 |
| Gratuity expense (refer note 33) | 2.71 | 2.69 |
| Staff welfare expenses | 20.86 | 6.78 |
| Total | 288.35 | 140.78 |

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 24: OTHER EXPENSES

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|-----------------|
| Project management fees (refer note 24)* | 29.77 | 63.79 |
| Investment management fees (refer note 24)# | 434.12 | 330.71 |
| Power and fuel | 41.20 | 21.27 |
| Rent | 6.95 | 4.58 |
| Rates and taxes | 96.50 | 62.74 |
| Insurance expenses | 252.43 | 243.64 |
| Vehicle hire charges | 36.87 | 18.60 |
| Loss on sale of assets | 0.16 | 40.42 |
| Director Sitting Fee | 5.93 | 2.22 |
| Security charges | 46.05 | 22.16 |
| Interest on TDS | - | 3.15 |
| Earn out expenses * | (0.35) | 796.80 |
| Bay Charges | 53.18 | - |
| Advertisement expenses | 4.90 | - |
| Foreign exchange fluctuation | - | - |
| Right of way charges | 35.81 | - |
| Corporate social responsibility | 28.29 | 29.76 |
| Miscellaneous expenses | 91.31 | 80.42 |
| Total | 1,163.12 | 1,720.26 |

@ Earn out expense of ₹ Nil Million for year ended March 31, 2022 (March 31, 2021: ₹ 796.80 Million) paid to Sterlite Power Grid Ventures (now merged with Sterlite Power Transmission Limited) on account of amounts received by the Trust due to change in law orders received by its subsidiary entities. Such amounts are passed on to the selling shareholder as per the terms of the respective agreements with them.

* Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, Project Manager is entitled to fees @ 10% of gross expenditure incurred by each SPV in relation to operation and maintenance costs, per annum. Consolidated Statement of Profit and Loss for the year ended March 31, 2022 includes amount of ₹ 29.77 Million (March 31, 2021: ₹ 63.79 Million) towards Project Manager fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

Pursuant to the Investment Management Agreement dated November 10, 2016 as amended, Investment Manager is entitled to fees @ 1.75% of difference between revenue from operations and operating expenses (other than fees of the Investment Manager) of each SPV, per annum. For this purpose, operating expenses would not include depreciation, finance costs and income tax expense. Consolidated statement of Profit and Loss for the year ended March 31, 2022 includes amount of ₹ 434.12 Million (March 31, 2021: ₹ 330.71 Million) towards Investment Manager Fees. There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

** The Group management is evaluating the best possible alternative for CSR activities related to its subsidiaries hence the amount has not been spent till March 31, 2022. In accordance with provisions of Section 135, unspent amount of ₹ 0.90 Million (March 31, 2021 : ₹ 29.76 Million) has been transferred to separate bank accounts by the respective subsidiaries.

NOTE 25: FINANCE COST

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|--|------------------|-----------------|
| Interest on financial liabilities measured at amortised cost | 10,491.62 | 6,842.60 |
| Other bank and finance charges | 5.85 | - |
| Discounting on Factoring | 4.01 | 22.35 |
| Total | 10,501.48 | 6,864.95 |

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 26: DEPRECIATION EXPENSE

| | (₹ in Million) | |
|-----------------------------------|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Depreciation of tangible assets | 6,626.31 | 4,304.85 |
| Amortisation of intangible assets | 28.55 | - |
| Total | 6,654.86 | 4,304.85 |

NOTE 27: EARNINGS PER UNIT (EPU)

Basic EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year.

Diluted EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

The following reflects in the profit and unit data used in the basic and diluted EPU computation

| | (₹ in Million) | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Profit after tax for calculating basic and diluted EPU (₹ in Million) | 3,484.12 | 3,337.09 |
| Weighted average number of units in calculating basic and diluted EPU (No. in Million) | 693.14 | 583.49 |
| Earnings Per Unit: | | |
| Basic and Diluted (Rupees/unit) | 5.03 | 5.72 |

NOTE 28: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

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

i. Applicability of Appendix D - Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers

The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. The subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 25-35

years. The management of the Company is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D to Ind AS 115 is not applicable to the Group for all transmission infrastructure operating on a BOOM basis. The Group also holds transmission infrastructure pertaining to Jhajjar KT Transco Private Limited which operates on a Build Operate and Transfer ("BOT") basis. The company has operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor. Under Appendix D to Ind AS 115, this arrangement is considered as Service Concession Arrangement and in accordance with para 16 of the Appendix D to Ind AS 115, rights to receive the consideration from the grantor for providing services has been recognised as

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

“financial assets”. Accordingly the Group is of the view that Appendix D - Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers is applicable to this infrastructure asset.

ii. Classification of Unitholders' funds

Under the provisions of the InvIT Regulations, IndiGrid is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of IndiGrid for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20-Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

iii. Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires operational transmission SPVs/ Solar SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission assets and solar assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) / Power Purchase Agreements (PPAs) for 35/25 years. The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties. There are no employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs and solar SPVs as asset acquisition.

iv. Consolidation of IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ('ISPL1') and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ('ISPL2') as a subsidiary

The Group also acquired 100% of paid up equity capital of IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ('ISPL1') and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ('ISPL2') with effect from July 13, 2021 from FRV Solar Holdings XI B.V. and Fotowatio Renewable Ventures S.L together referred as “the Selling Shareholders”) pursuant to Share Purchase Agreement dated December 18, 2020 (“SPA”). Considering the rights available to the Group as per SPA, the Group has concluded that it controls ISPL1 and ISPL2. Accordingly, the Group has consolidated ISPL1 and ISPL2 as wholly owned subsidiaries from July 13, 2021.

v. Consolidation of Gurgaon-Palwal Transmission Limited ('GPTL') as a subsidiary

The Group entered into share purchase agreement dated August 28, 2020 (“the Agreement”) with Sterlite Power Grid Ventures Limited ('SPGVL') (merged with “Sterlite Power Transmission Limited” (SPTL)) and Sterlite Grid 4 Limited ('SGL4') (“the Selling shareholders”) for acquisition of equity stake in Gurgaon-Palwal Transmission Limited (“GPTL”). Pursuant to the agreement, the Group has finalised purchase consideration for entire equity stake of the selling shareholders and has paid purchase consideration for acquisition of 49% paid up equity capital in the GPTL. Based on the contractual terms of the agreement, the Group has following rights:

- Right to nominate all directors on the board of directors of the GPTL;
- Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of GPTL;
- Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in GPTL;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls GPTL on the basis the above rights under the agreement and the fact that the Group has entered into irrevocable binding agreement with the selling shareholders to acquire remaining 51% paid up equity capital in GPTL. Based on the assessment, management has concluded that

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

the Group controls GPTL in spite of the fact that it has acquired only 49% of the paid up capital of GPTL. Further, based on the legal opinion GPTL is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations. Accordingly, the Group has consolidated GPTL assuming 100% equity ownership and no non-controlling interest (NCI) has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognised as financial liability in the consolidated Ind AS financial statements.

vi. Consolidation of Parbati Koldam Transmission Company Limited ('PrKTCL') as a subsidiary

The Group acquired 74% of paid up equity capital of Parbati Koldam Transmission Company Limited ('PrKTCL') with effect from January 08, 2021 from Reliance Infrastructure Limited (referred as "the Selling Shareholder") pursuant to Share Purchase Agreement dated November 28, 2020 ("SPA"). The balance 26% share in PrKTCL is held by PowerGrid Corporation of India Limited ("PGCIL"). Pursuant to the agreement, the Group has finalised purchase consideration for entire equity stake of the selling shareholders and has paid purchase consideration for acquisition of 74% paid up equity capital in the PrKTCL. Based on the contractual terms of the agreement, the Group has following rights:

- Right to nominate all directors on the board of directors of the PrKTCL;
- Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of PrKTCL;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls PrKTCL on the basis the above rights under the agreement and the fact that the Group has acquired 74%. Based on the assessment, management has concluded that the Group controls PrKTCL in spite of the fact that it has acquired only 74% of the paid up capital of PrKTCL. Further, based on the legal opinion PrKTCL is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations. Accordingly, the Group has consolidated PrKTCL assuming equity ownership and non-controlling interest (NCI) of 26% has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognised as financial liability in the consolidated Ind AS financial statements.

vii. Consolidation of NER II Transmission Limited ('NER') as a subsidiary

The Group acquired 49% of paid up equity capital of NER II Transmission Limited ("NER") with effect from March 25, 2021 from Sterlite Power Transmission Limited (SPTL) and Sterlite Grid 4 Limited ('SGL4'), (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated March 05, 2021 ("SPA"). The Group has finalised purchase consideration for acquisition of entire stake in NER and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in NER from the Selling Shareholders. The Group has beneficial interest based on the rights available to it under the SPA. As of March 31, 2021, the Group has paid additional consideration equivalent to 25% of the total consideration which would be adjusted towards payable for acquisition of 25% of equity stake. Based on the contractual terms of the agreement, the Group has following rights:

- Right to nominate all directors on the board of directors of the NER;
- Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of NER;
- Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in NER;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls NER on the basis the above rights under the agreement and the fact that the Group has acquired 49% making a payment for 74% stake. Based on the assessment, management has concluded that the Group controls NER in spite of the fact that it has acquired only 49% of the paid up capital of NER. Further, based on the legal opinion NER is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations.

Accordingly, the Group has consolidated NER assuming equity ownership and non-controlling interest (NCI) of 26% has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognised as financial liability in the consolidated Ind AS financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

(a) Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer note 23A and 23B). In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager quarterly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

(b) Impairment of non-financial assets

Non-financial assets of the Trust primarily comprise of investments in subsidiaries.

The provision for impairment/(reversal) of impairment of property, plant & equipment and service concession receivable is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the property, plant & equipment and service concession receivable has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies. The valuation exercise so carried out considers various factors including cash flow projections, changes in interest rates, discount rates, risk premium for market conditions including the impact of COVID-19, etc. Based on the valuation exercise so carried out, there is a net impairment reversal of ₹ 54.97 Million for the year ended March 31, 2022 (March 31, 2021 : net impairment of ₹ 175.11 Million), which is primarily on account of maturity of SPV assets. The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 29A.

The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 29A.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)
Note 29A: Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in Million)

| Particulars | Carrying value | | Fair value | |
|-----------------------------|-----------------|----------------|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Financial assets | | | | |
| Investments in mutual funds | 1,451.73 | - | 1,451.73 | - |
| Total | 1,451.73 | - | 1,451.73 | - |
| Financial liabilities | | | | |
| Derivative instruments | 13.23 | 197.86 | 13.23 | 197.86 |
| Total | 13.23 | 197.86 | 13.23 | 197.86 |

The management has assessed that the financial assets and financial liabilities as at year end are reasonable approximations of their fair values.

The Trust is required to present the statement of total assets at fair value and statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 as a part of these financial statements- Refer Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value.

The inputs to the valuation models for computation of fair value of assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2022 and March 31, 2021 are as shown below:

Description of significant unobservable inputs to valuation:

(₹ in Million)

| Particulars | Input for March 31, 2022 | Input for March 31, 2021 | Sensitivity of input to the fair value | Increase / (decrease) in fair value | |
|-------------------------------|---|---|--|-------------------------------------|----------------|
| | | | | March 31, 2022 | March 31, 2021 |
| WACC | 7.55% to 9.12% | 7.57% to 8.23% | + 0.5% | (10,168.42) | (11,336.00) |
| | | | - 0.5% | 11,434.87 | 9,083.00 |
| Tax rate (normal tax and MAT) | Normal Tax - 25.168% | Normal Tax - 25.168% | + 2% | (520.00) | (410.22) |
| | | | - 2% | 471.00 | 374.92 |
| Inflation rate | Revenue(Esclable): 5.00% Expenses: 2.46% to 4.84% | Revenue(Esclable): 5.00% Expenses: 2.63% to 4.97% | + 1% | (3,173.14) | (1,850.04) |
| | | | - 1% | 2,604.90 | 1,495.56 |

Note 29B: Fair value hierarchy

The management has assessed that the financial assets and financial liabilities as at year end other than above are reasonable approximations of their fair values.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value through profit and loss.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022 and March 31, 2021:

(₹ in Million)

| | Date of valuation | Fair value measurement using | | |
|---|-------------------|---|---|---|
| | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets for which fair values are disclosed: | | | | |
| Property, plant and equipment and service concession receivable * | March 31, 2022 | - | - | 2,08,073.78 |
| | March 31, 2021 | - | - | 2,03,683.16 |
| Liabilities measured at fair value through profit and loss | | | | |
| Derivative instruments (Liability) | March 31, 2022 | - | 13.23 | - |
| | March 31, 2021 | - | 197.86 | - |

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

* Statement of net asset at fair value and statement of total returns at fair value require disclosures regarding fair value of assets (liabilities at considered at book values). Since the fair values of assets other than property, plant and equipment approximate their book values, hence only property, plant and equipment and service concession has been disclosed above.

NOTE 30: RELATED PARTY DISCLOSURES**I. List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures****(a) Other related parties under Ind AS-24 with whom transactions have taken place during the year****Entities with significant influence over the Trust**

Esoteric II Pte. Limited (from May 04, 2019) - Sponsor w.e.f. September 28, 2020
 Sterlite Power Grid Ventures Limited (SPGVL)^ - Sponsor and Project manager of IndiGrid - upto November 15, 2020
 Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid - w.e.f. November 15, 2020
 Sterlite Grid 4 Limited (SGL4) - Subsidiary of Sponsor (SPTL)
 Indigrid Investment Managers Limited (IIML) - Investment manager of IndiGrid (formerly known as Sterlite investment manager limited)

II. List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations**(a) Parties to IndiGrid**

Esoteric II Pte. Limited (EPL) - Sponsor (w.e.f. 28 September 2020)
 Sterlite Power Grid Ventures Limited (SPGVL)^ - Sponsor and Project manager of IndiGrid (upto November 15, 2020)
 Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid (w.e.f. November 15, 2020)
 Sterlite Power Transmission Limited (SPTL) -

Project manager of IndiGrid (upto June 30, 2021 for all SPV other than NER)

Indigrid Limited (IGL) - Project manager of IndiGrid (for all SPVs)

Indigrid Investment Managers Limited (IIML) - Investment manager of IndiGrid (formerly known as Sterlite investment manager limited)

Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

(b) Promoters of the parties to IndiGrid specified in (a) above

Twin Star Overseas Limited - Promoter of SPTL
 Sterlite Power Transmission Limited - Promoter of IIML*

Electron IM Pte. Limited - Promoter of IIML *

Axis Bank Limited - Promoter of ATSL

KKR Ingrid Co-Invest L.P. - Cayman Island - Promoter of EPL

(c) Directors of the parties to IndiGrid specified in (a) above**Directors of SPTL:**

Pravin Agarwal

Pratik Agarwal

A. R. Narayanaswamy

Zhao Haixia

Anoop Seth

Manish Agarwal (from December 17, 2021)

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Avaantika Kakkar (till February 02, 2021)
Arun Todarwal Lalchand (till July 24, 2021)

Directors of IIML:

Harsh Shah (whole time director)
Tarun Kataria
Rahul Asthana
Ashok Sethi (from October 20, 2020)
Hardik Shah (from November 30, 2021)
Jayashree Vaidhyanthan (from November 30, 2021)
Ami Momaya (from January 27, 2022)
Late Shashikant Bhojani (till July 22, 2020)
Pratik Agarwal (till January 14, 2022)
Sanjay Omprakash Nayar (till January 27, 2022)

Key Managerial Personnel of IIML:

Harsh Shah (CEO and whole time director)
Jyoti Kumar Agarwal (Chief Financial Officer wef 16 September 2020)
Swapnil Patil (Company Secretary)

Directors of ATSL:

Rajesh Kumar Dahiya
Ganesh Sankaran
Deepa Rath (from May 01, 2021)
Sanjay Sinha (till April 30, 2021)

Directors of Esoteric II Pte. Limited:

Tang Jin Rong (from February 19, 2021)
Ngan Nim Ying (from April 05, 2021)
Madhura Narawane (from January 26, 2022)

Wong Wai Kin (till February 19, 2021)
Terence Lee Chi Hur (till February 19, 2021)
Ooi Yi Jun (till February 19, 2021)
Velasco Azonos Cecilio Francisco (till January 26, 2022)

Relative of directors mentioned above:

Sonakshi Agarwal
Jyoti Agarwal
Sujata Asthana
Mala Todarwal (till July 24, 2021)

Firm in which director of sponsor is partner:

Cyril Amarchand Mangaldas (till February 02, 2021)

*During the previous year, Electron IM Pte. Limited purchased 40% stake in Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) from Sterlite Power Transmission Limited.

On July 02, 2021, Sterlite Power Transmission Limited has further transferred a stake of 14% to Electron IM Pte. Limited post which Electron IM Pte. Limited holds 74% of stake in IIML. Further, on January 14, 2022, Sterlite Power Transmission Limited has further transferred remaining stake of 26% to Electron IM Pte. Limited post which Electron IM Pte. Limited holds 100% stake in IIML.

^ Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef November 15, 2020.

^^ Sterlite Grid 4 Limited ('SGL4') has been merged with Sterlite Power Transmission Limited ('SPTL') wef February 17, 2022.

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

(₹ in Million)

| Particulars | Relation | 2021-22 | 2020-21 |
|--|---|----------|-----------|
| 1. Deposits given | | | |
| Sterlite Power Transmission Limited | Sponsor and Project Manager/Entity with significant influence | 36.00 | - |
| 2. Adjustment in consideration for equity shares of PKTCL on account of events mentioned in SPA | Sponsor and Project Manager/Entity with significant influence | 50.00 | - |
| Sterlite Power Grid Ventures Limited* | | | |
| 3. Purchase of equity shares of Indigrd 1 Limited | Sponsor and Project Manager/Entity with significant influence | - | 37.13 |
| Sterlite Power Grid Ventures Limited* | | | |
| 4. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA | Sponsor and Project Manager/Entity with significant influence | (0.58) | - |
| Sterlite Power Transmission Limited | | | |
| 5. Consideration for equity shares of Indigrd 2 Limited on account of events mentioned in SPA | Sponsor and Project Manager/Entity with significant influence | 18.53 | - |
| Sterlite Power Grid Ventures Limited* | | | |
| 6. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA | Sponsor and Project Manager/Entity with significant influence | (4.46) | - |
| Sterlite Power Grid Ventures Limited* | | | |
| Sterlite Power Transmission Limited | | | |
| 7. Purchase of equity shares of ENICL | Sponsor and Project Manager/Entity with significant influence | - | 6.17 |
| Sterlite Power Grid Ventures Limited* | | | |
| Sterlite Power Transmission Limited | | | |
| 8. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA | Entity with significant influence | (0.57) | - |
| Sterlite Grid 4 Limited | | | |
| 9. Purchase of equity shares of GPTL | Entity with significant influence | - | 906.36 |
| Sterlite Grid 4 Limited | | | |
| 10. Purchase of loan to GPTL | Entity with significant influence | - | 2,252.28 |
| Sterlite Grid 4 Limited | | | |
| 11. Purchase of equity shares of NER | Entity with significant influence | 5,179.33 | 14,090.65 |
| Sterlite Grid 4 Limited | | | |
| 12. Consideration for equity shares of NER on account of events mentioned in SPA | Entity with significant influence | 10.85 | - |
| Sterlite Grid 4 Limited | | | |
| 13. Received towards indemnification of liabilities | Sponsor and Project Manager/Entity with significant influence | - | 15.36 |
| Sterlite Power Grid Ventures Limited* | | | |
| 14. Earn Out Expenses | Sponsor and Project Manager/Entity with significant influence | - | 796.62 |
| Sterlite Power Grid Ventures Limited* | | | |
| 15. Rights Issue of unit capital | Sponsor of IndiGrid | 44.72 | - |
| Sterlite Power Transmission Limited # | | | |
| Esoteric II Pte. Limited | Sponsor/Entity with significant influence over the Trust | 3,285.28 | - |
| 16. Distribution to unit holders | Sponsor of IndiGrid | 14.09 | 537.73 |
| Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited# | | | |

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Million)

| Particulars | Relation | 2021-22 | 2020-21 |
|--|---|----------|----------|
| Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) | Investment manager of IndiGrid | 6.55 | 2.08 |
| Esoteric II Pte. Limited | Sponsor/Entity with significant influence over the Trust | 2,100.73 | 1,646.03 |
| Pratik Agarwal | Director of Sponsor (SPTL) and Investment Manager | 1.05 | 2.39 |
| Harsh Shah | Whole time director of Investment Manager | 0.18 | 0.12 |
| Swapnil Patil | Company Secretary of Investment Manager | 0.06 | 0.03 |
| Sonakshi Agarwal | Relative of director | 0.24 | 0.19 |
| Jyoti Agarwal | Relative of director | 0.30 | 0.25 |
| Sujata Asthana | Relative of director | 1.55 | 1.01 |
| Arun Todarwal | Director of Sponsor (SPTL) | 0.05 | 0.08 |
| A. R. Narayanaswamy | Director of Sponsor (SPTL) | 0.25 | 0.19 |
| Mala Todarwal | Relative of director | 0.05 | 0.06 |
| 17. Trustee fee | | | |
| Axis Trustee Services Limited (ATSL) | Trustee | 3.32 | 3.01 |
| 18. Legal and professional services taken | | | |
| Cyril Amarchand Mangaldas | Firm in which director of sponsor (SPGVL) is partner | - | 10.88 |
| 19. Purchase of project stores | | | |
| Sterlite Power Transmission Limited | Promoter of project manager | - | 0.25 |
| 20. Project management fees | | | |
| Sterlite Power Grid Ventures Limited* | Sponsor and Project Manager/Entity with significant influence | - | - |
| Sterlite Power Transmission Limited | | 1.06 | 0.27 |
| 21. Investment management fees | | | |
| Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) | Investment Manager | 434.12 | 330.71 |

(C) The outstanding balances of related parties are as follows:-

(₹ in Million)

| Particulars | Relationship | March 31, 2022 | March 31, 2021 |
|---|---|----------------|----------------|
| Project Manager fees payable | | | |
| Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited | Sponsor and Project Manager | 1.22 | 10.08 |
| Investment Manager fees payable | | | |
| Investment management fees payable (formerly Sterlite Investment Managers Limited) | Investment Manager | 96.75 | 92.19 |
| Payable towards project acquired | | | |
| Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited/Sterlite Grid 4 Limited | Sponsor and Project Manager/Entity with significant influence | 1,180.70 | 1,704.94 |
| Management fees payable | | | |
| Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited | Sponsor and Project Manager/Entity with significant influence | 0.16 | 0.16 |
| Deposits given | | | |
| Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited | Sponsor and Project Manager/Entity with significant influence | 36.00 | - |

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

*** Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef November 15, 2020**

"# Sterlite Power Transmission Limited had subscribed to rights issue of the Trust and allotted 0.41 Million units. Subsequently, SPTL has disinvested 0.25 Million units on June 09, 2021 and 0.16 Million units on June 10, 2021.

Further SPTL has disinvested remaining 2.04 Million units on September 07, 2021."

Details in respect of related party transactions involving acquisition of InvIT assets as required by Para 4.4(b)(iv) of Section A of Annexure A to SEBI Circular dated October 20, 2016 are as follows:**For the year ended March 31, 2022:**

No acquisition from related party for the year ended March 31, 2022.

For the year ended March 31, 2021:**(A) Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations):**

| Particulars | (₹ in Million) | |
|--------------------------|----------------------|--------|
| | NER | GPTL |
| Enterprise value | 51,175 | 11,638 |
| Method of valuation | Discounted Cash Flow | |
| Discounting rate (WACC): | 7.40% | 7.96% |

(B) Material conditions or obligations in relation to the transactions:**Acquisition of Gurgaon Palwal Transmission Limited (GPTL):**

"Pursuant to the share purchase agreements dated August 28, 2020 ("SPA") executed among Sterlite Power Grid Ventures Limited*, Sterlite Grid 4 Limited, Axis Trustee Services Limited, Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited) and Gurgaon Palwal Transmission Limited ('GPTL') for acquisition of equity stake in GPTL, Indigrd has acquired 49% of paid up equity capital of GPTL with effect from August 28, 2020.

Under the Agreements, the Trust has the following rights:

- Right to nominate the majority of the directors on the Board of Directors of GPTL.
- The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of GPTL in a manner favourable for the interests of IndiaGrid Trust.
- Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of GPTL at a later date (on expiry of the respective mandatory shareholding period).
- Pledge on the remaining 51% equity stake in GPTL, of which 2% is pledged to lenders of GPTL.
- Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in GPTL.

The acquisition of equity shares of GPTL was financed by money raised through Qualified Institutional Placement (QIP) of ₹ 25,140 Million by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction."

Acquisition of NER II Transmission Limited (NER):

"Pursuant to the share purchase agreements dated 05 March 2021 ("SPA") executed among Sterlite Power Transmission Limited, Sterlite Grid 4 Limited, Axis Trustee Services Limited, Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited) and NER II Transmission Limited ('NER') for acquisition of equity stake in NER, Indigrd has acquired 49% of paid up equity capital of NER with effect from March 25, 2021. As of March 31, 2021, the Trust has paid additional consideration equivalent to 25% of the total consideration which would be adjusted towards payable for acquisition of 25% of equity stake.

Under the Agreements, the Trust has the following rights:

- Right to nominate the majority of the directors on the Board of Directors of NER.
- The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of NER in a manner favourable for the interests of IndiaGrid Trust.
- Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of NER at a later date (on expiry of the respective mandatory shareholding period).

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- d. Pledge on the remaining 51% equity stake in NER.
- e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in NER.

The acquisition of equity shares of NER was financed by money raised through Qualified Institutional Placement (QIP) of ₹ 25,140 Million by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

NOTE 31: CAPITAL AND OTHER COMMITMENTS

- (a) The Group has entered into a Framework agreement on April 30, 2019 with Sterlite Grid Ventures Limited ('SPGVL')* for acquisition of Khargone Transmission Limited ('KgTL').
- (b) The Group has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group 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 defaults.
- (c) The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years
- (d) The Group has capital commitment (net of advances) of ₹ 1,622.86 Million (March 31, 2021 : ₹ 50.15 Million) pertaining to ongoing capital work in progress.

- (e) The Group has entered into Power Purchase Agreement ('PPA') with Solar Energy Corporation of India Limited ('SECI'), where IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) is required to sell power at a pre-fixed tariff of ₹ 4.43/kWh for a period of 25 years from the Commercial operation date to SECI.

- (f) The Group has entered into an Implementation and Support Agreement with Andhra Pradesh Solar Power Corporation Private Limited (APSPCL). Annual O&M charges are payable for the period of 25 years from the commercial operation date to APSPCL

- (g) The letter of intent for development of Kallam Transmission Limited (KTL) is awarded to consortium of IGL1 and IGL2 ("IndiGrid Consortium") by the REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) on November 30, 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid Consortium acquired the project on December 28, 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on June 27, 2023.

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

NOTE 32: DERIVATIVE INSTRUMENTS

Bhopal Dhule Transmission Company Limited (BDTCL) has entered into the following derivative instruments:

- (a) **The following are the outstanding Forward Exchange Contracts entered into by the Company, for hedge purpose.**

| (₹ in Million) | | | | | |
|---|---------------|-------------------------------|-----------------------|------------|-----------------------------|
| Year ended | Currency Type | Foreign Currency (In Million) | Amount (₹ in Million) | Buy/Sell | No. of contracts (Quantity) |
| Hedge of foreign currency loan from financial institution | | | | | |
| March 31, 2022 | US\$ | 27.69 | 2,086.50 | Buy | 2 |
| March 31, 2021 | US\$ | 30.45 | 2,238.42 | Buy | 4 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(b) Cross currency interest rate swap contracts outstanding as at year end to hedge against exposure to variable interest outflow on loans/foreign currency fluctuations:

(₹ in Million)

| | March 31, 2022 | March 31, 2021 |
|-----------------------|-------------------------------------|----------------|
| Currency type | US\$ | - |
| No. of contracts | 1.00 | - |
| Amount (US\$ Million) | 1.39 | - |
| Period of Contract | March 31, 2021 to August 30, 2022 | - |
| Floating rate | US\$ 6 Month Libor + 2.10% to 3.80% | - |
| Fixed rate | 7.02% on ₹ principal | - |

The company has entered into cross currency interest rate swap contract on the foreign currency loan, whereby the foreign exchange rate for principal and interest payments has been fixed at ₹ 74.74/ US\$ and the interest rate fixed at 7.02% on the loan amount converted in ₹ at the fixed US\$ rate. As a result of the contract, the Company would pay interest in ₹ at 7.02% on the foreign currency loan converted to ₹ at ₹ 74.74/US\$ and receive interest at US\$ 6m LIBOR + 2.10% to 3.80% on the foreign currency loan amount.

NOTE 33: CONTINGENT LIABILITY

(₹ in Million)

| Particulars | As at March 31, 2022 (Audited) | As at March 31, 2021 (Audited) |
|--|--------------------------------|--------------------------------|
| Claim against the company not acknowledged as debt | | |
| - Entry tax demand* | 432.59 | 432.59 |
| - VAT/CST Demand # | 23.69 | 33.52 |
| - Other Demands^ | 406.18 | 248.14 |
| Total | 862.46 | 714.25 |

*Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya

Pradesh. Out of the total demand ₹ 138.75 Million (December 31, 2021: ₹ 138.75 Million; March 31, 2021: ₹ 138.75 Million) pertains to Jabalpur Transmission Company Limited ('JTCL'), ₹ 165.80 Million (December 31, 2021: ₹ 165.80 Million; March 31, 2021: ₹ 165.80 Million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') and ₹ 13.30 Million (December 31, 2021: ₹ 13.30 Million; March 31, 2021: ₹ 13.30 Million) pertains to RAPP Transmission Company Limited ('RTCL') which is pending with High Court, Jabalpur.

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. The total demand ₹ 1.33 Million (December 31, 2021: ₹ 1.33 Million; March 31, 2021: ₹ 1.33 Million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') which is pending with Commissioner (Appeals).

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Chhattisgarh. The total demand ₹ 113.41 Million (December 31, 2021: ₹ 113.41 Million; March 31, 2021: ₹ 113.41 Million)

pertains to Jabalpur Transmission Company Limited ('JTCL') out of which ₹ 51.55 Million (December 31, 2021: ₹ 51.55 Million; March 31, 2021: ₹ 51.55 Million) is pending with the Chhattisgarh High Court, ₹ 40.50 Million (December 31, 2021: ₹ 40.50 Million; March 31, 2021: ₹ 40.50 Million) is pending with Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.) and ₹ 21.36 Million (December 31, 2021: ₹ 21.36 Million; March 31, 2021: ₹ 21.36 Million) the notice for assessment has been received in the month of October 2020 for which the Group has applied for a certified copy of the Assessment Order on October 29, 2020 and is still awaiting a copy of the same.

Sales tax demand of ₹ 17.99 Million (December 31, 2021: ₹ 17.99 Million; March 31, 2021: ₹ 17.99 Million) for Indgrid Limited (IGL) pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms for FY 2015-16. The Group has filed an objection against the order with Assistant Commissioner of Delhi VAT Authorities.

VAT demand notice of ₹ 5.70 Million (December 31, 2021:

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

₹ 5.70 Million; March 31, 2021: ₹ 5.70 Million) for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to Jharkhand VAT Act, 2005. The Group has received the notice for assessment in the month of January 2020 and various submissions along with the requisite details and documents were made to the officer. The Group further applied for a certified copy of the Assessment Order on October 01, 2020 and is still awaiting a copy of the same.

VAT demand notice of ₹ NIL (December 31, 2021: ₹ 9.83 Million; March 31, 2021: ₹ 9.83 Million) for Jabalpur Transmission Company Limited (JTCL) pertains to Chhattisgarh, VAT Act, 2005. The Group has received the notice for assessment in the month of October 2020.

"During the financial year 2019-20, land owners have filed a case with the District Court, Jhajjar, Haryana towards compensation and interest thereon for the value of land over which the transmission line is passing. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Further, these litigations are barred by limitations. Based on the legal advice, the Group does not anticipate any liability against the same and has disclosed a contingent liability of ₹ 20.12 Million (December 31, 2021: ₹ 20.12 Million; March 31, 2021: ₹ 20.12 Million).

It also includes an amount of ₹ 173.39 Million (December 31, 2021: ₹ 163.75 Million; March 31, 2021: ₹ 228.02 Million) for claims from farmers for additional Right of Way (RoW) compensation made against one of the subsidiaries.

Further it includes an amount of ₹ 212.67 Million (December 31, 2021: ₹ 212.67 Million; March 31, 2021: Nil) for claims from one of the erstwhile EPC contract vendors against two of the subsidiaries.

Dues pertains to IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) (ISPL1) (SPV) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) for ambiguity in GST rates applied for solar panels. Such dues if payable, would be eligible for additional tariff as per PPA with Solar energy corporation of India (SECI).

The Group has not provided for disputed liabilities disclosed above arising from entry tax demands which are pending with different authorities mentioned above for its decision. The Group is contesting the demands

and the Group management, including its legal advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the consolidated financial statements for the demands raised. The Group management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position.

During the previous year, one of the vendor involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited ('ENICL') in relation to turnkey construction contract executed by it earlier years which is pending before Arbitral Tribunal. Pursuant to share purchase agreement dated March 23, 2020, the Group has obtained corporate guarantee of ₹ 500 Million from SPGVL* in respect of said arbitration. Further, all cost, expenses, liabilities and taxes with respect to the arbitration will be to the sole account of SPGVL*. The Group management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the consolidated financial results.

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef November 15, 2020.

The total contingent liability (except ROW and GST claim against FRV-1 and FRV-2) is recoverable as per share purchase agreement from Selling Shareholders.

NOTE 34: SEGMENT REPORTING

The Groups's activities comprise of owning and investing in transmission SPVs and solar SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given.

Under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as Central Transmission Utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of trade receivables pertaining to transmission and solar charges is receivable from PGCIL.

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 35: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| (i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year. | | |
| Principal amount due to micro and small enterprises | 9.05 | 23.25 |
| Interest due on above | - | - |
| (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 | - | - |

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (March 31, 2021: Nil). Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimations received from the "suppliers" / information available with the Company regarding their status under the Micro, Small and Medium Enterprises Act, 2006.

NOTE 36: LEASES

IndiGrid Limited (IGL) has lease contract for office building used in its operations which have lease term of 5 years with lock-in-period of 3 years. Further IGL's obligations under its leases are secured by the lessor's title to the leased assets. The lease liability has been measured by using the incremental borrowing rate.

IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) has taken leasehold land which has lease term of 25 years from the commercial operation date (COD) in relation to which the company is required to pay a fixed annual operating and maintenance expenses for using common infrastructure facilities. The lease liability has been measured by using the incremental borrowing rate as on date of first time IndAS adoption.

IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) has taken leasehold land which has lease term of 25 years from the commercial operation date (COD) in relation to which the company is required to pay a fixed annual operating and maintenance expenses for using common infrastructure facilities. The lease liability has been measured by using the incremental borrowing rate as on date of first time IndAS adoption.

Maturity analysis of lease liabilities:

(₹ in Million)

| Particulars | Less than 3 months | 3 months to 12 months | 1 to 5 years | More than 5 years | Total |
|-----------------------|--------------------|-----------------------|--------------|-------------------|--------------|
| March 31, 2022 | | | | | |
| Lease liability | 2.78 | 8.55 | 29.19 | 1.11 | 41.63 |
| Total | 2.78 | 8.55 | 29.19 | 1.11 | 41.63 |
| March 31, 2021 | | | | | |
| Lease liability | 3.40 | 10.36 | 32.12 | - | 45.88 |
| Total | 3.40 | 10.36 | 32.12 | - | 45.88 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)
NOTE 37: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

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

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

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

(A) Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate primarily relates to the Group's long term debt obligations with floating interest rates. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at March 31, 2022, there are no borrowings of the Group at floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency borrowings and payables in foreign currency (if any).

(B) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at March 31, 2022 and March 31, 2021, the credit risk is considered low since substantial transactions of the group are with its subsidiaries.

The Group through its subsidiaries is engaged in transmission business under BOOM (Build, Own, Operate and Maintain) model and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). The Group also holds transmission infrastructure pertaining to Jhajjar KT Transco Private Limited which operates on a Build Operate and Transfer ("BOT") basis. Being transmission licensee, the Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the Group has not considered any expected credit loss on the financial assets in the nature of trade receivables. During the various periods presented, there has been no change in the credit risk of trade receivables. However, this assessment may

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

need a review if there is any change in the Pooling Regulations.

Credit risk from balances deposited/invested with banks and financial institutions as well as investments made in mutual funds, is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Based on this policy, the Group does not foresee any risk on account of credit losses, either in the bank deposits which are made with AAA rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2022 is the carrying amounts of trade and other receivables, cash and cash equivalents and other assets as disclosed in Note 5, 6, 7, 8, 9 and 10 respectively. However, the credit risk is low due to reasons mentioned above.

(C) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The other financial liabilities are with short term durations. The table below summarises the maturity profile of the Groups's financial liabilities based on contractual undiscounted payments:

(₹ in Million)

| Particulars | Payable on demand | Less than 3 months | 3 months to 12 months | 1 to 5 years | More than 5 years | Total |
|--|-------------------|--------------------|-----------------------|------------------|-------------------|--------------------|
| March 31, 2022 | | | | | | |
| Borrowings | - | 20,852.58 | 2,925.95 | 41,295.82 | 68,274.10 | 1,33,348.45 |
| Trade payables | - | 426.17 | 35.48 | 23.77 | 0.87 | 486.29 |
| Other financial liabilities (excluding derivative instruments and lease liabilities) | - | 1,116.08 | 3,937.74 | - | - | 5,053.82 |
| Derivatives # | - | 13.23 | - | - | - | 13.23 |
| Total | - | 22,408.06 | 6,899.17 | 41,319.59 | 68,274.97 | 1,38,901.79 |

(₹ in Million)

| Particulars | Payable on demand | Less than 3 months | 3 months to 12 months | 1 to 5 years | More than 5 years | Total |
|--|-------------------|--------------------|-----------------------|-----------------|--------------------|--------------------|
| March 31, 2021 | | | | | | |
| Borrowings | - | - | - | 4,876.67 | 1,31,188.03 | 1,36,064.70 |
| Trade payables | - | 225.33 | - | - | - | 225.33 |
| Other financial liabilities (excluding derivative instruments) | - | 1,189.30 | 12,956.51 | - | - | 14,145.81 |
| Derivatives # | - | 73.45 | 155.39 | - | - | 228.84 |
| Total | - | 1,488.08 | 13,111.90 | 4,876.67 | 1,31,188.03 | 1,50,664.68 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)
NOTE 38: CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the distribution to unitholders (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders), return capital to unitholders or issue new units. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio optimum. The Group includes within net debt, interest bearing loans and borrowings and other payables less cash and cash equivalents, other bank balances and short term investments.

| (₹ in Million) | | |
|---|--------------------|--------------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Borrowings | 1,33,348.45 | 1,36,064.70 |
| Less: Cash and cash equivalents, other bank balances and short term investments | (15,041.24) | (27,838.10) |
| Net debt (A) | 1,18,307.21 | 1,08,226.60 |
| Unit capital | 65,903.15 | 53,145.69 |
| Other equity | (11,720.89) | (6,379.84) |
| Total capital (B) | 54,182.26 | 46,765.85 |
| Capital and net debt ((C) = (A) + (B)) | 1,72,489.47 | 1,54,992.45 |
| Gearing ratio (A)/(C) | 69% | 70% |

Financial Covenants

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

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

NOTE 39: POST EMPLOYMENT BENEFITS PLAN
Indigrd Limited, Indigrd Solar-I (AP) Private Limited, Indigrd Solar-II (AP) Private Limited and RAPP Transmission Company Limited

"The Group has a defined benefit gratuity plan. The gratuity benefits payable to the employees are based on the employee's service. Every employee who has completed five years or more of service gets a gratuity on departure at last drawn salary at the time of leaving. The employee do not contribute towards this plan and the full cost of providing these benefits are met by the group. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service."

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

| (₹ in Million) | | |
|---|----------------|----------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Defined benefit obligation at the beginning of the year | 1.96 | - |
| Transferred from immediate holding company / subsidiary of immediate holding company* | - | - |
| Current service cost | 2.52 | 1.96 |
| - Interest Cost | 0.13 | - |
| Benefit paid directly by the employer | 0.15 | 0.03 |
| Remeasurements during the period due to: | - | - |

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Actuarial (gain)/loss due to change in financial assumptions | (0.03) | - |
| Actuarial (gain)/loss on obligation due to experience | 0.60 | 0.03 |
| Present value of defined benefit obligation at the end of the year | 4.99 | 1.96 |

* Pertains to employees transferred from Sterlite Power Transmission Limited and its wholly owned subsidiary Sterlite Power Grid Ventures Limited.

Details of defined benefit obligation

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Present value of defined benefit obligation | 4.99 | 1.96 |
| Fair value of plan assets | - | - |
| Benefit liability | 4.99 | 1.96 |

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

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Current service cost | 2.52 | 1.96 |
| Interest cost on defined benefit obligation | 0.13 | - |
| Past service cost | - | - |
| Net actuarial (gain) / loss recognised | 0.53 | - |
| Expected return on plan assets | - | - |
| Contribution by employer | - | - |
| Net benefit expense | 3.19 | 1.96 |

Net employee benefit expense recognised in the other Comprehensive income:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Actuarial (gain)/loss on obligation for the year | 0.53 | 0.03 |
| Net (income)/expense for the year recognised in OCI | 0.53 | 0.03 |

Amounts for the current and previous year are as follows:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Defined benefit obligation | 4.99 | 1.96 |
| Plan assets | - | - |
| Surplus / (deficit) | (4.99) | (1.96) |
| Experience adjustments on plan liabilities | - | - |
| Experience adjustments on plan assets | - | - |

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

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---------------------------------------|----------------|----------------|
| Discount rate | 6.90% | 6.82% |
| Expected rate of return on plan asset | - | - |
| Employee turnover | 10.00% | 4.00% |
| Salary escalation rate (p.a) | 7.00% | 7.00% |
| Actual rate of return on plan assets | - | - |
| Retirement age (years) | 58 | 58 |

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 and March 31, 2021 is as shown below:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Projected benefit obligation on current assumptions | 4.99 | 1.96 |
| Effect of +1% Change in discount rate | (4.22) | (0.22) |
| Effect of -1% Change in discount rate | 4.88 | 0.26 |
| Effect of +1% Change in salary escalation rate | 4.88 | 0.25 |
| Effect of -1% Change in salary escalation rate | (4.22) | (0.22) |

The following is the expected payment of benefits in the future years:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|--------------------------------|----------------|----------------|
| Within the next 2 years | 0.92 | 0.07 |
| Between 3 and 5 years | 1.27 | 0.20 |
| Between 6 and 10 years | 2.29 | 1.13 |
| Beyond 11 years | - | 3.86 |
| Total expected payments | 4.48 | 5.26 |

Parbati Koldam Transmission Company Limited

"The Company has a defined benefit gratuity plan. The gratuity benefits payable to the employees are based on the employee's service. Every employee who has completed five years or more of service gets a gratuity on departure at last drawn salary at the time of leaving. The employee do not contribute towards this plan and the full cost of providing these benefits are met by the 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:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Defined benefit obligation at the beginning of the year | 6.05 | - |
| Transferred from immediate holding company / subsidiary of immediate holding company* | - | 8.15 |
| Current service cost | 0.41 | 0.82 |
| - Interest Cost | 0.41 | 0.55 |
| - Past service cost | - | - |
| Benefit paid directly by the employer | (0.40) | - |
| Remeasurements during the period due to: | - | - |
| Actuarial (gain)/loss due to change in demographic assumptions | (0.06) | - |
| Actuarial (gain)/loss due to change in financial assumptions | (0.04) | 0.57 |
| Actuarial (gain)/loss on obligation due to experience | (1.34) | (4.04) |
| Present value of defined benefit obligation at the end of the year | 5.02 | 6.05 |

* Pertains to liabilities transferred on acquisition of Parbati Koldam Transmission Company Limited by the Group.

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Details of defined benefit obligation

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Present value of defined benefit obligation | 5.02 | 6.05 |
| Fair value of plan assets | (11.90) | (11.21) |
| Benefit recognised as advance gratuity | (6.87) | (5.17) |

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

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Current service cost | 0.41 | 0.82 |
| Interest cost on defined benefit obligation | 0.41 | (0.10) |
| Past service cost | - | - |
| Net actuarial (gain) / loss recognised | (1.44) | - |
| Expected return on plan assets | - | - |
| Contribution by employer | - | - |
| Net benefit expense | (0.62) | 0.71 |

Net employee benefit expense recognised in the Other Comprehensive Income:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Actuarial (gain)/loss on obligation for the year | (1.44) | (3.47) |
| Return on plan assets, excluding interest income | - | (0.92) |
| Change in asset ceiling | - | - |
| Net (income)/expense for the year recognised in OCI | (1.44) | (4.39) |

Changes in Fair Value of plan assets:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Opening value of plan assets | 11.24 | - |
| Transferred due to acquisition of entity* | - | 9.64 |
| Actuarial (gain)/loss on obligation for the year | 0.76 | - |
| Interest cost/(income) on plan assets | - | 0.66 |
| Actual return on plan assets less interest/(income) on plan assets | (0.11) | 0.92 |
| Closing Balance of Fair Value of Plan Assets | 11.90 | 11.21 |

* Pertains to plan assets transferred on acquisition of Parbati Koldam Transmission Company Limited by the Group.

Amounts for the current and previous year are as follows:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|----------------------------|----------------|----------------|
| Defined benefit obligation | (5.02) | (6.05) |
| Plan assets | 11.90 | 11.21 |
| Surplus / (deficit) | 6.87 | 5.17 |

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---------------------------------------|----------------|----------------|
| Discount rate | 6.90% | 6.58% |
| Expected rate of return on plan asset | - | - |
| Employee turnover | 10.00% | 4.00% |
| Salary escalation rate (p.a) | 7.00% | 7.00% |
| Actual rate of return on plan assets | - | 0.92 |
| Retirement age (years) | 58 | 58 |

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.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 and March 31, 2021 is as shown below:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Projected benefit obligation on current assumptions | 6.05 | 6.05 |
| Effect of +1% Change in discount rate | (4.70) | (0.55) |
| Effect of -1% Change in discount rate | 5.40 | 0.65 |
| Effect of +1% Change in salary escalation rate | 5.39 | 0.65 |
| Effect of -1% Change in salary escalation rate | (4.69) | (0.56) |

The following is the expected payment of benefits in the future years:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|--------------------------------|----------------|----------------|
| Within the next 2 years | 1.03 | 0.95 |
| Between 3 and 5 years | 1.99 | 0.76 |
| Between 6 and 10 years | 1.76 | 2.23 |
| Beyond 11 years | - | 10.13 |
| Total expected payments | 4.78 | 14.08 |

The weighted average durations to the payment of these cash flows is 12 years at the end of the reporting period.

NOTE 40: LIST OF SUBSIDIARIES WHICH ARE INCLUDED IN CONSOLIDATION AND INDIGRID'S EFFECTIVE HOLDING THEREIN ARE AS UNDER:

| Name of the Entity | Country of incorporation | Effective ownership as on March 31, 2022 | Effective ownership as on March 31, 2021 |
|---|--------------------------|--|--|
| Directly held by the Trust: | | | |
| Indigrid Limited ("IGL") | India | 100% | 100% |
| Indigrid 1 Limited ("IGL1") | India | 100% | 100% |
| Indigrid 2 Limited ("IGL2") | India | 100% | 100% |
| Patran Transmission Company Limited ("PTCL") | India | 100% | 74% |
| East-North Interconnection Company Limited@ | India | 100% | 100% |
| Gurgaon-Palwal Transmission Limited ("GPTL")^ | India | 49% | 49% |
| Jhajjar KT Transco Private Limited ("JKTPL")^^ | India | 100% | 100% |
| Parbati Koldam Transmission Company Limited ("PrKTCL") ## | India | 74% | 74% |
| NER II Transmission Limited ("NER") @@ | India | 49% | 49% |
| "IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ^^^" | India | 100% | - |
| "IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ^^^" | India | 100% | - |

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

| Name of the Entity | Country of incorporation | Effective ownership as on March 31, 2022 | Effective ownership as on March 31, 2021 |
|---|--------------------------|--|--|
| Indirectly held by the Trust (through subsidiaries): | | | |
| Bhopal Dhule Transmission Company Limited ("BDTCL") | India | 100% | 100% |
| Jabalpur Transmission Company Limited ("JTCL") | India | 100% | 100% |
| Purulia & Kharagpur Transmission Company Limited ("PKTCL") | India | 100% | 100% |
| RAPP Transmission Company Limited ("RTCL") | India | 100% | 100% |
| Maheshwaram Transmission Limited ("MTL") | India | 100% | 100% |
| NRSS XXIX Transmission Limited ("NTL") | India | 100% | 100% |
| Odisha Generation Phase-II Transmission Limited ("OGPTL") | India | 100% | 100% |
| Kallam Transmission Limited ("KTL")@@@ | India | 100% | 0% |

[^]The Trust acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from August 28, 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" (SPTL)) and Sterlite Grid 4 Limited ('SGL4'), (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated August 28, 2020 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in GPTL and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in GPTL from the Selling Shareholders. The Trust has beneficial interest based on the rights available to it under the SPA.

^{^^} The Trust acquired 74% of paid up equity capital of Jhajjar KT Transco Private Limited ('JKTPL') with effect from September 28, 2020 from Kalpataru Power Transmission Limited, Techno Electric & Engineering Company Limited, (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated May 29, 2020 ("SPA") and acquired the remaining 26% equity stake in JKTPL on October 03, 2020.

^{##} The Trust acquired 74% of paid up equity capital of Parbati Koldam Transmission Company Limited ('PrKTCL') with effect from January 08, 2021 from Reliance Infrastructure Limited (referred as "the Selling Shareholder") pursuant to Share Purchase Agreement dated November 28, 2020 ("SPA"). The balance 26% share in PrKTCL is held by PowerGrid Corporation of India Limited ("PGCIL").

^{@@} The Trust also acquired 49% of paid up equity capital of NER II Transmission Limited ("NER") with effect from 25 March 2021 from Sterlite Power Transmission Limited (SPTL) and Sterlite Grid 4 Limited ('SGL4'), (together referred

as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 05 March 2021, as amended on 25 March 2021 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in NER and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in NER from the Selling Shareholders. As of March 31, 2021, the Trust has paid additional consideration equivalent to 25% of the total consideration as an advance which would be adjusted towards payable for acquisition of 25% of equity stake. The Trust has beneficial interest based on rights available to it under SPA.

^{^^^}The Trust also acquired 100% of paid up equity capital of IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ('ISPL1') and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ('ISPL2') with effect from July 13, 2021 from FRV Solar Holdings XI B.V. and Fotowatio Renewable Ventures S.L (together referred as ""the Selling Shareholders"") pursuant to Share Purchase Agreement dated December 18, 2020 ("SPA").

^{@@@}The letter of intent for development of Kallam Transmission Limited (KTL) is awarded to consortium of IGL1 and IGL2 ("IndiGrid Consortium") by the REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) on November 30, 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid Consortium acquired the project on December 28, 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on June 27, 2023."

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)
NOTE 41: LONG TERM INCENTIVE PLAN
Long Term Incentive Plan 2020 and 2021- Indigrid Limited

During the year ended March 31, 2021, Indigrid Limited launched a Long-Term Incentive Plan 2020 ("Scheme"). This Scheme has been formulated by the Nomination and Remuneration Committee and approved by it at its meeting held on May 25, 2020 and approved by the Board at its meeting held on May 25, 2020. The Scheme is established with effect from April 01, 2020 and shall continue to be in force until: (i) its termination by the Board, or (ii) the date on which all of the Unit Linked Rights available for issuance under the Scheme have been issued or have lapsed, or have been cancelled by the Nomination and Remuneration Committee, and the Nomination and Remuneration Committee does not intend to re-issue such lapsed or cancelled Unit Linked Rights. During the year ended March 31, 2022, the Group has allotted the value of 0.12 Million units of India Grid Trust to its employees under the Scheme.

The Board, at its meeting held on May 26, 2021, has resolved to issue to Employees under the Scheme 2021, Unit Linked Rights, in one or more tranches, whereby each such Unit Linked Right confers the right on the Grantee to receive Value in terms of this Scheme 2021.

| Particulars | (₹ in Million) | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Opening balance as at the beginning of the year | 11.29 | - |
| LTIP granted during the year | 15.23 | 10.52 |
| LTIP cancelled during the year | (0.12) | (0.15) |
| Payment towards LTIPs vested | (6.93) | - |
| Balance | 19.47 | 10.37 |
| Provision for distribution per unit | 2.89 | 0.92 |
| Closing balance as at the end of the year | 22.36 | 11.29 |

During the year, the Company has granted 0.12 Million units of India Grid Trust to eligible employees under the Long-Term Incentive Plan 2020 and 2021 ("Scheme") as approved by the Nomination and Remuneration Committee and by the Board at the meetings held on April 28, 2020. Management has made provision of ₹ 11.29 Million for 0.12 Million units of India Grid Trust granted during the year under this scheme.

Long Term Incentive Plan 2021 - Parbati Koldam Transmission Limited

During the year ended March 31, 2022, the Company launched a Long-Term Incentive Plan 2021 ("Scheme"). This Scheme has been formulated by the Nomination and Remuneration Committee and approved by it at its meeting held on January 19, 2021 and approved by the Board at its meeting held on May 17, 2021. The Scheme is established with effect from April 01, 2021 and shall continue to be in force until: (i) its termination by the Board, or (ii) the date on which all of the Unit Linked Rights available for issuance under the Scheme have been issued or have lapsed, or have been cancelled by the Nomination and Remuneration Committee, and the Nomination and Remuneration Committee does not intend to re-issue such lapsed or cancelled Unit Linked Rights. During the year ended March 31, 2022, the Company has allotted the value of 0.01 Million units of India Grid Trust to its employees under the Scheme.

| Particulars | (₹ in Million) | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Opening balance as at the beginning of the year | - | - |
| LTIP granted during the year | 0.45 | - |
| LTIP cancelled during the year | - | - |
| Payment towards LTIPs vested | - | - |
| Balance | 0.45 | - |
| Provision for distribution per unit | 0.07 | - |
| Closing balance as at the end of the year | 0.52 | - |

During the year, the Company has granted 0.01 Million units of India Grid Trust to eligible employees under the Long-Term Incentive Plan 2021 ("Scheme") as approved by the Nomination and Remuneration Committee and by the Board at the meetings. Management has made provision of ₹ 0.52 Million for 0.01 Million units of India Grid Trust granted during the year under this scheme.

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Vesting of Unit Linked Rights shall be subject to the conditions that the Grantee is:

- in continuous employment with the Company;
- is not serving any notice of resignation/ termination on the date of such Vesting (except in the case of (a) death; (b) Permanent Incapacity suffered by the Grantee; or (c) Retirement; and
- is not subject to any pending disciplinary proceeding."

The Value of the pay-out would be determined as per following formula:

Value of the vested Unit Linked Rights = Number of Unit Linked Rights Vested * 30 days closing volume weighted average# of IndiGrid market price + (Distribution* earned on the unvested units).

Volume weighted average price of per unit is the 30 days closing average of IndiGrid market price (From March 02, 2022 to March 31, 2022).

* Distribution pay-out is subject to actual declaration accumulated on units and approval of India Grid Trust."

"On May 20, 2022, the Board of directors of the Investment Manager approved a distribution of ₹ 3.1875 per unit for the period January 01, 2022 to March 31, 2022 to be paid on or before 15 days from the date of declaration.

NOTE 42: REGULATORY DEFERRAL ACCOUNT BALANCES**Regulatory Assets / (Liability) with respect to entity Parbati Koldam Transmission Limited:**

In accordance with the Guidance Note on Rate Regulated Activities issued by ICAI, the reconciliation of the Regulatory Assets / (Liabilities) of the Group as on March 31, 2022 is as under:

(₹ in Million)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|-----------------|
| Regulatory Asset / (Liability) | | |
| Opening Balance | - | - |
| Add: Accrued during the period | | |
| For Current Period / Year | | |
| - Return on Equity | - | - |
| Regulatory Asset / (Liability) on account of Deferred Tax | (6.93) | (131.20) |
| Less: Income Tax on Deferred Tax | 1.21 | 22.92 |
| Total (1+2) | (5.72) | (108.27) |
| Less: Payable / (Recoverable) from beneficiaries | 5.72 | 108.27 |
| Closing Balance (A+B+C) | - | - |
| Deferred Tax Liability | | |
| Opening Balance | 656.57 | 787.76 |
| Add: Deferred Tax Liability during the period / year | (6.93) | (131.20) |
| Total | 649.64 | 656.56 |
| Less: Recoverable from beneficiaries | (649.64) | (656.56) |
| Closing Balance | - | - |

INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- (i) Determination of Transmission service charges (TSC) chargeable by PrKTCL to its consumers is governed by CERC Tariff Regulation, 2019, whereby CERC determines the Transmission service charges wherein PrKTCL earns assured return of 15.5% p.a. post tax on CERC approved equity in the business. The rate review on account of grossing up with the actual tax rate or "truing up" process during the tariff period is being conducted as per the principle stated in CERC Regulations to adjust the tariff rates downgrade or upgrade to ensure recovery of actual tax paid and assured return on equity.
- (ii) During the truing up process, revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities which would be recovered / refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, PrKTCL also determines regulatory assets/regulatory liabilities in respect of each accounting period on self true up basis.

Market Risk

PrKTCL is in the business of developing the Transmission Line for supplying the electricity to beneficiary, therefore no demand risk anticipated because the License issued by the CERC for 25 years. The Project is constructed under Cost Plus Contract.

Regulatory Risk

- (i) PrKTCL is Operating under Regulatory Environment governed by Central Electricity Regulatory Commission (CERC). Tariff is subject to Rate Regulated Activities.
- (ii) PrKTCL determine revenue gaps (i.e. surplus / shortfall in actual returns over returns entitled) in respect of their regulated operations as given in the Guidance Note on Rate Regulated Activities and based on the principles laid down under the relevant tariff regulations / tariff orders notified by the CERC and the actual or expected actions of the regulators under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the respective years for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments / accruals representing revenue gaps are carried forward as regulatory deferral account debit / credit balances which would be recovered / refunded through future billing based on future tariff determination by the regulators in accordance with the respective electricity regulations.

- (iii) The key risks and mitigating actions are also placed before the Audit Committee of PrKTCL. PrKTCL's risk management policies are established to identify and analyse the risks faced by PrKTCL, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and PrKTCL's activities.
- (iv) PrKTCL's risk for Regulatory Assets are monitored by the Regulatory Team under policies approved by the Board of Directors. The Team identifies, evaluates and protect risks in close cooperation with PrKTCL's operating units. The board provides principles for overall risk management, as well as policies covering specific areas.
- (v) Regulatory Assets recognised in the Books of Accounts of PrKTCL are subject to True up by CERC as per Regulation.

Net tax recoverable from beneficiaries:

1. In accordance with the CERC tariff regulation for determination of tariff, the income-tax paid is considered for tariff determination (truing up). Accordingly, PrKTCL has considered deferred tax liability as on March 31, 2022 as Net tax recoverable from beneficiaries.
2. As per the Standard, deferred tax on timing differences which reverse during the tax holiday period should not be recognised. For this purpose, the reversal during the tax holiday period is adjusted against the deferred tax liability created till FY 2021-2022. Therefore, the reversal of timing difference during the tax holiday period, would be considered to be out of the timing difference as at March 31, 2022 and reversed during the period ended March 31, 2022.

NOTE 43: IMPACT OF COVID-19

The ongoing spread of COVID-19 has impacted business in various countries including India and there have been disruptions to regular business operations due to COVID response measures undertaken in certain geographies. The management has assessed impact on business and financial risks on account of COVID-19 on the financial statements of the Group. Considering that the subsidiaries of the Group are engaged in the business of transmission of electricity which is considered as an "Essential Service", the management believes that the impact of COVID-19 is not significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due. Further, the management will continue to monitor and

INDIA GRID TRUST**Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

assess impact of economic conditions arising due to COVID-19. The impact of COVID-19 may differ from that expected at the date of approval of the financial statements.

NOTE 44: OTHER INFORMATION

- (i) The Trust does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Trust does not have any transactions with Companies struck off.
- (iii) The Trust have not traded or invested in Cryptocurrency or Virtual Currency during the financial year.
- (iv) The Trust does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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**
Chartered Accountants
Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors of
Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)
(as Investment Manager of India Grid Trust)

per Huzefa Ginwala
Partner
Membership Number : 111757

Harsh Shah
CEO & Whole-time Director
DIN: 02496122

Swapnil Patil
Company Secretary
Membership Number : 24861

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Pune
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

Place : Mumbai
Date : May 20, 2022

GLOSSARY

| | |
|--------------|---|
| AC | Audit Committee |
| ACM | Audit Committee Meeting |
| AGM | Annual General Meeting |
| ALM | Allotment Committee Meeting |
| ATSL | Axis Trustee Services Limited |
| ATV | All-Terrain Vehicle |
| AUM | Asset Under Management |
| Availability | The percentage amount of time for which the asset is available for power flow |
| BDTCL | Bhopal Dhule Transmission Company Limited |
| BM | Board Meeting |
| BOOM | Build Own Operate & Maintain |
| BOT | Build, Operate and Transfer |
| Board | Board of Directors of IIML |
| BRICS | Brazil Russia India China & South Africa |
| Bn | Billion |
| BSE | BSE Limited |
| BU | Billion Units |
| CAGR | Compounded Annual Growth Rate |
| CEA | Central Electricity Authority |
| CEO | Chief Executive Officer |
| CERC | Central Electricity Regulatory Commission |
| CFA | Chartered Financial Analyst |
| C.G. | Chhattisgarh |
| CIA | Central Intelligence Agency |
| CIN | Corporate Identification Number |
| cKms | circuit kilometers |
| COD/CoD | Commercial Operation Date |
| CTU | Central Transmission Utility |
| CY | Calendar Year |
| D/C | Double Circuit |
| DDUGJY | Deen Dayal Upadhyaya Gram Jyoti Yojana |
| DII | Domestic Institutional Investor |
| DIN | Director Identification Number |
| Discom | Distribution Company |
| DPU | Distribution Per Unit |
| DRHP | Draft Red Herring Prospectus |
| DSO | Days Sales Outstanding |
| DSRA | Debt Service Reserve Account |
| EBITDA | Earnings before interest, taxes, depreciation and amortization |
| ECB | External Commercial Borrowing |
| EGM | Extraordinary General Meeting |
| EHS/HSE | Environment Health & Safety |
| EV | Enterprise Value |

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| EHV | Extra High Voltage |
| EMDEs | Emerging Markets & Development Economies |
| ENICL | East North Interconnection Company Limited |
| EPC | Engineering Procurement & Construction |
| EPM | Environmental Protection Measures |
| Esoteric | Esoteric II Pte. Ltd (an affiliate of KKR & Co. Inc) |
| FDI | Foreign Direct Investment |
| FICCI | Federation of Indian Chambers of Commerce & Industry |
| FII | Foreign Institutional Investor |
| IndiGrid Solar Assets / Solar I & II | IndiGrid Solar Asset I and IndiGrid Solar Asset (two SPVs) |
| IndiGrid Solar I | IndiGrid Solar-I (AP) Private Limited (formerly FRV Andhra Pradesh Solar Farm-I Private Limited) |
| IndiGrid Solar II | IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) |
| F/W | Forward |
| FY | Financial Year |
| FYP | Five Year Plan |
| GIS | Gas Insulated Substation |
| GTTPPL | Goa Tamnar Transmission Project Limited |
| Gol | Government of India |
| GPTL | Gurgaon Palwal Transmission Limited |
| G-Sec | Government securities |
| GST | Goods & Services Tax |
| GW | Giga Watt |
| HVDC | High Voltage Direct Current |
| IAS | Indian Administrative Service |
| IBEF | India Brand Equity Foundation |
| ICDR | Issue of Capital & Disclosure Requirements |
| ICM | Investment Committee Meeting |
| ICT | Information and Communication Technologies |
| IDC | Interest During Construction |
| IGL | IndiGrid Limited (Erstwhile SGL-1) |
| IGL 1 | IndiGrid 1 Limited (Erstwhile SGL-2) |
| IGL 2 | IndiGrid 2 Limited (Erstwhile SGL-3) |
| Investment Manager | IIML |
| IIML | IndiGrid Investment Managers Limited (erstwhile Sterlite Investment Managers Limited) |
| IMF | International Monetary Fund |
| IMS | Integrated Management System |
| IRDAI | Insurance Regulatory and Development Authority |
| IndiGrid/IGT | India Grid Trust |
| ₹ | Indian National Rupee |
| InvIT | Infrastructure Investment Trust |
| IPAs | Initial Portfolio Assets i.e. BDTCL and JTCL |
| IPDS | Integrated Power Development Scheme |
| IPO | Initial Public Offering |
| IPTC | Independent Private Transmission Company |
| IRR | Internal rate of return |
| ISTS | Inter State Transmission System |
| J-B line | Jabalpur Bina line (an element of JTCL) |
| J-D line | Jabalpur Dharamjaygarh line (an element of JTCL) |

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| JKTPL | Jhajjar KT Transco Private Limited |
| JTCL | Jabalpur Transmission Company Limited |
| KKR | KKR & Co. Inc. together with its subsidiaries |
| KTL | Khargone Transmission Limited |
| kV | kilo Volt |
| kWh | kilo Watt hour |
| LiDAR | Light Detection and Ranging, a surveying method that measures distance to a target by illuminating the target with pulsed laser light |
| LILO | Loop-In-Loop-Out |
| LTTC | Long Term Transmission Customer |
| MAT | Minimum Alternate Tax |
| MF | Mutual Fund |
| MMRDA | Mumbai Metropolitan Region Development Authority |
| Mn | Million |
| MP | Madhya Pradesh |
| MPPTCL | Madhya Pradesh Power Transmission Company Limited |
| MSETCL | Maharashtra State Electricity Transmission Company Limited |
| MTL | Maheshwaram Transmission Limited |
| MTM | Mark to Market |
| MU | Million Units |
| MVA | Mega Volt Ampere |
| MW | Mega Watt |
| MWp | Megawatts-peak |
| NAV | Net Asset Value |
| NBFC | Non Banking Financial Company |
| NCDs | Non Convertible Debentures |
| NCLT | National Company Law Tribunal |
| NDCF | Net Distributable Cash flow (is the net cash flow that the trust has at its disposal for distribution to IndiGrid during a particular period in accordance with the formula defined in the Offer Document) |
| NER-II /NER | NER II Transmission Limited |
| NRC | Nomination & Remuneration Committee |
| NSE | National Stock Exchange of India Limited |
| NTL | NRSS XXIX Transmission Limited |
| O&M | Operation & Maintenance |
| Offer Document | Final offer document of India Grid Trust units, filed with SEBI on May 15, 2017 |
| OFTO | Offshore Transmission Owner |
| OGPTL | Odisha Generation Phase II Transmission Limited |
| PAT | Profit After Tax |
| PGCIL | Power Grid Corporation of India Limited |
| PIMA | Project Implementation and Management Agreement |
| PKTCL | Purulia & Kharagpur Transmission Company Limited |
| PoC | Point of Connection |
| PPA | Power Purchase Agreement |
| PPE | Personal Protective Equipment |
| PrKTCL | Parbati Koldam Transmission Company Limited |
| PTCL | Patran Transmission Company Limited |
| QHSE | Quality, Health, Safety, Environment |
| RBI | Reserve Bank of India |
| REC | Rural Electrification Corporation |
| REL INFRA | Reliance Infrastructure Limited |

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| ROCE | Return on Capital Employed |
| ROE | Return on Equity |
| ROFO | Right of First Offer |
| ROW | Right of Way |
| RTA | Registrar and Share Transfer Agent |
| RTCL | RAPP Transmission Company Limited |
| S/C | Single Circuit |
| SCADA | Supervisory Control and Data Acquisition |
| SCOD/Scheduled COD | Scheduled Commercial Operation Date defined as per Schedule 3 of TSA |
| SEBI | Securities & Exchange Board of India |
| SECI | Solar Energy Corporation of India |
| SGL-1 | Sterlite Grid 1 Limited (renamed to IGL) |
| SGL-2 | Sterlite Grid 2 Limited (renamed to IGL-1) |
| SGL-3 | Sterlite Grid 3 Limited (renamed to IGL-2) |
| SGL-4 | Sterlite Grid 4 Limited |
| SGL-5 | Sterlite Grid 5 Limited |
| SIML | Sterlite Investment Managers Limited (renamed to IndiGrid Investment Managers Limited) |
| SOP | Standard Operating Procedure |
| Solar I & II / Solar Assets | IndiGrid Solar Asset I and IndiGrid Solar Asset II |
| SPGVL | Sterlite Power Grid Ventures Limited (merged into SPTL) |
| SPTL | Sterlite Power Transmission Limited |
| SPV | Special Purpose Vehicle |
| Sponsor | Esoteric & SPTL |
| SRC | Stakeholder Relationship Committee |
| STL | Sterlite Technologies Limited |
| Tariff | Composed of non-escalable, escalable and incentive component. The incentive component is based on the availability of the asset = $2 * (\text{Average Annual Availability} - 98\%) * (\text{Non-Escalable and Escalable Tariff})$ |
| T&D | Transmission & Distribution |
| TBCB | Tariff Based Competitive Bidding |
| TDS | Tax Deducted at Source |
| TEECL | Techno Electric & Engineering Co. Ltd. |
| TERI | The Energy and Resources Institute |
| TPGCL | Techno Power Grid Company Limited |
| Trustee | Axis Trustee Services Limited |
| TSA | Transmission Services Agreement |
| TSTRANSCO | Transmission Corporation of Telangana Limited |
| UAV | Unmanned Aerial Vehicle |
| UDAY | Ujwal DISCOM Assurance Yojana |
| UJALA | Unnat Jyoti by Affordable LEDs and Appliances for All |
| UP | Uttar Pradesh |
| UPSI | Unpublished Price Sensitive Information |
| US/USA | United States of America |
| US\$ | US Dollar |
| VAT | Value-Added Tax |
| VWAP | Volume Weighted Average Price |
| WACC | Weighted Average Cost of Capital |
| YoY | Year on Year |
| YTD | Year Till Date |

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(iii) the power transmission sector, and (iv) political, economic, legal and social conditions. Given the risks, uncertainties and other factors, viewers of this report are cautioned not to place any reliance on these forward looking statements for making any investment decisions or any other purpose.

Corporate Information

Board of Directors

Mr. Tarun Kataria - Independent Director
 Mr. Rahul Asthana - Independent Director
 Mr. Ashok Sethi - Independent Director
 Ms. Jayashree Vaidhyathanan - Independent Director
 Mr. Hardik Shah - Non-Executive Director
 Ms. Ami Momaya - Non-Executive Director
 Mr. Harsh Shah¹ - Chief Executive Officer & Whole-time-Director
 Mr. Jyoti Kumar Agarwal² - Chief Financial Officer

Management Team

Mr. Harsh Shah¹ - Chief Executive Officer
 Mr. Jyoti Kumar Agarwal² - Chief Financial Officer
 Ms. Meghana Pandit - Chief Investment Officer
 Mr. Satish Talmale - Chief Operating Officer
 Mr. Bigyan Parija - Chief Design Officer
 Ms. Divya Bedi Verma³ - Deputy CFO
 Mr. Swapnil Patil - Company Secretary & Compliance Officer
 Mr. Kundan Kishore - Head - Human Resources

Investment Committee

Mr. Tarun Kataria - Chairperson
 Mr. Rahul Asthana - Member
 Mr. Ashok Sethi - Member
 Mr. Hardik Shah - Member
 Ms. Ami Momaya - Member

Audit Committee

Mr. Tarun Kataria - Chairperson
 Mr. Rahul Asthana - Member
 Mr. Ashok Sethi - Member
 Ms. Jayashree Vaidhyathanan - Member
 Mr. Hardik Shah - Member
 Ms. Ami Momaya - Member

Stakeholders' Relationship Committee

Mr. Rahul Asthana - Chairperson
 Mr. Tarun Kataria - Member
 Mr. Ashok Sethi - Member
 Ms. Jayashree Vaidhyathanan - Member
 Mr. Hardik Shah - Member
 Ms. Ami Momaya - Member

Nomination and Remuneration Committee

Mr. Rahul Asthana - Chairperson
 Mr. Tarun Kataria - Member
 Mr. Ashok Sethi - Member
 Mr. Hardik Shah - Member
 Ms. Ami Momaya - Member

Allotment Committee

Mr. Rahul Asthana - Chairperson
 Mr. Ashok Sethi - Member
 Mr. Hardik Shah - Member
 Ms. Ami Momaya - Member
 Mr. Harsh Shah¹ - Member
 Mr. Jyoti Kumar Agarwal² - Member

Risk Management Committee

Mr. Rahul Asthana - Chairperson
 Mr. Tarun Kataria - Member
 Mr. Ashok Sethi - Member
 Mr. Hardik Shah - Member
 Ms. Ami Momaya - Member

Notes:

- Mr. Harsh Shah has tendered his resignation from the position of Chief Executive Officer & Whole-time Director with effect from June 30, 2022.
- Mr. Jyoti Kumar Agarwal has resigned from the position of Chief Financial Officer with effect from June 30, 2022 and elevated to Chief Executive Officer & Whole-time Director of IIML with effect from July 1, 2022.
- Ms. Divya Bedi Verma has been elevated to Chief Financial Officer of IIML with effect from July 1, 2022

Registered office of Investment Manager

IndiGrid Investment Managers limited

Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanaigari Marg, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India
 Tel: +91 70284 93885
 CIN: U28113MH2010PLC308857

Principal Place of Business

India Grid Trust

Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanaigari Marg, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India
 Tel: +91 70284 93885
 E-mail: complianceofficer@indigrid.co.in
 Website: <http://www.indigrid.co.in>
 Tel: +91 70284 93885

Registrar and Transfer Agent

KFIN Technologies Limited

(Unit: India Grid Trust)

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 E-mail: support.indiagrid@kfintech.com
 Tel: +91 40 3321 5205

IndiGrid Trustee

Axis Trustee Services Limited

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 Tel: +912262300605
 Fax: +912262300700
 Email: debenturetrustee@axistrustee.com
 Website: www.axistrustee.com

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001
 Tel: +912240807000
 Fax: 66311776 / 40807080
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 Investor Grievance E-mail: response@idbitrustee.com
 Website: <http://www.idbitrustee.com>

Investor Relations

Ms. Meghana Pandit

E-mail Id: investor.relations@indigrid.co.in

Valuer

Mr. S Sundararaman

5B, "A" Block, 5th Floor, Mena Kampala Arcade, New #18 & 20, Thiagaraya Road, T.Nagar, Chennai - 600 017

Auditor

S R B C & Co LLP

C Wing, Ground Floor, Panchshil Tech Park (Near Don Bosco School), Pune - 411 006, Maharashtra, India

List of Bankers

IndusInd Bank
 Federal Bank
 Axis Bank
 Union Bank of India
 ICICI Bank
 Bank of Maharashtra
 HDFC Bank limited
 IIFCI UK
 Kotak Mahindra Bank limited
 NIIF Infrastructure finance limited
 IDFC First Bank limited



India Grid Trust

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Santacruz (East), Mumbai – 400 098,
Maharashtra, India

Compliance Officer: **Mr. Swapnil Patil**

<http://www.indigrid.co.in>