Date: May 12, 2023

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai — 400 001,
Maharashtra, India
Scrip Code- 540565

National Stock Exchange of India Ltd
Listing Department
Exchange Plaza, Plot No. C/1, Block G,
Bandra-Kurla Complex, Bandra (East),
Mumbai- 400 051, Maharashtra, India
Symbol- INDIGRID

Subject: Submission of audited standalone and consolidated Financial Information of India Grid Trust along with the Audit Reports for the financial year ended on March 31, 2023

Dear Sir/ Madam,

Pursuant to the applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with circulars and guidelines issued thereunder ("**InvIT Regulations**"), as amended from time to time, we hereby submit the audited standalone and consolidated Financial Information of India Grid Trust ("**IndiGrid**") along with Audit Reports for the financial year ended on March 31, 2023, as approved by the Board of IndiGrid Investment Managers Limited, the Investment Manager of IndiGrid at its meeting held on May 12, 2023.

You are requested to take the same on record.

Thanking you,
For and on behalf of the **IndiGrid Investment Managers Limited**
Representing India Grid Trust as its Investment Manager

URMIL KISHOR SHAH
Digitally signed by URMIL KISHOR SHAH
Date: 2023.05.12 20:43:52 +05'30'

Urmil Shah
Company Secretary & Compliance Officer
ACS-23423

Copy to-
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW,
29 Senapati Bapat Marg, Dadar West,
Mumbai- 400 028 Maharashtra, India

Encl: As above

S R B C & CO LLP
Chartered Accountants

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel : +91 20 6603 6000

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, 2023, 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, 2023, 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, 2023, 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, 2023, its consolidated net assets at fair value as at March 31, 2023, 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, 2023.

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, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole,

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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.

Key audit matters	**How our audit addressed the key audit matter**
<u>Non applicability of Appendix D 'Service Concession Arrangements' of Ind AS 115</u> 'Revenue from contracts with customers' *(as described in Note 28 of the consolidated financial statements)*	
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. 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	Our audit procedures included, among others, the following: • 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.

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Key audit matters	How our audit addressed the key audit matter
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 for all transmission assets operating under BOOM/ BOO model and for Solar assets. 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.	
<u>Key judgements and estimates used in the application of Appendix D 'Service Concession Arrangements' of Ind AS 115 'Revenue from contracts with customers' a subsidiary of the Group - Jhajjar KT Transco Private Limited (JKTPL)</u> *(as described in Note 28 of the consolidated financial statements)*	
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. 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 – 'Service Concession Arrangements' to Ind AS 115 – 'Revenue from contracts with customer'.	Our audit procedures included, among others, the following: • 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.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>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.

Accordingly, the above matter was determined to be a key audit matter in our audit of the consolidated financial statements.</td><td>• 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.</td></tr>
<tr><td colspan="2"><u>Impairment of property, plant and equipment and service concession arrangements</u>
(as described in Note 3,7 and 28 of the consolidated financial statements)</td></tr>
<tr><td>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, 2023, included under property, plant and equipment and service concession arrangements is INR 180,623.56 million.

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.

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.

Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair</td><td>Our audit procedures included, among others, the following:

• 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.</td></tr>
</table>

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Key audit matters	How our audit addressed the key audit matter
values, this is considered as a key audit matter.	• We read and assessed the disclosures included in the notes to the consolidated financial statements
<u>Classification of unit holders' funds as equity</u> *(as described in Note 28 of the consolidated financial statements)*	
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 28, 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. Considering the judgment required for classification of unit holders' funds as equity, this is considered as a key audit matter.	Our audit procedures included, among others the following: • 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.
<u>Acquisition of Transmission/ Solar Special Purpose Vehicles ("SPVs") classified as asset acquisitions</u> *(as described in Note 28 of the consolidated financial statements)*	
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.	Our audit procedures included, among others, the following: • 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.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>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.

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.</td><td>• 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.</td></tr>
<tr><td colspan="2">Computation and disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations
(as described in Note 28 of the consolidated financial statements)</td></tr>
<tr><td>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 Group.

For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.

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.

Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair</td><td>Our audit procedures included, among others the following:

• 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.</td></tr>
</table>

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>values, this is considered as a key audit matter.</td><td>

- 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.

</td></tr>
<tr><td colspan="2"><u>Classification of Khargone Transmission Limited ("KgTL") as a subsidiary</u>
<u>(as described in Note 28 of the consolidated financial statements)</u></td></tr>
<tr><td>In the current year, the Group has entered into a share purchase agreement with Sterlite Power Transmission Limited (the "Selling shareholders") for acquisition of equity stake in Khargone Transmission Limited ("KgTL") on January 21, 2023. Pursuant to the Agreement, the Group has finalized 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 KgTL. Additionally, the Group has also given a non-refundable, interest free advance to the selling shareholders comprising of 51 % of the purchase consideration which would be adjusted with the actual transfer of 51% equity stake.

Based on the contractual terms in the above agreement, the Group has following rights:

- Right to nominate majority of directors on the Board of directors of KgTL;
- Right to direct the Selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of KgTL;

</td><td>Our audit procedures included, among others, the following:

- We obtained and read the share purchase agreement with the selling shareholder for acquisition of equity stake in KgTL.
- We obtained understanding of management's assessment of whether the Group controls KgTL.
- We read and understood the Group's accounting policy for consolidation.
- We discussed with management the contractual terms and rights available to the Group pursuant to the agreement.
- We read and evaluated the requirements for consolidation of entity under Ind AS 110.
- We read and assessed the disclosures included in the consolidated financial statements.

</td></tr>
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Key audit matters	How our audit addressed the key audit matter
• Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in KgTL; Considering the requirements under Ind AS 110, the Group has assessed whether it controls KgTL on the basis of the above rights under the Agreement. Accordingly, the Group has consolidated KgTL as a 100% subsidiary from the date of acquisition. Considering the judgment required in assessing whether the Group controls KgTL, this is considered as a key audit matter.	

Other Information

The management of IndiGrid 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 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, 2023, the consolidated net assets at fair value as at March 31, 2023, 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

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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

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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 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, 2023 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.

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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, 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 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.

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

HSGinwal

S R B C & CO LLP * CHARTERED ACCOUNTANTS * SRBC

per Huzefa Ginwala
Partner
Membership Number: 111757
UDIN: 23111757BGYQJV1243
Place of Signature: Pune
Date: May 12, 2023

INDIA GRID TRUST
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,77,840.92	1,67,849.54
Right of use asset	3a	109.88	32.51
Intangible assets	4	461.15	497.95
Capital work-in-progress	5	782.13	36.42
Financial assets			
Other financial assets	7	2,673.94	3,289.66
Other non-current assets	8	1,026.52	639.81
		1,82,894.54	**1,72,345.89**
Current assets			
Financial assets			
i. Investments	6	4,462.46	1,451.73
ii. Trade receivables	9	4,180.21	3,898.15
iii. Cash and cash equivalent	10	3,166.23	11,873.37
iv. Bank Balances other than (iii) above	11	3,870.50	3,167.87
v. Other financial assets	7	3,339.58	2,675.69
Other current assets	8	210.30	157.65
		19,229.28	**23,224.46**
Total assets		**2,02,123.82**	**1,95,570.35**
EQUITY AND LIABILITIES			
Equity			
Unit capital	12	65,903.15	65,903.15
Other equity	13	(16,326.20)	(11,720.89)
Other reserves			
Equity attributable to Non-controlling interests		827.89	796.58
Total unit holders' equity		**50,404.84**	**54,978.84**
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	1,35,674.58	1,11,311.50
ii. Leases	15	93.30	26.58
iii. Other financial liabilities	17	311.58	286.41
Employee benefit obligations	18	11.46	8.43
Deferred tax liabilities (net)	20	958.19	1,049.44
		1,37,049.11	**1,12,682.36**
Current liabilities			
Financial liabilities			
i. Borrowings	14	9,256.73	22,036.95
ii. Leases	15	25.03	15.04
iii. Trade payables	16		
a. Total outstanding dues of micro and small enterprises		8.61	9.05
b. Total outstanding dues of creditors other than micro and small enterprises		740.74	477.24
iv. Other financial liabilities	17	4,207.80	5,067.05
Employee benefit obligations	18	18.89	23.33
Other current liabilities	19	412.07	280.49
		14,669.87	**27,909.15**
Total liabilities		**1,51,718.98**	**1,40,591.51**
Total equity and liabilities		**2,02,123.82**	**1,95,570.35**

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

HSGinwal

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 12 May 2023

U.K. Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

Navin Sharma
Chief Financial Officer

Place : Mumbai
Date : 12 May 2023

INDIA GRID TRUST
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2023	31 March 2022
INCOME			
Revenue from contracts with customers	21	23,318.12	22,221.83
Income from investment in mutual funds		362.55	193.62
Interest income on investment in fixed deposits		239.37	146.37
Other finance income		1.93	9.48
Other income	22	220.91	173.11
Total income (I)		**24,142.88**	**22,744.41**
EXPENSES			
Employee benefit expenses	23	351.96	288.35
Transmission infrastructure maintenance charges		526.64	441.51
Legal and professional fees		171.95	176.12
Annual listing fee		11.38	9.83
Rating fee		24.85	31.55
Valuation expenses		5.89	8.58
Trustee fee		7.70	4.63
Audit Fees			
- Statutory audit fees		15.16	13.98
- Tax audit fees		3.10	3.05
- Other services (including certification)		1.45	2.67
Other expenses	24	1,304.86	1,163.12
Depreciation and amortization expense	26	7,040.70	6,654.86
Finance costs	25	10,108.90	10,501.48
Impairment/ (reversal of impairment) of property, plant and equipment and service concession receivable		(120.14)	(54.97)
Total expenses (II)		**19,454.40**	**19,244.76**
		4,688.48	**3,499.65**
Regulatory Deferral Income		0.90	6.93
Profit before tax (III=I-II)		**4,687.58**	**3,492.72**
Tax expense			
Current tax		119.78	43.66
Deferred tax		(91.25)	10.97
Income tax for earlier years		1.26	5.34
Tax expense (IV)		**29.79**	**59.97**
Profit for the year (III-IV)		**4,657.79**	**3,432.75**
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		2.74	0.80
Other comprehensive income for the year		**2.74**	**0.80**
Total comprehensive income for the year		**4,660.53**	**3,433.55**
Profit for the year		**4,657.79**	**3,432.75**
Attributable to:			
Unit holders		4,555.72	3,484.12
Non-controlling interests		102.07	(51.37)
Other comprehensive income for the year		**2.74**	**0.80**
Attributable to:			
Unit holders		2.56	0.46
Non-controlling interests		0.18	0.34
Total comprehensive income for the year		**4,660.53**	**3,433.55**
Attributable to:			
Unit holders		4,558.28	3,484.58
Non-controlling interests		102.25	(51.03)
Earnings per unit			
Basic and diluted (in Rs.)	27	6.51	5.03
(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

HSGinwal

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

S R B C & CO LLP * CHARTERED ACCOUNTANTS *
SRBC

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 12 May 2023

U. K. Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

Navin Sharma
Chief Financial Officer

Place : Mumbai
Date : 12 May 2023

INDIA GRID TRUST
CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

A. Unit capital	Nos. in million	Rs. in million
Balance as at 01 April 2021	583.49	53,145.69
Units issued during the year (Refer note 11)	116.69	12,836.49
Issue expenses	-	(79.03)
Balance as at 31 March 2022	700.18	65,903.15
Units issued during the year	-	-
Balance as at 31 March 2023	700.18	65,903.15

(Rs. in million)

B. Other equity	Other comprehensive income	Retained earnings/ Accumulated deficit	Self Insurance Reserve	Total other equity
As at 01 April 2021	2.68	(6,392.58)	68.13	(6,321.77)
Profit for the year	-	3,484.12	-	3,484.12
Other comprehensive income	0.46	-	-	0.46
Add/Less: Transferred to self insurance reserve/from retained earnings	-	50.44	(68.13)	(17.69)
Less: Distribution during the year (refer note below)	-	(8,866.01)	-	(8,866.01)
As at 31 March 2022	**3.14**	**(11,724.03)**	**(0.00)**	**(11,720.89)**
Profit for the year	-	4,555.72	-	4,555.72
Other comprehensive income	2.56	-	-	2.56
Less: Distribution during the year (refer note below)	-	(9,163.59)	-	(9,163.59)
As at 31 March 2023	**5.70**	**(16,331.90)**	**(0.00)**	**(16,326.20)**

Note:
The distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the last quarter of FY 2022-23 which will be paid after 31 March 2023.

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.

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

HSGinwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

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

Harsh Shah
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DIN: 02496122
Place : Mumbai
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Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

Navin Sharma
Chief Financial Officer

Place : Mumbai
Date : 12 May 2023

INDIA GRID TRUST
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	31 March 2023	31 March 2022
A. Cash flow generated from operating activities		
Net profit as per statement of profit and loss	4,660.53	3,433.55
Adjustment for taxation	29.79	59.97
Profit before tax	4,690.32	3,493.52
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	7,040.70	6,654.86
Impairment /(reversal of impairment) of property, plant & equipment	(120.14)	(54.97)
Foreign exchange (loss)/gain on borrowing	(53.23)	(126.93)
Finance cost	10,162.13	10,628.41
Income from investment in mutual funds	(362.55)	(193.62)
Interest income on investment in fixed deposits	(239.37)	(146.37)
Other finance income	(1.93)	(9.48)
Operating profit before working capital changes	21,115.93	20,245.42
Movements in working capital :		
- trade payables	172.30	464.11
- other current and non-current financial liabilities	(501.93)	707.57
- other current and non-current liabilities	128.49	15.92
- trade receivables	340.27	(668.26)
- other current and non-current financial asset	(377.17)	(70.78)
- other current and non-current asset	(31.75)	0.22
Changes in working capital	(269.79)	448.78
Cash generated from operations	20,846.14	20,694.20
Direct taxes paid (net of refunds)	(490.08)	112.42
Net cash flow generated from operating activities (A)	20,356.06	20,806.62
B. Cash flow (used in) investing activities		
Purchase of property plant and equipment (including capital work-in-progress)	(17,826.59)	(11,050.09)
Purchase of equity shares/NCD/CCD of subsidiaries	-	(165.99)
Acquisition of other assets (net of other liabilities)	(578.41)	(970.89)
Proceeds from sale property plant & equipment	-	0.03
Interest income on investment in fixed deposits	197.13	117.83
Income from investment in mutual funds	362.55	193.62
Interest on others	1.93	9.48
Investment in mutual funds	(62,466.58)	(46,028.77)
Proceeds from mutual funds	59,455.85	44,577.04
Investment in fixed deposits (net)	(325.32)	(1,850.63)
Net cash flow (used in) investing activities (B)	(21,179.44)	(15,168.37)
C. Cash flow (used in)/from financing activities		
Proceeds from issue of unit capital	-	12,836.49
Unit issue expense incurred	-	(79.03)
Proceeds of long term borrowings	37,700.00	51,600.00
Repayment of long term borrowings	(26,145.39)	(70,721.01)
Acquisition of borrowings	-	7,106.84
Acquisition of non controlling interest	-	(807.65)
Payment of upfront fees of long term borrowings	(156.51)	(272.57)
Finance costs	(10,048.99)	(10,530.72)
Payment of dividend to non controlling interest	(70.94)	(99.31)
Payment of distributions to unitholders	(9,161.93)	(8,864.21)
Net cash flow (used in)/from financing activities (C)	(7,883.76)	(19,831.17)
Net change in cash and cash equivalents (A + B + C)	(8,707.14)	(14,192.92)
Cash and cash equivalents as at beginning of year (D)	11,873.37	26,066.29
Cash and cash equivalents as at the end of year (A + B + C + D)	3,166.23	11,873.37

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S R B C & CO LLP * CHARTERED ACCOUNTANTS *
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INDIA GRID TRUST
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

Components of cash and cash equivalents:	31 March 2023	31 March 2022
Balances with banks:		
- On current accounts ^	1,232.09	11,873.37
- Deposit with original maturity of less than 3 months #	1,934.14	-
Total cash and cash equivalents (refer note 10)	**3,166.23**	**11,873.37**

^ Out of total amount, Rs. 13.04 million (31 March 2022: Rs. 11.38 million) pertains to unclaimed distribution to unitholders.

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

Particulars	Long term borrowings (Including current maturities)
01 April 2021	**1,46,588.90**
Cash flow	
- Interest	(10,346.09)
- Proceeds/(repayments)	(12,286.69)
Foreign exchange loss on borrowing	(126.90)
Accrual	10,628.41
31 March 2022	**1,34,457.63**
Cash flow	
- Interest	(10,048.99)
- Proceeds/(repayments)	11,398.10
Foreign exchange loss on borrowing	(53.23)
Accrual	10,162.13
31 March 2023	**1,45,915.64**

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

HS Ginwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 12 May 2023

U.K. Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
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Navin Sharma
Chief Financial Officer

Place : Mumbai
Date : 12 May 2023

INDIA GRID TRUST

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)
(All amounts in Rs. million unless otherwise stated)

A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT

(Rs. in million)

Particulars	31 March 2023		31 March 2022	
	Book value	Fair value	Book value	Fair value
A. Assets	2,02,123.82	2,44,705.79	1,95,570.35	2,32,813.33
B. Liabilities and Non-Controlling Interest (at book value)	1,52,546.87	1,52,546.87	1,41,388.09	1,41,388.09
C. Net Assets (A-B)	49,576.95	92,158.93	54,182.26	91,425.23
D. Number of units	700.18	700.18	700.18	700.18
E. NAV (C/D)	70.81	131.62	77.38	130.57

Fair values of subsidiaries/SPVs are calculated based on their independent fair value done by experts appointed by the Group. The fair value of all these revenue-generating assets is determined using this method.
The Group holds 100% equity/beneficial interest in all SPVs except PrKTCL, in which it holds 74% with the balance 26% held by PGCIL and accounted for as non-controlling interest in the financial statements.

Project wise breakup of fair value of assets as at 31 March 2023

(Rs. in million)

Project	31 March 2023	31 March 2022
Bhopal Dhule Transmission Company Limited	19,967.13	21,000.16
Jabalpur Transmission Company Limited	17,745.12	17,216.04
Maheshwaram Transmission Limited	6,032.73	6,007.60
RAPP Transmission Company Limited	4,469.01	4,524.97
Purulia & Kharagpur Transmission Company Limited	6,967.36	6,835.12
Patran Transmission Company Limited	2,727.06	2,693.67
NRSS XXIX Transmission Limited	47,251.64	47,854.07
Odisha Generation Phase-II Transmission Limited	14,959.25	14,906.52
East North Interconnection Company Limited	12,011.12	12,013.95
Gurgaon-Palwal Transmission Limited	12,211.11	12,446.29
Jhajjar KT Transco Private Limited	3,646.13	3,524.22
Parbati Koldam Transmission Company Limited	8,978.53	9,792.84
NER II Transmission Limited	53,514.34	53,738.42
IndiGrid Solar-I (AP) Private Limited	3,461.16	4,080.18
IndiGrid Solar-II (AP) Private Limited	3,658.88	4,090.17
Kallam Transmission Limited	1,301.30	243.38
Raichur Sholapur Transmission Company Private Limited[1]	2,830.70	-
Khargone Transmission Limited[2]	16,773.05	-
Sub-total	2,38,505.62	2,20,967.60
Assets (in IndiGrid and intermediate holding companies)	6,200.17	11,845.73
Total assets	2,44,705.79	2,32,813.33

1. The Group has acquired Raichur Sholapur Transmission Company Private Limited with effect from 09 November 2022.
2. The Group has acquired Khargone Transmission Limited with effect from 02 March 2023.

B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

Particulars	31 March 2023	31 March 2022
Total comprehensive income (as per the statement of profit and loss)	4,660.53	3,433.55
Add/ (Less): other changes in fair value not recognized in total comprehensive income	5,339.00	411.27
Total Return	9,999.53	3,844.82

Notes:
1. Fair value of assets as at 31 March 2023 and as at 31 March 2022 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.

2. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 29A.

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S R B C & CO LLP * CHARTERED ACCOUNTANTS *
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INDIA GRID TRUST

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)
(All amounts in Rs. million unless otherwise stated)

A) Statement of Net Distributable Cash Flows (NDCFs) of India Grid Trust

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Cash flows received from the Portfolio Assets in the form of interest	17,768.08	16,885.69
Cash flows received from the Portfolio Assets in the form of dividend	221.90	282.66
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	259.18	161.96
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	1,665.40	4,132.52
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)	**19,914.56**	**21,462.83**
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	(10,236.69)	(9,371.42)
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	(31.96)	(23.62)
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(597.79)	(2,609.64)
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)	**(10,866.44)**	**(12,039.68)**
Net Distributable Cash Flows (C) = (A+B)	**9,048.12**	**9,423.15**

B) Statement of Net Distributable Cash Flows (NDCFs) of underlying Holdcos and SPVs

(i) IndiGrid Limited (IGL) (Holdco)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	**(338.72)**	**(960.78)**
Add: Depreciation, impairment and amortisation	36.97	25.16
Add/Less: Decrease/(increase) in working capital	(52.72)	(31.28)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	390.71	537.24
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	-	-
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	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	(69.51)	187.60
-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)	-	-
Amortization 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)	**305.45**	**718.72**
Net Distributable Cash Flows (C) = (A+B)	**(33.27)**	**(242.06)**

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S R B C & CO LLP * CHARTERED ACCOUNTANTS *
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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)
(All amounts in Rs. million unless otherwise stated)

(ii) Bhopal Dhule Transmission Company Limited (BDTCL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(728.48)	(157.55)
Add: Depreciation, impairment and amortisation	714.41	709.21
Add/Less: Decrease/(increase) in working capital	(143.73)	(79.66)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	2,410.28	1,239.73
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	(95.78)	(66.97)
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 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)	-	-
Amortization of Upfront fees	12.46	3.39
Loss on account of MTM of F/W & ECB	151.97	(116.66)
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	-	-
Total Adjustments (B)	3,049.61	1,689.04
Net Distributable Cash Flows (C) = (A+B)	2,321.13	1,531.49

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(iii) Jabalpur Transmission Company Limited (JTCL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(2,133.24)	(1,815.28)
Add: Depreciation, impairment and amortisation	725.11	410.58
Add/Less: Decrease/(increase) in working capital	(84.46)	(65.80)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	2,879.29	2,856.80
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	(8.50)	26.91
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)	-	-
Amortization 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)	3,511.44	3,228.49
Net Distributable Cash Flows (C) = (A+B)	1,378.20	1,413.21

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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(All amounts in Rs. million unless otherwise stated)

(iv) Maheshwaram Transmission Limited (MTL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(174.14)	(177.74)
Add: Depreciation, impairment and amortisation	121.77	121.75
Add/Less: Decrease/(increase) in working capital	(19.12)	(7.62)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	591.57	589.97
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	(0.94)	(0.02)
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)	-	-
Amortization 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)	693.28	704.08
Net Distributable Cash Flows (C) = (A+B)	519.14	526.34

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(v) RAPP Transmission Company Limited (RTCL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	13.49	20.22
Add: Depreciation, impairment and amortisation	86.05	85.93
Add/Less: Decrease/(increase) in working capital	(48.93)	1.80
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	305.15	318.60
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	(0.92)	0.07
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)	-	-
Amortization 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)	341.35	406.40
Net Distributable Cash Flows (C) = (A+B)	354.84	426.62

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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(All amounts in Rs. million unless otherwise stated)

(vi) Purulia & Kharagpur Transmission Company Limited (PKTCL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	22.15	47.46
Add: Depreciation, impairment and amortisation	143.13	143.03
Add/Less: Decrease/(increase) in working capital	(25.17)	(18.24)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	539.67	557.65
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	(2.47)	(0.65)
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;	5.44	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)	-	-
Amortization 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)	660.60	683.05
Net Distributable Cash Flows (C) = (A+B)	682.75	730.51

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(vii) Patran Transmission Company Limited (PTCL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(83.72)	(115.32)
Add: Depreciation, impairment and amortisation	141.64	159.75
Add/Less: Decrease/(increase) in working capital	(21.42)	(3.88)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	235.77	249.67
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	(1.30)	(6.13)
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)	-	-
Amortization 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)	354.69	399.41
Net Distributable Cash Flows (C) = (A+B)	270.97	284.09

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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(viii) IndiGrid 1 Limited (IGL1) (Holdco)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(37.50)	(18.78)
Add: Depreciation, impairment and amortisation	-	-
Add/Less: Decrease/(increase) in working capital	(8.27)	(2.63)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	35.51	4.75
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)	-	-
Amortization 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)	**27.24**	**1.77**
Net Distributable Cash Flows (C) = (A+B)	**(10.26)**	**(17.01)**

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(ix) NRSS XXIX Transmission Limited (NRSS) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	273.11	102.42
Add: Depreciation, impairment and amortisation	829.12	828.28
Add/Less: Decrease/(increase) in working capital	(277.71)	85.47
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	3,818.79	3,920.38
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	27.57	(19.82)
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;	92.77	16.45
-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)	-	-
Amortization 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)	4,490.54	4,830.76
Net Distributable Cash Flows (C) = (A+B)	4,763.65	4,933.18

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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(x) IndiGrid 2 Limited (IGL2) (Holdco)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(96.30)	(99.13)
Add: Depreciation, impairment and amortisation	-	-
Add/Less: Decrease/(increase) in working capital	(0.46)	0.30
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	93.12	91.22
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)		
Amortization 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)	**92.66**	**91.37**
Net Distributable Cash Flows (C) = (A+B)	**(3.64)**	**(7.76)**

(xi) Odisha Generation Phase-II Transmission Limited (OGPTL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(522.85)	(439.85)
Add: Depreciation, impairment and amortisation	413.29	398.84
Add/Less: Decrease/(increase) in working capital	(47.90)	(97.69)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	1,642.69	1,559.59
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	(1.58)	(8.67)
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)	-	-
Amortization of Upfront fees	-	12.19
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)	**2,006.50**	**1,864.26**
Net Distributable Cash Flows (C) = (A+B)	**1,483.65**	**1,424.41**

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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(xii) East-North Interconnection Company Limited (ENICL)(SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(436.68)	(466.85)
Add: Depreciation, impairment and amortisation	565.19	564.83
Add/Less: Decrease/(increase) in working capital	(72.51)	33.21
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	1,261.47	1,304.78
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	(6.76)	(5.59)
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)	-	-
Amortization 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)	1,747.39	1,897.23
Net Distributable Cash Flows (C) = (A+B)	1,310.71	1,430.38

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(xiii) Gurgaon-Palwal Transmission Limited (GPTL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(507.30)	(414.53)
Add: Depreciation, impairment and amortisation	362.69	358.42
Add/Less: Decrease/(increase) in working capital	(69.78)	(4.31)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	1,467.49	1,437.73
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	(15.52)	(70.25)
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;	-	(37.60)
-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)	-	-
Amortization 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)	1,744.88	1,683.99
Net Distributable Cash Flows (C) = (A+B)	1,237.58	1,269.46

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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(xiv) Jhajjar KT Transco Private Limited (JKTPL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	**(2.21)**	**10.23**
Add: Depreciation, impairment and amortisation	0.24	0.18
Add/Less: Decrease/(increase) in working capital	151.11	145.23
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	225.62	246.67
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	(65.71)	0.80
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	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	3.21	(1.15)
-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)	-	-
Amortization 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)	**314.47**	**391.73**
Net Distributable Cash Flows (C) = (A+B)	**312.26**	**401.96**

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(xv) Parbati Koldam Transmission Company Limited (PrKTCL) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	**258.10**	**75.19**
Add: Depreciation, impairment and amortisation	435.56	391.82
Add/Less: Decrease/(increase) in working capital	(131.73)	175.92
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	212.71	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	(4.24)	(4.25)
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;	(8.41)	(7.59)
-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)	-	-
Amortization 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)
Total Adjustments (B)	**503.89**	**500.46**
Net Distributable Cash Flows (C) = (A+B)	**761.98**	**575.65**

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 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 issued under the InvIT Regulations)
(All amounts in Rs. million unless otherwise stated)

(xvi) NER II Transmission Limited (NER) (SPV)

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(1,375.14)	(1,258.63)
Add: Depreciation, impairment and amortisation	984.12	983.03
Add/Less: Decrease/(increase) in working capital	(179.48)	(471.21)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	4,215.86	4,180.04
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	(34.76)	(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)	-	-
Amortization 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)	4,985.74	4,691.86
Net Distributable Cash Flows (C) = (A+B)	3,610.60	3,433.23

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(xvii) IndiGrid Solar-I (AP) Private Limited (ISPL1) (SPV)

Description	Year ended 31 March 2023 (Audited)	13 July 2021* to 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(144.26)	(262.81)
Add: Depreciation, impairment and amortisation	172.26	122.69
Add/Less: Decrease/(increase) in working capital	141.32	21.13
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	443.75	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	(0.53)	(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;	(66.16)	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)	-	-
Amortization 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)	690.64	567.46
Net Distributable Cash Flows (C) = (A+B)	546.38	304.65

* Being the date of acquisition by IndiGrid.

Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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(All amounts in Rs. million unless otherwise stated)

(xviii) IndiGrid Solar-II (AP) Private Limited (ISPL2) (SPV)

Description	Year ended 31 March 2023 (Audited)	13 July 2021* to 31 March 2022 (Audited)
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(143.15)	(242.16)
	-	
Add: Depreciation, impairment and amortisation	173.70	123.57
Add/Less: Decrease/(increase) in working capital	156.28	(2.73)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	451.04	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	(0.87)	(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;	(46.22)	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)	-	
Amortization 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)	**733.93**	**536.52**
Net Distributable Cash Flows (C) = (A+B)	**590.78**	**294.36**

* Being the date of acquisition by IndiGrid.
Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(xix) Kallam Transmission Limited (KTL) (SPV)

Description	28 December 2021* to 31 March 2022 (Audited)	28 December 2021* to 31 March 2022 (Audited)
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)	-	
Amortization 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.
Kallam Transmission Limited is under construction project and hence project shall not generate any NDCF. KTL shall generate NDCF post Commercial operation.

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(All amounts in Rs. million unless otherwise stated)

(xx) Raichur Sholapur Transmission Private Limited (RSTCPL) (SPV)

Description	09 November 22 * to 31 March 23 (Audited)
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(13.41)
Add: Depreciation, impairment and amortisation	25.97
Add/Less: Decrease/(increase) in working capital	70.73
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	114.46
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	(108.69)
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)	-
Amortization 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)	102.47
Net Distributable Cash Flows (C) = (A+B)	89.06

* Being the date of acquisition by IndiGrid consortium.
Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

(xxi) Khargone Transmission Limited (KgTL) (SPV)

Description	02 March 23 * to 31 March 23
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(80.16)
Add: Depreciation, impairment and amortisation	48.25
Add/Less: Decrease/(increase) in working capital	55.23
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	168.74
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)	-
Amortization 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)	272.22
Net Distributable Cash Flows (C) = (A+B)	192.06

* Being the date of acquisition by IndiGrid consortium.
Note: During the period, amount being at least 90% has already been distributed to IndiGrid.

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India Grid Trust
Notes to Consolidated Financial Statements for the year ended 31 March 2023

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, 2023. IndiGrid is an irrevocable trust settled by 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 amended from time to time) 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/ solar assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at March 31, 2023, 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') or Build, Own and Operate ('BOO') 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')
14. Raichur Solapur Transmission Company Private Limited ('RSTCPL')
15. Khargone Transmission Limited ('KgTL')

As at March 31, 2023, Group has following project entities which are transmission infrastructure projects developed on Design, Build, Finance, Operate and Transfer ('DBFOT') 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, 2023, 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, KoleKalyan 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 May 12, 2023.

2. Significant Accounting Policies

2.1 Basis of preparation

The Consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2023, 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, the Consolidated Statement of Net Assets at fair value as at March 31, 2023, the Consolidated Statement of Total Returns at fair value and

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the Statement of Net Distributable Cash Flows ('NDCFs') 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 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 Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at March 31, 2023. 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 recognized 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. 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

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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:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized 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/ 25 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.

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.

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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 quarterly to explain the cause of fluctuations in the fair value of the transmission/ solar projects.

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.

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

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

- Quantitative disclosures of fair value measurement hierarchy (Note 29B)
- Disclosures for valuation methods, significant estimates and assumptions (Note 28)
- Financial instruments (including those carried at amortised cost) (Note 29A)

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 35/25 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 Accounting for 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. 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

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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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost as a result of measures to reduce carbon emission.

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.

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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 land	Lease Period*	30
Buildings (substation)	25	30
Substations	25-35	40
Transmission lines	25-35	40
Plant and machinery	2-5	15
Solar power plants	25	40
Data processing equipments	3-5	3-6
Furniture and Fittings	5-7.5	10
Office equipments	4-5	3
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

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.

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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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of an intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the 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 5-10 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) 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.

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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.

l) 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 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.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

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 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 recognized 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 categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

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

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

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

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

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

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

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

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

Impairment of financial assets
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.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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.

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

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

Reclassification of financial assets

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

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

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 unitholders' 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.

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India Grid Trust

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 103: Reference to the Conceptual Framework

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group.

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India Grid Trust

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INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts in Rs. million unless otherwise stated)

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	Total
Gross block														
As at 01 April 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	1,74,191.59
Additions	17.07	-	-	-	104.40	4,523.87	75.60	57.85	15.91	32.93	2.92	-	-	4,830.55
Additions on account of acquisition (refer note 28)	2.04	-	-	-	-	-	-	-	-	-	-	5,895.99	-	5,898.04
Disposals	-	-	-	-	-	-	(0.45)	-	(0.02)	(0.99)	(0.80)	-	-	(2.25)
As at 31 March 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**	**1,84,917.92**
Additions	129.53	-	3.70	-	7.80	214.35	4.86	3.71	3.21	4.64	7.36	-	-	379.15
Additions on account of acquisition (refer note 28)	-	-	-	-	-	16,483.85	-	-	-	-	-	-	-	16,483.85
Disposals	-	-	-	-	-	-	-	(0.09)	(0.05)	(0.05)	-	-	-	(0.19)
As at 31 March 2023	**922.09**	**89.86**	**5.64**	**222.51**	**30,650.70**	**1,63,738.19**	**86.59**	**72.61**	**27.68**	**49.57**	**13.72**	**5,895.99**	**5.57**	**2,01,780.73**
Depreciation												-		
As at 01 April 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	10,332.57
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	-	6,615.67
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	120.14	-	-	-	-	-	-	-	120.14
As at 31 March 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**	**17,068.39**
Charge for the year	-	3.50	0.08	11.76	910.00	5,703.76	6.12	19.24	4.16	10.92	2.53	319.59	-	6,991.65
Disposals	-	-	-	-	-	-	-	(0.04)	(0.02)	(0.04)	-	-	-	(0.09)
Impairment	-	-	-	-	-	(120.14)	-	-	-	-	-	-	-	(120.14)
As at 31 March 2023	-	**20.48**	**0.22**	**47.63**	**3,645.82**	**19,562.06**	**10.22**	**29.90**	**8.97**	**23.23**	**5.32**	**582.91**	**3.05**	**23,939.80**
Net Block														
As at 31 March 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**	**1,67,849.54**
As at 31 March 2023	**922.09**	**69.38**	**5.42**	**174.88**	**27,004.88**	**1,44,176.13**	**76.37**	**42.71**	**18.71**	**26.33**	**8.41**	**5,313.08**	**2.52**	**1,77,840.92**

Notes :

(i) Property, plant and equipment and capital work in progress are subject to pari passu first charge to lenders for term loans as disclosed in Note 14.

(ii) Title deeds of all immovable properties are held in the name of Group except title deeds of ISPL-1 and ISPL-2 are held in its erstwhile name.

Note 3a: Right of use asset

The Group has taken office building on lease which has lease term of 5-9 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.

Particulars	Right-of-use asset	Lease Liabilities
As at 01 April 2021	39.27	50.54
Additions	3.83	-
Depreciation expense	(10.64)	-
Interest expense	-	4.28
Cash outflow for lease	-	(13.20)
As at 31 March 2022	**32.51**	**41.62**
Additions	88.10	87.76
Depreciation expense	(10.73)	-
Interest expense	-	3.98
Cash outflow for lease	-	(15.03)
As at 31 March 2023	**109.88**	**118.33**

Note 4: Intangible assets

Particulars	Computer software/License	Right-to-use common infrastructure facilities	Total
Gross block			
As at 01 April 2021	-	-	-
Additions	93.07	-	93.07
Accusition of a subsidiary (restated)	4.98	428.45	433.43
As at 31 March 2022	**98.05**	**428.45**	**526.50**
Additions	1.52	-	1.52
Accusition of a subsidiary (restated)	-	-	-
As at 31 March 2023	**99.57**	**428.45**	**528.02**
Amortisation and impairment			
As at 01 April 2021	-	-	-
Amortisation	14.50	14.05	28.55
As at 31 March 2022	**14.50**	**14.05**	**28.55**
Amortisation	15.78	22.54	38.32
As at 31 March 2023	**30.28**	**36.58**	**66.87**
Net book value			
As at 31 March 2022	**83.55**	**414.40**	**497.95**
As at 31 March 2023	**69.29**	**391.87**	**461.15**

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(All amounts in Rs. million unless otherwise stated)

Note 5: Capital work-in-progress (CWIP)

	31 March 2023	31 March 2022
Opening balance	36.42	97.09
Additions	1,124.86	29.88
Transfer / capitalised / disposed	(379.15)	(90.55)
Total	**782.13**	**36.42**

CWIP Ageing Schedule as at 31 March 2023	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*	746.06	34.74	0.36	0.97	782.13
Projects temporarily suspended	-	-	-	-	-
Total	**746.06**	**34.74**	**0.36**	**0.97**	**782.13**

CWIP Ageing Schedule as at 31 March 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*	35.09	0.36	-	0.97	36.42
Projects temporarily suspended	-	-	-	-	-
Total	**35.09**	**0.36**	-	**0.97**	**36.42**

The Kallam Transmission Limited (KTL Project) is currently under construction with scheduled commissioning in September 2023.

Note 6: Investments

	31 March 2023	31 March 2022
Current		
Unquoted mutual funds (valued at fair value through profit or loss)		
Aggregate book and market value of unquoted investments		
Axis Overnight Fund - Direct Growth- 1,38,097.81 units (31 March 2022: 6,496.68 units)	144.57	7.30
SBI Liquid Fund - Direct Growth - 1,10,412.78 units (31 March 2022: 40,632.11 units)	389.02	135.43
SBI Overnight Fund - Direct Growth - 25,164.86 units (31 March 2022: 33,551.75 units)	91.83	144.78
HDFC Liquid Fund - Direct Plan-Growth Option - 1,04,156.74 units (31 March 2022: 18,762.47 units)	460.71	78.51
HDFC Overnight Fund -Growth- Direct plan - 25,453.63 units (31 March 2022 : Nil)	84.72	-
HSBC Overnight Fund -Growth- Direct plan - 21,165.32 units (31 March 2022 : Nil)	24.83	-
ICICI Prudential Liquid Fund - Direct Plan-Growth Option - 1,30,974.30 units (31 March 2022: Nil)	158.28	-
ICICI Prudential Overnight Fund -Growth- Direct plan - 7,31,129.55 units (31 March 2022: Nil)	243.60	-
Kotak Liquid Fund Direct Plan Growth - 1,01,305.40 units (31 March 2022: 18,249.48 units)	460.78	78.53
Kotak Overnight Fund -Growth- Direct plan - 1,36,324.81 units (31 March 2022 : Nil)	163.02	-
Mirae Asset Cash Management Fund - Growth - Direct Plan - 2,86,989.45 units (31 March 2022 : Nil)	682.06	-
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (31 March 2022: 51,909.77 units)	-	270.35
Axis Liquid Fund - Direct Growth- 1,50,148.18 units (31 March 2022: 1,16,032 units)	375.50	274.31
Nippon India Overnight Fund - Direct Growth Plan - 10,69,229.61 units (31 March 2022: 56,979.86 units)	128.70	6.50
Nippon India Liquid Fund - Direct Plan-Growth Option - 89,545.82 units (31 March 2022: Nil)	493.10	-
UTI Liquid Cash Plan - Direct Plan - Growth (31 March 2022: 71,285.10 units)	-	248.65
Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan - 12,44,935.23 units (31 March 2022: 5,76,593.20 units)	452.02	197.87
Aditya Birla Sun Life Overnight Fund -Growth-Direct Plan - 90,503.89 units (31 March 2022: 8,267.23 units)	109.72	9.50
Total	**4,462.46**	**1,451.73**

Note 7: Other financial assets (unsecured, considered good) (carried at amortised cost)

	31 March 2023	31 March 2022
Non-Current		
Service Concession Receivable	2,628.27	2,787.29
Less : Provision for expected credit loss	(182.63)	(182.63)
	2,445.64	**2,604.66**
VGF Receivable^	58.06	143.62
Security deposits	67.55	61.38
Bank deposits for remaining maturity of more than 1 year# (refer note 11)	102.69	480.00
Total	**2,673.94**	**3,289.66**
Current		
Contract assets - unbilled revenue*	2,817.85	1,958.43
Service Concession Receivable	337.00	344.10
VGF Receivable^	-	222.50
Advances receivable in cash or kind	26.42	37.88
Interest accrued on deposits	140.17	93.34
Security deposits	1.15	0.23
Others	16.99	19.21
Total	**3,339.58**	**2,675.69**

* Unbilled revenue is the transmission charges and sale of solar power for the month of March 2023 amounting to Rs. 2,817.85 million (31 March 2022 : Rs. 1,958.43 million) billed in the month of April 2023.

^The Group was eligible to apply for the Viability Gap Funding (VGF) subject to the compliance of certain conditions of VGF Securitization Agreement, Letter of Intent and Power Purchase Agreement. During the previous year, the Group had, 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 23 June 2021. The Group has received the VGF tranches from SECI during the current year.

Includes amount of Rs 79.40 million (31 March 2022: NIL) is kept in Debt Service Reserve Account ('DSRA') / Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

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

Note 8: Other assets (unsecured, considered good)

	31 March 2023	31 March 2022
Non-Current		
Capital advances (unsecured, considered good)	259.08	268.04
Less: Provision for doubtful advances	(10.83)	(10.83)
	248.25	**257.21**
Advance income tax, including TDS (net of provisions)	496.02	99.96
Deposits paid under dispute (refer note 33)	151.64	151.67
Deferred income on security deposit	74.55	75.90
Others	56.06	55.07
Total	**1,026.52**	**639.81**
Current		
Prepaid expenses	120.48	107.67
Balance with statutory authority	24.02	24.02
Deferred income on security deposit	3.96	3.63
Advance Gratuity Fund	8.13	6.87
Others	53.71	15.46
Total	**210.30**	**157.65**

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

Note 9: Trade receivables (carried at amortised cost)

	31 March 2023	31 March 2022
Trade receivables	4,186.29	3,904.23
Less: Allowance for doubtful debts	(6.08)	(6.08)
Total	**4,180.21**	**3,898.15**
Current portion	4,180.21	3,898.15
Non-current portion	-	-
Break-up of security details:		
-Secured, considered good	-	-
-Unsecured, considered good	4,180.21	3,898.15
-Trade receivables which have significant increase in credit risk	-	-
-Trade receivables - credit impaired	6.08	6.08
Impairment allowance (Allowance for bad and doubtful debts):		
-Unsecured, considered good	-	-
-Provision for impairment	-	-
-Trade receivables - credit impaired	-	-

Ageing schedule as at 31 March 2023	Outstanding for following periods from the due date of payment						
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	-	2,861.34	90.57	245.68	-	-	3,197.59
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	149.12	833.51	982.62
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	6.08	6.08
Total	**-**	**2,861.34**	**90.57**	**245.68**	**149.12**	**839.59**	**4,186.29**

Ageing schedule as at 31 March 2022	Outstanding for following periods from the due date of payment						
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	-	2,736.84	77.59	98.14	-	-	2,912.57
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	152.07	833.51	-	985.58
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	6.08	6.08
Total	**-**	**2,736.84**	**77.59**	**250.21**	**833.51**	**6.08**	**3,904.23**

Neither trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member within the Group.

Trade Receivables includes Rs. 710.61 million (March 31, 2022 - Rs 710.61 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 Group. APTEL has admitted the stay application and asked no coercieve action should be taken place till the hearing of the said application.
Further, the Group 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 due on invoicing / billing.

See Note 37 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

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(All amounts in Rs. million unless otherwise stated)

Note 10: Cash and cash equivalents (carried at amortized cost)

	31 March 2023	31 March 2022
Balance with banks		
- in current accounts ^	1,232.09	11,873.37
Deposit with original maturity of less than 3 months	1,934.14	-
Total	**3,166.23**	**11,873.37**

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 Group and earn interest at the respective deposit rates.

^ Out of total amount, Rs. 13.04 million (31 March 2022: Rs. 11.38 million) pertains to unclaimed distribution to unitholders.

Note 11: Other bank balances

	31 March 2023	31 March 2022
Non-Current		
Bank deposits with original maturity of more than 12 months	102.69	480.00
Amount disclosed under head other non current financial asset (refer note 7)	(102.69)	(480.00)
Total	-	-
Current		
Deposit with original maturity for more than 3 months but less than 12 months #	2,112.94	1,234.44
Deposit with original maturity for more than 12 months#	1,757.56	1,933.43
Total	**3,870.50**	**3,167.87**

Details of lien marked deposits:

1. Rs. 2,993.76 million (31 March 2022: Rs. 2,322.58 million) is kept in interest service reserve account ('ISRA')/debt service reserve account ('DSRA') as per borrowing agreements with lenders.
2. Rs. 17.10 million (31 March 2022: Rs. 149.58 million) held as lien by bank against bank guarantees.
3. Rs. 0.08 million (31 March 2022: Rs. 0.08 million) pledged with Sales Tax Department.

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Note 12: Unit Capital

	31 March 2023	31 March 2022
a. Reconciliation of the units outstanding at the beginning and at the end of the reporting period	**Number of units (In million)**	**Amount (Rs. in million)**
As at 01 April 2021	583.49	53,145.69
Units issued during the year (refer note below)	116.69	12,836.49
Issue expenses (refer note below)	-	(79.03)
As at 31 March 2022	**700.18**	**65,903.15**
Issued during the year	-	-
As at 31 March 2023	**700.18**	**65,903.15**

Note:
(i) During the previous year ended 31 March 2022, the Group had issued 116,695,404 units of India Grid Group ("Indigrid" and such units, the "units"), for cash at a price of Rs. 110.00 per unit (the "issue price"), aggregating to Rs. 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 Allotment Committee of the Board of Directors of IndiGrid 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.
(ii) Issue expenses of Rs. 79.03 million was incurred in connection with issue of units which is shown as reduction from Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

b. Terms/rights attached to units
The Group has only one class of units. Each unit represents an undivided beneficial interest in the Group. 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 Group 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 Group 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 Group Deed and the Investment Management Agreement.

c. Unitholders holding more than 5 percent Units in the Trust	31 March 2023		31 March 2022	
	(Nos. in million)	% holding	(Nos. in million)	% holding
Esoteric II Pte. Limited	165.90	23.69%	165.90	23.69%
Government of Singapore	140.18	20.02%	140.18	20.02%
Larsen And Toubro Limited	39.02	5.57%	38.07	5.44%

d. The Group 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 Group has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date.

Note 13: Other Equity

	31 March 2023	31 March 2022
Retained earnings/ (Accumulated deficit)		
Balance as per last financial statements	(11,724.03)	(6,392.58)
Add: Profit for the year	4,555.72	3,484.12
Less: Distribution paid to unitholders	(9,163.59)	(8,866.01)
Add: Transferred from self insurance reserve	-	50.44
Closing balance	**(16,331.90)**	**(11,724.03)**
Other Comprehensive Income (OCI)		
Balance as per last financial statements	3.14	2.68
Movement in OCI (tet) during the year	2.56	0.46
Closing balance	**5.70**	**3.14**
Self Insurance Reserve		
Balance as per last financial statements	-	68.13
Less: Transferred to retained earnings	-	(50.42)
Less: Transferred to non controlling interest	-	(17.71)
Closing balance	-	-
Total	**(16,326.20)**	**(11,720.89)**

Retained earnings are the profits earned by the Group till date, less distribution paid to unitholder

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(All amounts in Rs. million unless otherwise stated)

Note 14: Long term borrowings (carried at amortised cost)

	31 March 2023	31 March 2022
Non-Current		
Debentures		
6.65% - 8.20% Public NCD (secured) (refer note A below)	9,886.75	9,872.40
7.11% Non-convertible debentures (secured) (refer note A below)	4,350.00	4,350.00
8.60% Non-convertible debentures (secured) (refer note A below)	2,500.00	2,500.00
7.85% Non-convertible debentures (secured) (refer note A and (i) below)	4,961.90	-
7.917% Non-convertible debentures (secured) (refer note A and (i) below)	4,970.49	-
7.53% Non-convertible debentures (secured) (refer note A and (i) below)	2,494.26	-
8.85% Non-convertible debentures (secured)	-	1,989.20
9.10% Non-convertible debentures (secured) (refer note A below)	2,996.63	2,976.28
8.40% Non-convertible debentures (secured) (refer note A below)	-	3,497.64
6.72% Non-convertible debentures (secured) (refer note A below)	8,477.66	8,470.48
6.52% Non-convertible debentures (secured) (refer note A below)	3,991.70	1,488.66
7.00% Non-convertible debentures (secured) (refer note A below)	2,496.24	2,493.70
7.25% Non-convertible debentures (secured) (refer note A below)	1,496.17	1,494.65
7.40% Non-convertible debentures (secured) (refer note A below)	995.09	993.54
7.32% Non-convertible debentures (secured) (refer note A below)	3,990.50	3,991.06
8.50% Non-convertible debentures (secured) (refer note A below)	-	3,982.52
	53,607.39	48,100.13
Term loans		
Indian rupee loan from banks (secured) (refer note B and (ii) below)	82,067.19	61,375.49
Foreign currency loan from financial institution (secured)	-	1,835.88
	82,067.19	63,211.37
Total	1,35,674.58	1,11,311.50

Current borrowings

	31 March 2023	31 March 2022
Current maturities of long term borrowings		
7.85% Non-convertible debentures (secured)	-	6,560.00
9.57% Non-convertible Debentures of Rs. 10,000,00 each	-	13,993.83
8.40% Non-convertible debentures (secured) (refer note A and (i) below)	3,499.92	-
8.50% Non-convertible debentures (secured) (refer note A and (i) below)	3,991.21	-
Indian rupee loan from banks (secured) (refer note B and (ii) below)	1,765.60	1,232.50
Foreign currency loan from financial institution (secured)	-	250.62
Total	9,256.73	22,036.95
The above amount includes :		
Secured borrowings	1,44,931.31	1,33,348.46
Unsecured borrowings	-	-
Total long term borrowings	1,44,931.31	1,33,348.46

(i) The above items represent new secured non-convertible debentures that have been issued by the Trust during the year ended 31 March 2023.
(ii) During the year ended 31 March 2023 the Trust has taken new Indian rupee loan from banks of Rs. 22,700 million (31 March 2022: Rs. 27,600 million).

Note (A): Non-convertible debentures referred above are secured 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/Hold cos 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 99% over the equity share capital of all SPVs except pledge of 73% over the equity share capital of PrKTCL.
(iv) Exclusive charge on the ISRA/DSRA accounts created for respective facility.

Note (B): Term loan from banks:
The Indian rupee term loan from bank carries interest at the rate of 7.00% to 8.40% 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/Hold cos 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 99% over the equity share capital of all SPVs except pledge of 73% over the equity share capital of PrKTCL.
(iv) Exclusive charge on the ISRA/DSRA accounts created for respective facility.

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(All amounts in Rs. million unless otherwise stated)

The below table shows the maturity profile of outstanding NCD of the Group the principal of which is repayable in full at the time of maturity :

Rate of Interest	Repayment Commencement Date	2023-2024	2024-2025	2025-2026	2026-2027	2027-28	2028-2029 & onward
3,000 9.10% Non-convertible debentures of Rs. 10,00,000 each	29 July 2024	-	3,000.00	-	-	-	-
50,000 7.85% Non-convertible debentures of Rs. 100,000 each	28 February 2028	-	-	-	-	5,000.00	-
4,000 8.50% Non-convertible debentures of Rs. 10,00,000 each	01 March 2024	4,000.00	-	-	-	-	-
2,500 7.00% Non-convertible debentures of Rs. 10,00,000 each	28 June 2024	-	2,500.00	-	-	-	-
2,500 7.53% Non-convertible debentures of Rs. 10,00,000 each	05 August 2025	-	-	2,500.00	-	-	-
1,500 7.25% Non-convertible debentures of Rs. 10,00,000 each	27 June 2025	-	-	1,500.00	-	-	-
1,000 7.40% Non-convertible debentures of Rs. 10,00,000 each	26 December 2025	-	-	1,000.00	-	-	-
2,500 8.60% Non-convertible debentures of Rs. 10,00,000 each	31 August 2028	-	-	-	-	-	2,500.00
50,000 7.917% Non-convertible debentures of Rs. 100,000 each	28 February 2031	-	-	-	-	-	5,000.00
2,500 8.40% Non-convertible debentures of Rs. 10,00,000 each	14 June 2023	2,500.00	-	-	-	-	-
1,000 8.40% Non-convertible debentures of Rs. 10,00,000 each	16 June 2023	1,000.00	-	-	-	-	-
4,000 7.32% Non-convertible debentures of Rs. 10,00,000 each	27 June 2031	-	-	-	-	-	4,000.00
8,500 6.72% Non-convertible debentures of Rs. 10,00,000 each	14 September 2026	-	-	-	8,500.00	-	-
4,000 6.52% Non-convertible debentures of Rs. 10,00,000 each	07 April 2025	-	-	4,000.00	-	-	-
4,350 7.11% Non-convertible debentures of Rs. 10,00,000 each	14 February 2029	-	-	-	-	-	4,350.00

Public NCD

Rate of Interest	Repayment Commencement Date	2024-2025	2026-2027	2028-2029	2031-2032
6.65% Category I & II	06 May 2024	0.01	-	-	-
6.75% Category III & IV	06 May 2024	101.82	-	-	-
7.45% Category I & II	06 May 2026	-	859.85	-	-
7.6% Category III & IV	06 May 2026	-	964.74	-	-
7.7% Category I & II	06 May 2028	-	-	1,004.25	-
7.9% Category III & IV	06 May 2028	-	-	409.09	-
7.49% Category I & II	06 May 2028	-	-	4.72	-
7.69% Category III & IV	06 May 2028	-	-	120.34	-
7.95% Category I & II	06 May 2031	-	-	-	126.46
8.2% Category III & IV	06 May 2031	-	-	-	5,991.84
7.72% Category I & II	06 May 2031	-	-	-	4.72
7.97% Category III & IV	06 May 2031	-	-	-	412.18

Financial covenants

Loans from bank, debt securities 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 31 March 2023, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

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(All amounts in Rs. million unless otherwise stated)

Note 15: Leases

	31 March 2023	31 March 2022
Non-Current		
Lease liabilities (refer note 36)	93.30	26.58
	93.30	**26.58**
Current		
Lease liabilities (refer note 36)	25.03	15.04
	25.03	**15.04**

Note 16: Trade payables (carried at amortised cost)

	31 March 2023	31 March 2022
Trade payables		
- total outstanding dues of micro and small enterprises	8.61	9.05
- total outstanding dues of creditors other than micro and small enterprises		
- to related parties (refer note 30)	101.20	102.35
- to others	639.54	374.89
Total	**749.35**	**486.29**

Ageing schedule as at 31 March 2023	Outstanding for following periods from the due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	-	3.24	4.86	0.50	0.01	-	8.61
Total outstanding dues of creditors other than micro and small enterprises	626.50	28.96	70.95	9.56	4.77	-	740.74
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**626.50**	**32.20**	**75.81**	**10.06**	**4.78**	**-**	**749.35**

Ageing schedule as at 31 March 2022	Outstanding for following periods from the due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	-	-	-	8.18	-	0.87	9.05
Total outstanding dues of creditors other than micro and small enterprises	283.29	13.64	129.24	27.30	23.77	-	477.24
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**283.29**	**13.64**	**129.24**	**35.48**	**23.77**	**0.87**	**486.29**

Trade payables are non-interest bearing and are normally settled on 30-90 days terms.
For explanation on the Company's risk management policies, refer note 37.

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INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts in Rs. million unless otherwise stated)

Note 17: Other financial liabilities

	31 March 2023	31 March 2022
Non-Current		
VGF liability	270.81	270.11
Others	40.77	16.30
Total	**311.58**	**286.41**
Current		
Derivative instruments at fair value		
Foreign exchange forward contracts	-	6.19
Cross currency interest rate swap	-	7.04
	-	**13.23**
Other financial liabilities at amortised cost		
VGF liability	13.87	13.12
Interest accrued but not due on borrowings	984.33	1,109.17
Payables for purchase of property, plant and equipment	943.52	917.33
Distribution payable	13.04	11.38
Payable towards project acquired#		
- To related party (refer note 30)	1,291.19	1108.97
- To others	27.79	450.24
Employee payable	35.34	30.25
Tariff payable to beneficiaries@	895.72	1,406.45
Others*	3.00	6.91
	4,207.80	5,053.82
Total	**4,207.80**	**5,067.05**

* 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 37.

@Tariff payables to beneficiaries incudes Rs. 895.72 million (31 March 2022 Rs. 1,406.45 million) payable to beneficiaries due to CERC order on determination of COD on certain elements of project.

Liability 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, Parbati Koldam Transmission Company Limited, NER II Transmission Limited, Raichur Sholapur Transmission Company Private Limited and Khargone Transmission Limited pursuant to respective share purchase agreements.

Note 18: Employee Benefit Obligations

	31 March 2023	31 March 2022
Non current		
Provision for gratuity (refer note 39)	6.14	4.07
Provision for leave benefit	5.32	4.36
Total	**11.46**	**8.43**
Current		
Provision for gratuity (refer note 39)	0.73	0.47
Provision for leave benefit	0.64	0.50
Long term incentive plan (refer note 40)	17.52	22.36
Total	**18.89**	**23.33**

Note 19: Other current liabilities

	31 March 2023	31 March 2022
Current		
Withholding taxes (TDS) payable	40.92	23.27
Advance from customers	270.52	166.62
WCT payable	0.38	0.38
Professional tax payable	0.25	0.04
GST payable	7.40	22.45
Provident fund payable	3.35	1.62
Others	89.25	66.11
Total	**412.07**	**280.49**

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(All amounts in Rs. million unless otherwise stated)

Note 20: Deferred tax liability (net)

	31 March 2023	31 March 2022
Deferred tax liability		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	16,519.39	14,995.31
Service concession recievable : Impact of difference between tax depreciation and effective rate of interest for financial reporting	231.81	600.76
Recoverable from beneficiaries	(648.74)	(649.63)
Gross deferred tax liability (A)	**16,102.46**	**14,946.44**
Deferred tax asset		
Financial assets	69.91	93.60
Tax Losses	15,074.36	13,803.40
Gross deferred tax asset (B)	**15,144.27**	**13,897.00**
Net deferred tax liability (A-B)	**958.19**	**1,049.44**

Reconciliation of deferred tax liability	**31 March 2023**	**31 March 2022**
Opening deferred tax liability, net	1,049.44	921.39
Deferred tax liability (net of asset) acquired during the year	-	117.08
Deferred tax credit / (charge) recorded in statement of profit and loss	(91.25)	10.97
Closing deferred tax liability, net	**958.19**	**1,049.44**

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:	**31 March 2023**	**31 March 2022**
- Current tax	119.78	43.66
- Deferred tax	(91.25)	10.97
- Income tax for earlier years	1.26	5.34
Income tax expenses reported in the statement of profit and loss	**29.79**	**59.97**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:	**31 March 2023**	**31 March 2022**
Accounting profit before income tax	4,687.58	3,492.72
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	1,179.86	879.12
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(1,151.33)	(830.12)
Income tax for earlier years	1.26	
Impact on deferred tax due to change in tax rates	-	10.97
At the effective income tax rate	**29.79**	**59.97**
Income tax expense reported in the statement of profit and loss	**29.79**	**59.97**

1. As at 31 March 2023, 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.

2. The Group has Rs. 11,120.52 million (31 March 2022: Rs. 13,923.31 million) of tax losses / unabsorbed depreciation 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 Rs. 2,798.81 million (31 March 2022: Rs. 3,504.50 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

	31 March 2023	31 March 2022
Note 21.1: Disaggregated revenue information		
Type of service		
Power transmission services (refer note A below)	22,376.64	21,614.28
Revenue from sale of electricitiy (solar) (refer note B below)	941.48	607.55
Total	**23,318.12**	**22,221.83**

(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 Central Electricity Regulatory Commission (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 recognized corresponds directly with the value to the customer of the entity's performance completed to date.

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(All amounts in Rs. million unless otherwise stated)

Note 21.2: Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	31 March 2023	31 March 2022
Revenue as per contracted price	22,630.94	21,665.43
Adjustments:		
Incentives earned for higher asset availabilities	630.65	508.56
Surcharges received for late payments	166.78	159.02
Rebates given for early payments	(110.25)	(111.18)
Total revenue from contracts with customers	**23,318.12**	**22,221.83**

Project wise break up of revenue from contracts with Customers	**31 March 2023**	**31 March 2022**
Bhopal Dhule Transmission Company Limited	2,704.90	2,717.86
Jabalpur Transmission Company Limited	1,524.58	1,546.12
Maheshwaram Transmission Limited	581.25	580.72
RAPP Transmission Company Limited	456.76	457.18
Purulia & Kharagpur Transmission Company Limited	752.50	773.37
Patran Transmission Company Limited	319.88	318.60
NRSS XXIX Transmission Limited	5,224.69	5,021.84
Odisha Generation Phase-II Transmission Limited	1,609.01	1,648.67
East North Interconnection Company Limited	1,508.77	1,494.32
Gurgaon-Palwal Transmission Limited	1,465.82	1,494.28
Jhajjar KT Transco Private Limited (note c)	325.68	292.47
Parbati Koldam Transmission Company Limited (note d)	1,394.29	1,088.26
NER II Transmission Limited	4,221.64	4,157.23
IndiGrid Solar-I (AP) Private Limited (note b)	460.25	305.54
IndiGrid Solar-II (AP) Private Limited (note b)	481.23	325.37
Raichur Sholapur Transmission Company Private Limited (note a)	142.36	-
Khargone Transmission Limited (note a)	144.51	-
Total revenue from contracts with customers	**23,318.12**	**22,221.83**

a. In the current financial year, The Trust has acquired Raichur Scholar Transmission Company Private Limited and Khargone Transmission Limited w.e.f. 09 Novemeber 2022 and 02 March 2023 respectively.

b. In the previous year, the Trust has acquired IndiGrid Solar-I (AP) Private Limited and IndiGrid Solar-II (AP) Private Limited with effect from 13 July 2021. Amounts stated above pertain to post acquisition revenue.

c. 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 recognized 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.

d. Parbati Koldam Transmission Company Limited had filed tariff petition in FY 2021-22 for truing up of the tariff for period 2014-19 and revised petition of tariff for period 2019-24 with CERC for its approval. However these petition are yet to be disposed off by CERC. Hence, company has been recognizing the revenue basis the filed petition order for 2019-24 for 2022-23 .

Note 22: Other Income

	31 March 2023	31 March 2022
Sale of scrap	106.12	28.86
Reversal of provision for doubtful custom deposit	-	1.39
Profit on sale of property, plant and equipment	0.01	0.19
Reimbursements received	19.80	43.55
Deferred income on VGF	46.45	13.12
Miscellaneous income	48.53	86.00
Total	**220.91**	**173.11**

Note 23: Employee Benefit Expenses

	31 March 2023	31 March 2022
Salaries, wages and bonus	299.84	238.13
Contribution to provident fund	11.19	8.75
Long term incentive plan (refer note 40)	6.98	17.90
Gratuity expense (refer note 39)	6.04	2.71
Staff welfare expenses	27.91	20.86
Total	**351.96**	**288.35**

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(All amounts in Rs. million unless otherwise stated)

Note 24: Other expenses

	31 March 2023	31 March 2022
Project management fees (refer note 30)	1.42	1.06
Investment management fees (refer note 30)#	450.30	434.12
Power and fuel	40.27	41.20
Rent	9.01	6.95
Rates and taxes	158.63	125.21
Insurance expenses	204.09	252.43
Vehicle hire charges	56.22	36.87
Loss on sale of assets	-	0.16
Director Sitting Fee	6.11	5.93
Security charges	43.68	46.05
Earn out expenses	-	(0.35)
Bay Charges	102.53	53.18
Advertisement expenses	0.17	4.90
Right of way charges	31.88	35.81
Corporate social responsibility	19.12	28.29
Miscellaneous expenses	181.43	91.31
Total	**1,304.86**	**1,163.12**

 # For all SPV's except Parbati Koldam Company Transmission Limited
Pursuant to the Amended and Restated Investment Management Agreement dated 29 March 2022, Investment Manager is entitled to fees @ 1.75% p.a. of difference between revenue from operations and operating expenses (other than fees of the Investment Manager) or 0.25% of AUM of each SPV, whichever is lower. For this purpose, operating expenses would not include depreciation, finance costs and income tax expense.

 # For Parbati Koldam Company Transmission Limited (SPV)
Pursuant to the Investment Management Agreement dated 2 March 2021 as amended, Investment Manager is entitled to fees @ 1.00% of difference between revenue from operations and operating expenses (other than fees of the Investment Manager) of the Company, per annum. For this purpose, operating expenses would not include depreciation, finance costs and income tax expense.

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Note 25: Finance Cost

	31 March 2023	31 March 2022
Interest on financial liabilities measured at amortised cost#	10,100.28	10,487.34
Other bank and finance charges	4.64	5.85
Discounting on Factoring	-	4.01
Interest expense on lease liabilities (refer note 3a)	3.98	4.28
Total	**10,108.90**	**10,501.48**

Includes foreign exchange loss which is considered as adjustment to borrowing cost amounting to Rs. 53.23 million (31 March 2022: Rs. 126.93 million)

Note 26: Depreciation and amortization expense

	31 March 2023	31 March 2022
Depreciation of tangible assets	6,991.65	6,615.67
Depreciation on Right of use assets	10.73	10.64
Amortisation of intangible assets	38.32	28.55
Total	**7,040.70**	**6,654.86**

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	31 March 2023	31 March 2022
Profit after tax for calculating basic and diluted EPU (Rs. in million)	4,555.72	3,484.12
Weighted average number of units in calculating basic and diluted EPU (No. in million)	700.18	693.14
Earnings Per Unit:		
Basic and Diluted (Rupees/unit)	6.51	5.03

Note 28: Significant accounting judgements, estimates and assumptions

The preparation of the Group'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 25-35 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 Design, build, finance, operate and transfer ("DBFOT") 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 "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.

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iv. Consolidation of Khargone Transmission Limited ('KgTL') as a subsidiary
The Group acquired 49% of paid up equity capital of Khargone Transmission Limited ("KgTL") with effect from 02 March 2023 from Sterlite Power Transmission Limited (SPTL)) (referred as "the seller") pursuant to Share Purchase Agreement dated 21 January 2023 ("SPA"). The Group has finalised purchase consideration for acquisition of entire stake in KgTL and has entered into a binding agreement with the Seller to acquire remaining 51% paid up equity capital in KgTL from the Seller. The Group has beneficial interest based on the rights available to it under the SPA.
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 KgTL;
•Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of KgTL;
•Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in KgTL;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls KgTL on the basis the above rights under the agreement and the fact that the Group has acquired 49% and have paid for the balance 51% consideration (subject to certain agreed hold back amount). Based on the assessment, management has concluded that the Group controls KgTL in spite of the fact that it has acquired only 49% of the paid up capital of KgTL.

Accordingly, the Group has consolidated KgTL assuming 100% equity owKgTLship 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 recognized as financial liability in the consolidated Ind AS financial statements.

v. Consolidation of NER and GPTL as a subsidiary
The Group had acquired 49% and have paid for the balance 51% consideration (subject to certain agreed hold back amount) of NER & GPTL . Based on the assessment, management has concluded that the Group controls both entities in spite of the fact that it has acquired only 49% of the paid up capital of both entities. Further, based on the legal opinion both the entities are considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities 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 29A and 29B).
In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Group 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 / solar 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-current assets
Non-current assets of the Group primarily comprise of property, plant & equipment and service concession recievable.

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 recievable has been computed by external independent valuation experts based on value in use calculation for the underlying transmission / solar projects of SPV's (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 Group tests impairment on the amounts invested in the respective subsidiaries of company. 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 Rs. 120.14 million for the year ended 31 March 2023 (31 March 2022 : net impairment reversal of Rs. 54.97 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.

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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:

(Rs. in million)

Particulars	Carrying value		Fair value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Financial assets at amortized cost				
Trade receivables	4,180.21	3,898.15	4,180.21	3,898.15
Cash & cash equivalent	3,166.23	11,873.37	3,166.23	11,873.37
Other bank balance	3,973.19	3,647.87	3,973.19	3,647.87
Other financial assets	5,910.83	5,485.35	5,910.83	5,485.35
Financial assets at Fair Value				
Investments in mutual funds	4,462.46	1,451.73	4,462.46	1,451.73
Total	21,692.92	26,356.47	21,692.92	26,356.47
Financial liabilities at amortized cost				
Borrowings	1,44,931.31	1,33,348.46	1,44,931.31	1,33,348.46
Trade payables	749.35	486.29	749.35	486.29
Lease Liabilities	118.33	41.62	118.33	41.62
Other financial liabilities	4,519.38	5,340.23	4,519.38	5,340.23
Financial assets at Fair Value				
Derivative instruments	-	13.23	-	13.23
Total	1,50,318.37	1,39,229.83	1,50,318.37	1,39,229.83

The management has assessed that the financial assets and financial liabilities as at year end are reasonable approximations of their fair values.

The Group 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 20 October 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 31 March 2023 and 31 March 2022 are as shown below:

Description of significant unobservable inputs to valuation:

(Rs in million)

Significant unobservable inputs	Input for 31 March 2023	Input for 31 March 2022	Sensitivity of input to the fair value	Increase /(decrease) in fair value 31 March 2023	31 March 2022
WACC	7.70% to 8.53%	7.55% to 9.12%	+ 0.5%	(10,744.00)	(10,168.42)
			- 0.5%	10,446.00	11,434.87
Tax rate (normal tax and MAT)	Normal Tax - 25.168%	Normal Tax - 25.168%	+ 2%	(580.08)	(520.00)
			- 2%	531.80	471.00
Inflation rate	Revenue(Esclable): 5.00%	Revenue(Esclable):5.00%	+ 1%	(3,127.86)	(3,173.14)
	Expenses: 2.14% to 4.75%	Expenses: 2.46% to 4.84%	- 1%	2,574.20	2,604.90

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 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 20 October 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 Property. plant and equipments / Service concession receivable of the group mainly compose of Transmission/ Solar assets (which are SPV entities/ subsidiary of the group, a fair valuation activity is done by the management as explained above, which is carried out by external valuation expects. On the basis of valuation exercise carried out, the below fair value numbers are determined for PPE and Service concession receivable.

(Rs. in million)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023 and 31 March 2022:	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 *	31 March 2023	-	-	2,23,315.41
	31 March 2022	-	-	2,08,073.78
Investments in mutual funds	31 March 2023	-	4,462.46	-
	31 March 2022	-	1,451.73	-
Liabilities measured at fair value through profit and loss				
Derivative instruments (Liability)	31 March 2023	-	-	-
	31 March 2022	-	13.23	-

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.

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

Note 30: Related party disclosures

I. List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures

(a) Entity with significant influence over the Trust
Esoteric II Pte. Ltd - Sponsor
Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid
Indigrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) (IIML) - Investment manager of IndiGrid

II. List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations

(a) Parties to IndiGrid
Esoteric II Pte. Ltd (EPL) - Inducted Sponsor
Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid
Indigrid Investment Managers Limited (IIML) - Investment manager of IndiGrid
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid (Axis Bank Ltd is Promoter)*

(b) Promoters of the parties to IndiGrid specified in (a) above
KKR Ingrid Co-Invest L.P.- Cayman Island - Promoter of EPL
Twin Star Overseas Limited - Promoter of SPTL
Electron IM Pte. Ltd. - Promoter of IIML

(c) Directors of the parties to IndiGrid specified in (a) above

Directors of SPTL:
Pravin Agarwal
Pratik Agarwal
A. R. Narayanaswamy
Zhao Haixia (till 31 March 2022)
Anoop Seth
Manish Agarwal (from 17 December 2021)
Arun Lalchand Todarwal (till 24 July 2021)
Kamaljeet Kaur (from 29 June 2022)

Directors of IIML:
Harsh Shah (CEO & Whole-time director) (till 30 June 2022 and re-joined from 30 August 2022)
Jyoti Kumar Agarwal (till 30 September 2022)
Tarun Kataria
Rahul Asthana (till 25 December 2022)
Ashok Sethi
Hardik Shah (from 30 November 2021)
Jayashree Vaidhyanthan (from 30 November 2021)
Ami Momaya (from 27 January 2022)
Pratik Agarwal (till 14 January 2022)
Sanjay Omprakash Nayar (till 27 January 2022)

Key Managerial Personnel of IIML:
Harsh Shah (CEO & Whole-time director) (till 30 June 2022 and re-joined from 30 August 2022)
Navin Sharma (CFO) (from 19 April 2023)
Urmil Shah (Company Secretary) (from 1 August 2022)
Jyoti Kumar Agarwal (CFO) (till 30 June 2022) and (CEO & Whole-time director) (from 01 July 2022 till 30 September 2022)
Divya Bedi Verma (CFO) (from 1 July 2022 till 15 February 2023)
Swapnil Patil (Company Secretary) (till 31 July 2022)

Directors of ATSL:
Rajesh Kumar Dahiya
Ganesh Sankaran
Deepa Rath (from 01 May 2021)
Sanjay Sinha (till 30 April 2021)

Directors of Esoteric II Pte. Ltd.:
Tang Jin Rong
Madhura Narawane (from 26 January 2022)
Velasco Azonos Cecilio Francisco (till 26 January 2022)

Relative of directors mentioned above:
Sonakshi Agarwal
Jyoti Agarwal
Sujata Asthana (till 25 December 2022)
Mala Todarwal (till 24 July 2021)

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India Grid Trust

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INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts in Rs. million unless otherwise stated)

(B) The transactions with related parties during the year are as follows:- (Rs. in millions)

Particulars	Relation	31 March 2023	31 March 2022
1. Deposits Given			
Sterlite Power Transmission Limited	Subsidiary	-	36.00
2. Adjustment in consideration for equity shares of PKTCL on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	50.00
3. Adjustment in consideration for equity shares of Indigrid 1 Limited on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	77.31	(0.58)
4. Consideration for equity shares of Indigrid 2 Limited on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	18.53
5. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/	-	(4.46)
6. Adjustment in consideration for equity shares of GPTL on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/	3.84	(0.57)
7. Purchase of equity shares of NER			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	5,179.33
8. 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
9. Distribution to unit holders			
Sterlite Power Transmission Limited	Sponsor of IndiGrid	-	14.09
Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)	Investment manager of IndiGrid	7.25	6.55
Esoteric II Pte. Ltd	Sponsor/Entity with significant	2,171.24	2,100.73
Pravin Agarwal	Director of Sponsor (SPTL) and Investment Manager	-	1.05
Harsh Shah	Whole time director of Investment Manager	0.38	0.18
Swapnil Patil	Company Secretary of Investment Manager	0.02	0.06
Sonakshi Agarwal	Relative of director	0.24	0.24
Jyoti Agarwal	Relative of director	0.08	0.30
Sujata Asthana	Relative of director	1.60	1.55
Arun Todarwal	Director of Sponsor (SPTL)	0.03	0.05
A. R. Narayanaswamy	Director of Sponsor (SPTL)	0.25	0.25
Mala Todarwal	Relative of director	0.02	0.05
10. Trustee fee			
Axis Trustee Services Limited (ATSL)	Trustee	2.63	3.32
11. Project management fees			
Sterlite Power Transmission Limited	Project manager of IndiGrid	1.42	1.06
12. Investment Management Fees			
Indigrid Investment Managers Limited	Investment manager of IndiGrid	450.30	434.12
13. Consideration for equity shares of NER on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Entity with significant influence	255.87	10.58
14. Purchase of Project stores			
Sterlite Power Transmission Limited	Project manager of IndiGrid	5.53	-
15. Advance given for stores			
Sterlite Power Transmission Limited	Project manager of IndiGrid	8.76	-
16. Reimbursement of Expenses			
Sterlite Power Transmission Limited	Project manager of IndiGrid	5.67	-
17. Transfer of Employee relatred liability			
Indigrid Investment Managers Limited	Investment manager of IndiGrid	1.26	-
18. Amount recovered			
Sterlite Power Transmission Limited	Project manager of IndiGrid	7.16	-
19. Purchase of equity shares of KgTL			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	135.13	-

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INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts in Rs. million unless otherwise stated)

Particulars	Relation	31 March 2023	31 March 2022
20. Purchase of loan of Khargone Transmission Limited			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	253.28	-
21. Deposit made to IT department on behalf of PKTCL & NRSS			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	19.19	-
22. Insurance claim recovery for TATA Projects - NER			
Sterlite Power Transmission Limited	Project manager of IndiGrid	3.92	-
23. Deposits against revenue loss (NRSS)			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	34.63	-
24. Directors sitting fees			
Prabhakar singh	Independent Director	4.84	4.80
Rahul Asthana	Independent Director	0.63	-
Saumil Shah	Independent Director	-	0.23
Prasad Paranjape	Independent Director	0.97	0.66

(C) The outstanding balances of related parties are as follows:-

(Rs in Million)

Particulars	31 March 2023	31 March 2022
1. Project Manager fees payable		
Sterlite Power Transmission Limited	1.70	1.22
2. Investment Manager fees payable		
Indigrid Investment Managers Limited (IIML)	99.34	96.75
3. Payable towards project acquired		
Sterlite Power Transmission Limited	1,291.19	1,108.97
4. Management fees payable		
Sterlite Power Transmission Limited	0.16	0.16
5. Deposits given		
Sterlite Power Transmission Limited	36.00	36.00

*The Group has entered into banking transactions in the nature of loans taken, fixed deposits made and interest thereof in the normal course of business with Axis Bank Limited in professional capacity.

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 20 October 2016 are as follows:

For the year ended 31 March 2023:

(A) Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations):

Rs. In million

Particulars	KgTL
Enterprise value	14,975.00
Method of valuation	Discounted cash flow
Discounting rate (WACC)	8.30%

(B) Material conditions or obligations in relation to the transactions:

Acquisition of Khargone Transmission Ltd (KgTL):

The Group acquired 49% of paid up equity capital of Khargone Transmission Limited ("KgTL") with effect from 02 March 2023 from Sterlite Power Transmission Limited (SPTL)) (referred as "the seller") pursuant to Share Purchase Agreement dated 21 January 2023 ("SPA"). The Group has finalised purchase consideration for acquisition of entire stake in KgTL and has entered into a binding agreement with the Seller to acquire remaining 51% paid up equity capital in KgTL from the Seller. The Group has beneficial interest based on the rights available to it under the SPA.
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 KgTL;
•Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of KgTL;
•Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in KgTL;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls KgTL on the basis the above rights under the agreement and the fact that the Group has acquired 49% and have paid for the balance 51% consideration (subject to certain agreed hold back amount). Based on the assessment, management has concluded that the Group controls KgTL in spite of the fact that it has acquired only 49% of the paid up capital of KgTL. Further, based on the legal opinion KgTL is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations.

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Note 31: Capital and other Commitments

(a) The Group has entered into a framework agreement with G R Infraprojects Limited ('GRIL') to acquire 100% stake in Rajgarh Transmission Limited.

(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 5-9 years with lock-in-period of 3 years

(d) The Group has capital commitment (net of advances) of Rs. 1,340.03 million (31 March 2022 : Rs. 1,622.86 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 and IndiGrid Solar-II (AP) Private Limited is required to sell power at a pre-fixed tariff of Rs. 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 30 November 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 28 December 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on September 2023.

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.

Year ended	Currency Type	Foreign Currency (In million)	Amount (Rs. in million)	Buy/Sell	No. of contracts (Quantity)
Hedge of foreign currency loan from financial institution					
31 March 2023	US $	-	-		-
31 March 2022	US $	27.69	2,086.50	Buy	2

(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:

Particulars	31-Mar-23	31-Mar-22
Currency type		US $
No. of contracts	-	1
Amount (USD 'million)	-	1.39
Period of Contract		31 March 2021 to 30 August 2022
Floating rate		USD 6 Month Libor + 2.10% to 3.80%
Fixed rate		7.02% on INR principal

The contract has been closed in the year ended 31 March 2023.

Note 33: Contingent liability

Particulars	31 March 2023	31 March 2022
Claim against the company not acknowledged as debt		
- Entry tax demand (refer note A)	432.59	432.59
- VAT/CST Demand (refer note B)	23.69	23.69
- Other Demands (refer note C)	325.93	406.18
Total	**782.21**	**862.46**

A. 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 Rs. 138.75 million (31 March 2022: Rs. 138.75 million) pertains to Jabalpur Transmission Company Limited ('JTCL'), Rs. 165.80 million (31 March 2022: Rs. 165.80 million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') and Rs. 13.30 million (31 March 2022: Rs. 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 Rs. 1.33 million (31 March 2022: Rs. 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 Rs. 113.41 million (31 March 2022: Rs. 113.41 million) pertains to Jabalpur Transmission Company Limited ('JTCL') out of which Rs. 51.55 million (31 March 2022: Rs. 51.55 million) is pending with the Chhattisgarh High Court, Rs. 40.50 million (31 March 2022: Rs. 40.50 million) is pending with Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.) and Rs. 21.36 million (31 March 2022: Rs. 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 29 October 2020 and is still awaiting a copy of the same.

B. Sales tax demand of Rs. 17.99 million (31 March 2022: Rs. 17.99 million) for Indigrid Limited (IGL) pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms, Rs. 24.66 million pertains to FY 2014-15 has been settled during the previous year; Rs. 17.99 million 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 Rs. 5.70 million (31 March 2023: Rs. 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 01 October 2020 and is still awaiting a copy of the same.

C. 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 Rs. NIL (31 March 2022: Rs. 20.12 million). It also includes an amount of Rs. 111.27 million (31 March 2022: Rs. 173.39 million) for claims from farmers for additional Right of Way (RoW) compensation made against one of the subsidiaries. Further it includes an amount of Rs. 212.67 million (31 March 2022: 212.67 million) for claims from one of the erstwhile EPC contract vendor against two of the subsidiaries.

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.

Others
The total contingent liability (except ROW and GST claim against ISPL 1 and ISPL 2) is recoverable as per share purchase agreement from Selling Shareholders.

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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 is receivable from PGCIL and solar charges is receivable from SECI.

Note 35: Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Particulars	31 March 2023	31 March 2022
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	8.61	9.05
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 (31 March 2022: 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 Group regarding their status under the Micro, Small and Medium Enterprises Act, 2006.

Note 36: Leases

Indigrid Limited (IGL) (a subsidiary of the Group) has lease contract for 2 office building used in its operations which have lease term of 5-9 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 (a subsidiary of the Group) 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.

IndiGrid Solar-II (AP) Private Limited (a subsidiary of the Group) 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.

Maturity analysis of lease liabilities - Contractual undiscounted cash flows:

(Rs. in million)

Particulars	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2023					
Lease liability	3.74	21.27	67.93	71.89	164.83
Total	**3.74**	**21.27**	**67.93**	**71.89**	**164.83**
31 March 2022					
Lease liability	3.57	11.47	28.57	9.20	52.81
Total	**3.57**	**11.47**	**28.57**	**9.20**	**52.81**

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 Groups's activities.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

(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

Price Risk
The Group invests its surplus funds in mutual funds which are linked to debt markets. The Group is exposed to price risk for investments in mutual funds that are classified as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with the limits approved by the Board of Directors. Reports on investment portfolio are submitted to the Group's senior management on a regular basis

Particulars	% change in market value	31 March 2023	31 March 2022
		Effect on loss before tax	Effect on loss before tax
Mutual funds	0.50%	22.31	7.26

Profit for the year would increase / decrease as a result of gains / losses on mutual funds classified as at fair value through profit or loss.

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 31 March 2023, 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). As at 31 March 2023, The Group did not have any exposure towards any assets / liabilities in foreign currency.

(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 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 Design, build, finance, operate and transfer ("DBFOT") 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 need a review if there is any change in the Pooling Regulations.
Similar mechnism is being followed in solar entities acquired by the group where there is only single customer i.e. Solar Energy Corporation of India (SECI) which is a high rated public sector undertaking with credit rating of AA+ as per ICRA Limited. The Group has obtained a Letter of Credit from SECI Limited to secure its credit risk associated with receivables.

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 31 March 2023 is the carrying amounts of trade and other receivables, cash and cash equivalents and other assets as disclosed in Note 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:

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2023						
Borrowings	-	-	9,256.73	1,11,751.00	23,923.58	1,44,931.31
Trade payables	-	749.35	-	-	-	749.35
Other financial liabilities	-	3,200.40	1,318.98	-	-	4,519.38
Total	-	3,949.75	10,575.71	1,11,751.00	23,923.58	1,50,200.04

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2022						
Borrowings	-	20,852.58	2,925.95	41,295.83	68,274.10	1,33,348.46
Trade payables	-	486.29	-	-	-	486.29
Other financial liabilities	-	3,767.79	1,559.21	-	-	5,327.00
Derivatives	-	13.23	-	-	-	13.23
Total	-	25,119.89	4,485.16	41,295.83	68,274.10	1,39,174.98

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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.

Particulars	31 March 2023	31 March 2022
Borrowings	1,44,931.31	1,33,348.46
Less: Cash and cash equivalents	(3,166.23)	(11,873.37)
Net debt (A)	**1,41,765.08**	**1,21,475.09**
Unit capital	65,903.15	65,903.15
Other equity	(16,326.20)	(11,720.89)
Total capital (B)	**49,576.95**	**54,182.26**
Capital and net debt ((C) = (A) + (B))	**1,91,342.03**	**1,75,657.35**
Gearing ratio (A)/(C)	**74%**	**69%**

Financial Covenants

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. 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 31 March 2023 and 31 March 2022.

Note 39: Post Employment Benefits Plan

BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NRSS, OGPTL, ENICL, GPTL, NER, ISPL1, ISPL2, KTL, IGL

The Group has a defined benefit gratuity plan. Such plan is unfunded and and employees working under the above said companies are covered in this 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:

Particulars	31 March 2023	31 March 2022
Defined benefit obligation at the beginning of the year	4.54	1.96
Transferred from immediate holding company / subsidiary of immediate holding company	0.29	-
Current service cost	5.76	2.57
- Interest Cost on defined benefit obligation	0.31	0.13
- Past service cost	-	-
Benefit paid directly by the employer	(2.01)	(0.15)
Remeasurements during the period due to:		
Actuarial (gain)/loss due to change in demographic assumptions	-	(0.04)
Actuarial (gain)/loss due to change in financial assumptions	(0.11)	(0.03)
Actuarial (gain)/loss on obligation due to experience	(1.92)	0.10
Present value of defined benefit obligation at the end of the year	**6.87**	**4.54**

Details of defined benefit obligation

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Present value of defined benefit obligation	6.87	4.54
Fair value of plan assets	-	-
Benefit liability	**6.87**	**4.54**

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

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current service cost	5.76	2.57
Interest cost on defined benefit obligation	0.31	0.14
Past service cost	-	-
Net actuarial (gain) / loss recognised	-	-
Expected return on plan assets	-	-
Contribution by employer	-	-
Net benefit expense	**6.07**	**2.71**

Net employee benefit expense recognised in the other Comprehensive income:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Actuarial (gain)/loss on obligation for the year	(2.02)	0.03
Net (income)/expense for the year recognised in OCI	**(2.02)**	**0.03**

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Amounts for the current and previous year are as follows:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Defined benefit obligation	6.87	4.54
Plan assets	-	-
Surplus / (deficit)	(6.87)	(4.54)
Experience adjustments on plan liabilities	-	-
Experience adjustments on plan assets	-	-

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

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Discount rate	7.40%	6.90%
Expected rate of return on plan asset	-	-
Employee turnover	10.00%	10.00%
Salary escalation rate (p.a)	7.00%	7.00%
Actual rate of return on plan assets	-	-
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 quantative sensitivity analysis for significant assumptions as at 31 March 2023 and 31 March 2022 is as shown below:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Projected benefit obligation on current assumptions	6.87	4.54
Obligation after +1% Change in discount rate	(6.40)	(4.22)
Obligation after -1% Change in discount rate	7.38	4.88
Obligation after +1% Change in salary escalation rate	7.38	4.88
Obligation after -1% Change in salary escalation rate	(6.39)	(4.22)

The following is the expected payment of benefits in the future years:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Within the next 2 years	1.44	0.92
Between 3 and 5 years	2.00	1.27
Between 6 and 10 years	3.29	2.29
Total expected payments	**6.73**	**4.48**

Parbati Koldam Transmission Company Limited

The Company has a defined benefit gratuity plan. Such plan is funded and employees working under Parbati Koldam Transmission Company Limited are covered under this 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:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Defined benefit obligation at the beginning of the year	5.02	6.05
Transfer in/(out) obligation	(0.22)	-
Current service cost	0.47	0.41
- Interest Cost	0.32	0.41
- Past service cost	-	-
Benefit paid directly by the employer	(0.29)	(0.41)
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	(0.15)	(0.04)
Actuarial (gain)/loss on obligation due to experience	(0.56)	(1.34)
Present value of defined benefit obligation at the end of the year	**4.59**	**5.02**

* Pertains to liabilities transferred on acquisition of Parbati Koldam Transmission Company Limited by the Group.

Details of defined benefit obligation

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Present value of defined benefit obligation	4.59	5.02
Fair value of plan assets	(12.72)	(11.90)
Benefit recognized as advance gratuity	**(8.13)**	**(6.88)**

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

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current service cost	0.47	0.41
Interest cost on defined benefit obligation	0.32	0.41
Past service cost	-	-
Expected return on plan assets	-	-
Contribution by employer	-	-
Net benefit expense	**0.79**	**0.82**

Net employee benefit expense recognized in the Other Comprehensive Income:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Actuarial (gain)/loss on obligation for the year	(0.71)	(1.44)
Return on plan assets , excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the year recognized in OCI	**(0.71)**	**(1.44)**

Changes in Fair Value of plan assets:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Opening value of plan assets	**11.90**	11.24
Actuarial (gain)/loss on obligation for the year		0.76
Interest cost/(income) on plan assets	0.82	-
Actual return on plan assets less interest/(income) on plan assets	0.00	(0.11)
Closing Balance of Fair Value of Plan Assets	**12.72**	**11.90**

Amounts for the current and previous year are as follows:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Defined benefit obligation	4.59	5.02
Plan assets	(12.72)	(11.90)
Surplus / (deficit)	**8.13**	**6.88**

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

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Discount rate	7.40%	6.90%
Expected rate of return on plan asset	-	-
Employee turnover	10.00%	10.00%
Salary escalation rate (p.a)	7.00%	7.00%
Actual rate of return on plan assets	-	-
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 quantative sensitivity analysis for significant assumptions as at 31 March 2023 and 31 March 2022 is as shown below:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Projected benefit obligation on current assumptions	4.59	5.02
Obligation after +1% Change in discount rate	(4.31)	(4.70)
Obligation after -1% Change in discount rate	4.90	5.40
Obligation after +1% Change in salary escalation rate	4.90	5.39
Obligation after -1% Change in salary escalation rate	(4.31)	(4.69)

The following is the expected payment of benefits in the future years:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Within the next 2 years	0.97	1.03
Between 3 and 5 years	2.12	1.99
Between 6 and 10 years	1.43	1.76
Total expected payments	**4.53**	**4.78**

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(All amounts in Rs. million unless otherwise stated)

Note 40: Long Term Incentive Plan

Long Term Incentive Plan 2021 and 2022

During the year ended 31 March 2023, the Group launched a Long-Term Incentive Plan 2022 ("Scheme"). This Scheme has been formulated by the Nomination and Remuneration Committee and approved by it at its meeting held on 20 May 2022 and approved by the Board at its meeting held on 20 May 2022. The Scheme is established with effect from 01 April 2022 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.

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	31 March 2023	31 March 2022
Opening balance as at the beginning of the year	22.36	11.29
Transfer in/(out) obligation	1.50	-
LTIP granted during the year	5.29	15.23
LTIP cancelled during the year	-	(0.12)
Payment towards LTIPs vested	(14.43)	(6.93)
Balance	**14.72**	**19.47**
Provision for distribution	2.80	2.89
Closing balance as at the end of the year	**17.52**	**22.36**

During the year, the Group has granted 0.13 million units of India Grid Trust to eligible employees under the Long-Term Incentive Plan 2021 and 2022 ("Scheme") as approved by the Nomination and Remuneration Committee and by the Board at the meetings held on 20 May 2022.

Vesting of Unit Linked Rights shall be subject to the conditions that the Grantee is:
a. in continuous employment with the Company;
b. 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
c. is not subject to any pending disciplinary proceeding.

The Value of the payout 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 02 March 2023 to 31 March 2023).

Distribution payout is subject to actual declaration accumulated on units and approval for India Grid Trust.

Note 41: 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 31 March 2023	Effective ownership as on 31 March 2022
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%	100%
East-North Interconnection Company Limited ("ENICL")	India	100%	100%
Gurgaon-Palwal Transmission Limited ("GPTL")[1]	India	49%	49%
Jhajjar KT Transco Private Limited ("JKTPL")	India	100%	100%
Parbati Koldam Transmission Company Limited ('PrKTCL')[2]	India	74%	74%
NER II Transmission Limited ("NER")[3]	India	49%	49%
IndiGrid Solar-I (AP) Private Limited ("ISP1")	India	100%	100%
IndiGrid Solar-II (AP) Private Limited ("ISP2")	India	100%	100%
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")[4]	India	100%	100%
Raichur Sholapur Transmission Company Private Limited ("RSTCPL")[5]	India	100%	0%
Khargone Transmission Limited ("KgTL")[6]	India	49%	0%

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India Grid Trust

1. The Group acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from 28 August 2020 from Sterlite Power Transmission Limited ("SPTL") , (referred as "the Seller") pursuant to Share Purchase Agreement dated 28 August 2020 ("SPA"). The Group 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 Group has beneficial interest based on the rights available to it under the SPA.

2. The Group acquired 74% of paid up equity capital of Parbati Koldam Transmission Company Limited ('PrKTCL') with effect from 08 January 2021 from Reliance Infrastructure Limited (referred as "the Seller") pursuant to Share Purchase Agreement dated 28 November 2020 ("SPA"). The balance 26% share in PrKTCL is held by PowerGrid Corporation of India Limited ("PGCIL").

3. The Group 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") , (referred as "the Seller") pursuant to Share Purchase Agreement dated 05 March 2021, as amended on 25 March 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 rights available to it under SPA.

4. The letter of intent for development of Kallam Transmission Limited (KTL) was 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 30 November 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 28 December 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on September 2023.

5. The Trust acquired 100% equity capital and management control of Raichur Sholapur Transmission Company Private Limited ('RSTCPL') with effect from 09 November 2022 from Simplex Infrastructure Limited, Patel Engineering Limited and BS Limited dated pursuant to Share Purchase Agreement dated 30 July 2022 ("SPA")

6. The Trust acquired 49% equity capital and management control of Khargone Transmission Limited ('KgTL') with effect from 02 March 2023 from Sterlite Power Transmission Limited dated pursuant to Share Purchase Agreement dated 21 January 2023 ("SPA") . The Group has acquired 49% and have paid for the balance 51% consideration (subject to certain agreed hold back amount).Considering the rights available to the Trust as per SPA, the Trust has concluded that it controls KgTL, and have considered KgTL as a wholly owned subsidiary from 02 March 2023.

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 PrKTCL (a subsidiary of the Group) as on March 31, 2023 is as under:

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Regulatory Asset / (Liability)		
Opening Balance	-	-
Add: Accrued during the period		
For Current Period / Year		
- Return on Equity	-	-
Regulatory Asset / (Liability) on account of Deferred Account balance	(0.90)	(6.93)
Less: Deferred Tax on defferal liability	0.16	1.21
Total	**(0.74)**	**(5.72)**
Less: Payable / (Recoverable) from beneficiaries	0.74	5.72
Closing Balance	-	-
Deferred Tax Liability		
Opening Balance	649.64	656.57
Add: Deferred Tax Liability during the period / year	(0.90)	(6.93)
Total	**648.74**	**649.64**
Less: Recoverable from beneficiaries	(648.74)	(649.64)
Closing Balance	-	-

(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 eletricity 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 defferal 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 analyze 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 recognized in the Books of Accounts of PrKTCL are subject to True up by CERC as per Regulation.

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INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts in Rs. million unless otherwise stated)

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 31 March 2023 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 2022-2023. Therefore, the reversal of timing difference during the tax holiday period, would be considered to be out of the timing difference as at 31 March 2023 and reversed during the period ended 31 March 2023.

Note 43: Code on Social Security

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

Note 44: Subsequent event

On 12 May 2023, the Board of directors of the Investment Manager approved a distribution of Rs. 3.45 per unit for the period 01 January 2023 to 31 March 2023 to be paid on or before 15 days from the date of declaration.

Note 45: Other Information

(i) The Group 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 Group does not have any transactions with Companies struck off.
(iii) The Group have not traded or invested in Cryptocurrency or Virtual Currency during the financial year.
(iv) The Group 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.
(v) The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender.

As per our report of even date

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

HS Ginwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 12 May 2023

U. K. Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

Navin Sharma
Chief Financial Officer

Place : Mumbai
Date : 12 May 2023

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel : +91 20 6603 6000

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, 2023, 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, 2023, 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, 2023, its profit including other comprehensive income, its cash movements and its movement of the unit holders' funds for the year ended March 31, 2023, its net assets at fair value as at March 31, 2023, its total returns at fair value and the net distributable cash flows of the InvIT for the year ended March 31, 2023.

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, 2023. 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.

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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.

Key audit matters	How our audit addressed the key audit matter
Impairment of investments in subsidiaries and loans given to subsidiaries *(as described in notes 6,7,8 and 26 of the standalone financial statements)*	
The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries both aggregating to Rs. 2,04,908.08 million as at March 31, 2023. The value of investments and loans in aggregate comprise 94.66% of total assets in the Balance Sheet. 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"). 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. 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.	Our audit procedures included, among others, the following: • 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.

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Key audit matters	How our audit addressed the key audit matter
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.	
<u>Classification of unit holders' funds as equity</u> *(as described in Note 26 of the standalone financial statements)*	
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. Considering the judgment required for classification of unit holders' funds as equity and liability, this is considered as a key audit matter.	Our audit procedures included, among others: • 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.
<u>Computation and disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations</u> *(as described in Note 26 of the standalone financial statements)*	
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	Our audit procedures included, among others, the following: • We read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>carried out by the independent valuer appointed by the InvIT.

For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.

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.

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.</td><td>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.</td></tr>
</table>

Other Information

The Management of Indigrid 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

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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, 2023, financial performance including other comprehensive income, cash flows and and the movement of the unit holders' funds for the year ended March 31, 2023, the net assets at fair value as at March 31, 2023, the total returns at fair value of the InvIT and the net distributable cash flows of the InvIT for the year ending March 31, 2023 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 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, 2023 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.

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S R B C & CO LLP
Chartered Accountants

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 including Other Comprehensive Income 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.

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Trust.

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

HS Ginwala

per Huzefa Ginwala
Partner
Membership Number: 111757
UDIN: 23111757BGYQJU3534
Place of Signature: Pune
Date: May 12, 2023

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INDIA GRID TRUST
BALANCE SHEET AS AT 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	0.49	0.92
Intangible assets	4	64.66	75.74
Investment in subsidiaries	6	44,921.40	42,734.91
Financial assets			
i. Investments	7	3,071.84	6,231.37
ii. Loans	8	1,56,914.84	1,32,476.19
iii. Other financial assets	9	118.30	456.90
Other non-current assets	10	41.91	31.83
		2,05,133.44	**1,82,007.86**
Current assets			
Financial assets			
i. Investments	7	69.74	-
ii. Cash and cash equivalent	11	1,949.33	7,846.97
iii. Bank Balances other than (ii) above	12	3,110.76	2,322.58
iv. Other financial assets	9	6,190.18	3,261.35
Other current assets	10	4.90	-
		11,324.91	**13,430.90**
Total assets		**2,16,458.35**	**1,95,438.76**
EQUITY AND LIABILITIES			
Equity			
Unit capital	13	65,903.15	65,903.15
Other equity	14		
Retained earnings/ (accumulated deficit)		3,296.07	2,293.62
Total unit holders' equity		**69,199.22**	**68,196.77**
Non-current liabilities			
Financial liabilities			
i. Borrowings	15	1,35,674.58	1,07,486.42
		1,35,674.58	**1,07,486.42**
Current liabilities			
Financial liabilities			
i. Borrowings	15	9,256.73	17,215.53
ii. Trade payables	16		
a. Total outstanding dues of micro and small enterprises		1.58	-
b. Total outstanding dues of creditors other than micro and small enterprises		73.83	55.87
iii. Other financial liabilities	17	2,238.26	2,483.37
Other current liabilities	18	14.15	0.80
		11,584.55	**19,755.57**
Total liabilities		**1,47,259.13**	**1,27,241.99**
Total equity and liabilities		**2,16,458.35**	**1,95,438.76**

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

HS Ginwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place.: Mumbai
Date : 12 May 2023

U.K. Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

Navin Sharma
Chief Financial Officer

Place : Mumbai
Date : 12 May 2023

INDIA GRID TRUST
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2023	31 March 2022
INCOME			
Revenue from operations	20	21,807.67	20,025.39
Dividend income from subsidiaries		221.90	282.66
Income from investment in mutual funds		74.57	55.26
Interest income on investment in fixed deposits		184.61	106.52
Other income	21	-	19.03
Total income (I)		**22,288.75**	**20,488.86**
EXPENSES			
Legal and professional fees		102.15	71.69
Annual listing fee		11.38	9.83
Rating fee		24.77	28.36
Valuation expenses		5.35	8.25
Trustee fee		6.75	3.32
- Statutory audit fees		5.54	5.43
- Other services (including certification)		0.38	0.64
Other expenses	22	33.37	21.79
Depreciation and amortization expense	24	12.31	1.75
Finance costs	23	10,009.55	9,432.83
Impairment of investment in subsidiaries	26	1,879.20	1,672.75
Total expenses (II)		**12,090.75**	**11,256.64**
Profit before tax (III=I-II)		**10,198.00**	**9,232.22**
Tax expense	19		
Current tax		31.88	23.62
Deferred tax		-	-
Income tax for earlier years		0.08	-
Tax expense (IV)		**31.96**	**23.62**
Profit for the year (III-IV)		**10,166.04**	**9,208.60**
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		**10,166.04**	**9,208.60**
Earnings per unit			
Basic and diluted (in Rs.)	25	14.52	13.29
(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

HS Ginwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

S R B C & CO LLP * CHARTERED ACCOUNTANTS *
SRBC

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 12 May 2023

U. K. Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

Navin Sharma
Chief Financial Officer
Place : Mumbai
Date : 12 May 2023

INDIA GRID TRUST
STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

A. Unit capital	Nos. in million	Rs. in million
Balance as at 01 April 2021	583.49	53,145.69
Units issued during the year (Refer note 13)	116.69	12,836.49
Issue expenses	-	(79.03)
Balance as at 31 March 2022	700.18	65,903.15
Units issued during the year (Refer note 13)	-	-
Issue expenses	-	-
Balance as at 31 March 2023	700.18	65,903.15

(Rs. in million)

B. Other equity	Retained earnings/ (Accumulated deficit)	Total other equity
Balance as at 01 April 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)
Balance as at 31 March 2022	2,293.62	2,293.62
Profit for the year	10,166.04	10,166.04
Other comprehensive income	-	-
Less: Distribution during the year (refer note below)	(9,163.59)	(9,163.59)
As at 31 March 2023	3,296.07	3,296.07

Note:
The distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the last quarter of FY 2022-23 which will be paid after 31 March 2023.

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.

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 (as Investment Manager of India Grid Trust)

India Grid Trust

HSGinwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

SRBC & CO LLP CHARTERED ACCOUNTANTS SRBC

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 12 May 2023

U.K. Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

Navin Sharma
Chief Financial Officer
Place : Mumbai
Date : 12 May 2023

INDIA GRID TRUST
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	31 March 2023	31 March 2022
A. Cash flow (used in) operating activities		
Net profit as per statement of profit and loss	10,166.04	9,208.60
Adjustment for taxation	31.96	23.62
Profit before tax	**10,198.00**	**9,232.22**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	12.31	1.75
Impairment of investment in subsidiaries	1,879.20	1,672.75
Interest income on non convertible debentures	(276.17)	(467.21)
Finance cost	10,009.55	9,432.83
Interest income on loans given to subsidiaries	(21,531.50)	(19,558.18)
Dividend income from subsidiaries	(221.90)	(282.66)
Income from investment in mutual funds	(74.57)	(55.26)
Interest income on investment in fixed deposits	(184.61)	(106.52)
Operating loss before working capital changes	**(189.69)**	**(130.28)**
Movements in working capital :		
- trade payables	19.54	55.87
- other current and non-current financial liabilities	(6.89)	(381.64)
- other current and non-current liabilities	13.35	(9.16)
- other current and non-current financial asset	(2.31)	(34.84)
- other current and non-current asset	(3.05)	(3.42)
Changes in working capital	**20.64**	**(373.19)**
Cash (used in) operations	**(169.05)**	**(503.47)**
Direct taxes paid (net of refunds)	(43.89)	(32.32)
Net cash flow (used in) operating activities (A)	**(212.94)**	**(535.79)**
B. Cash flow (used in) investing activities		
Purchase of property plant and equipment (including capital work-in-progress)	(0.80)	(76.57)
Purchase of equity shares/NCD/CCD / loan of subsidiaries	(1,126.27)	(6,997.63)
Loans given to subsidiaries	(28,213.83)	(26,827.23)
Loans repaid by subsidiaries	4,028.46	5,713.00
Interest income on loans given to subsidiaries	18,650.39	16,885.69
Dividend received from subsidiaries	221.90	282.66
Interest income on investment in fixed deposits	139.20	64.39
Income from investment in mutual funds	74.57	55.26
Investment in mutual funds	(19,965.61)	(44,432.58)
Proceeds from mutual funds	19,895.87	44,432.58
Investment in fixed deposits (net)	(449.58)	(1,899.53)
Net cash flow (used in) investing activities (B)	**(6,745.70)**	**(12,799.91)**
C. Cash flow (used in)/from financing activities		
Proceeds from issue of unit capital	-	12,836.49
Unit issue expense incurred	-	(79.03)
Proceeds of long term borrowings	37,699.99	51,600.00
Repayment of long term borrowings	(17,433.20)	(31,440.18)
Payment of upfront fees of long term borrowings	(156.51)	(272.57)
Finance costs	(9,887.35)	(9,503.03)
Payment of distributions to unitholders	(9,161.93)	(8,864.21)
Net cash flow (used in)/from financing activities (C)	**1,061.00**	**14,277.47**
Net change in cash and cash equivalents (A + B + C)	**(5,897.64)**	**941.77**
Cash and cash equivalents as at beginning of year (D)	7,846.97	6,905.20
Cash and cash equivalents as at the end of year (A + B + C + D)	**1,949.33**	**7,846.97**

S R B C & CO LLP * CHARTERED ACCOUNTANTS *
SRBC

India Grid Trust

INDIA GRID TRUST
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

Components of cash and cash equivalents:	**31 March 2023**	**31 March 2022**
Balances with banks:		
- On current accounts ^	15.33	7,846.97
- Cheques on hand	-	-
- Deposit with original maturity of less than 3 months	1,934.00	-
Cash in hand	-	-
Total cash and cash equivalents (refer note 11)	**1,949.33**	**7,846.97**

^ Out of total amount, Rs. 13.04 million (31 March 2022: Rs. 11.38 million) pertains to unclaimed distribution to unitholders.

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

Particulars	**Long term borrowings (Including current maturities)**
01 April 2021	**1,06,333.30**
Cash flow	
- Interest	(9,503.03)
- Proceeds/(repayments)	19,887.25
Accrual	8,965.62
31 March 2022	**1,25,683.14**
Cash flow	
- Interest	(9,887.35)
- Proceeds/(repayments)	20,110.28
Accrual	10,009.57
31 March 2023	**1,45,915.64**

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

HSGinwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

S R B C & CO LLP CHARTERED ACCOUNTANTS SRBC

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

India Grid Trust

Harshdalal

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 12 May 2023

U.K.Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

Nav

Navin Sharma
Chief Financial Officer
Place : Mumbai
Date : 12 May 2023

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

(Rs. in million)

Particulars	31 March 2023		31 March 2022	
	Book value	Fair value	Book value	Fair value
A. Assets	2,16,458.35	2,38,429.94	1,95,438.76	2,20,394.66
B. Liabilities (at book value)	1,47,259.13	1,47,259.13	1,27,241.99	1,27,241.99
C. Net Assets (A-B)	69,199.22	91,170.81	68,196.77	93,152.67
D. Number of units	700.18	700.18	700.18	700.18
E. NAV (C/D)	98.83	130.21	97.40	133.04

Fair values of subsidiaries/SPVs are calculated based on their independent fair value done by experts appointed by the Trust. The fair value of all these revenue-generating assets is determined using this method. The Trust holds 100% equity/beneficial interest in all SPVs except PrKTCL, in which it holds 74% with the balance 26% held by PGCIL and accounted for as non-controlling interest in the financial statements.

Project wise breakup of fair value of assets as at 31 March 2023 **(Rs. in million)**

Project	31 March 2023	31 March 2022
Indigrid Limited	54,281.67	47,499.06
Indigrid 1 Limited	47,243.47	48,175.26
Indigrid 2 Limited	15,218.70	15,031.54
Patran Transmission Company Limited	2,722.06	2,723.03
East North Interconnection Company Limited	11,803.75	12,141.93
Gurgaon-Palwal Transmission Limited	12,166.19	12,505.91
Jhajjar KT Transco Private Limited	3,334.96	3,550.85
Parbati Koldam Transmission Company Limited	6,539.18	9,792.84
NER II Transmission Limited	53,410.65	53,811.13
IndiGrid Solar-I (AP) Private Limited	3,302.01	4,117.89
IndiGrid Solar-II (AP) Private Limited	3,501.42	4,116.47
Raichur Sholapur Transmission Company Private Limited*	2,776.62	-
Khargone Transmission Limited#	16,650.89	-
Subtotal	**2,32,951.57**	**2,13,465.91**
Assets (in IndiGrid)	5,478.37	6,928.75
Total assets	**2,38,429.94**	**2,20,394.66**

* The Trust has acquired Raichur Sholapur Transmission Company Private Limited with effect from 09 November 2022
# The Trust has acquired Khargone Transmission Limited with effect from 02 March 2023

B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

Particulars	31 March 2023	31 March 2022
Total comprehensive income (as per the statement of profit and loss)	10,166.04	9,208.60
Add/ (Less): other changes in fair value not recognized in total comprehensive income	(2,984.31)	(4,818.90)
Total Return	**7,181.73**	**4,389.70**

Notes:
1. Fair value of assets as at 31 March 2023 and as at 31 March 2022 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.

2. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 27A.

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(All amounts in Rs. million unless otherwise stated)

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 Distributable Cash Flows (NDCFs) of India Grid Trust

Description	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
Cash flows received from the Portfolio Assets in the form of interest	17,768.08	16,885.69
Cash flows received from the Portfolio Assets in the form of dividend	221.90	282.66
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	259.18	161.96
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	1,665.40	4,132.52
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)	**19,914.56**	**21,462.83**
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	(10,236.69)	(9,371.42)
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	(31.96)	(23.62)
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(597.79)	(2,609.64)
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)	**(10,866.44)**	**(12,039.68)**
Net Distributable Cash Flows (C) = (A+B)	**9,048.12**	**9,423.15**

SRBC & CO LLP * CHARTERED ACCOUNTANTS *

India Grid Trust

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India Grid Trust
Notes to standalone financial statements for the year ended 31 March 2023

1. Trust information

India Grid Trust ("the Trust" or "IndiGrid") is an irrevocable trust settled by 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 amended from time to time) 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").

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/ solar assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at March 31, 2023, IndiGrid has following project entities ("Special Purpose Vehicles" or "SPVs") or Transmission infrastructure projects on Build, Own, Operate and Maintain ('BOOM') or Build, Own and Operate (BOO) 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')
14. Raichur Solapur Transmission Company Private Limited ('RSTCPL')
15. Khargone Transmission Limited ('KgTL')

As at March 31, 2023, IndiGrid has following project entities which are transmission infrastructure projects developed on Design, Build, Finance, Operate and Transfer ('DBFOT') 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, 2023, 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, KoleKalyan 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 12 May 2023.

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, 2023, 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, the Statement of Net Assets

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at fair value as at March 31, 2023, the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') 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), 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.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.As at March 31, 2023, 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, 2023, 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.

India Grid Trust

S R B C & CO LLP CHARTERED ACCOUNTANTS SRBC

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 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 on a quarterly basis to explain the cause of fluctuations in the fair value of the transmission/ solar 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 27B)
- Disclosures for valuation methods, significant estimates and assumptions (Note 26)
- Financial instruments (including those carried at amortised cost) (Note 27A)

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

India Grid Trust

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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.
For compulsory convertible debentures being equity instrument, the interest income is recognised on the basis of actual interest rate.
For financial assets at fair value through profit or loss which are carried in the balance sheet at fair value, interest income is recognised in the statement of profit and loss when right to receive is established.

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.

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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

In assessing the recoverability of deferred tax assets, the Trust relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased costs as a result of measures to reduce carbon emission.

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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.

f) 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 Company depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

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

(Life in number of years)

Asset Category	Useful Life considered	Useful life (Schedule II#)
Data processing equipments	3	3-6

g) 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of an intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

h) 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.

i) 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.

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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 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.

j) 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

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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.

The Trust assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

k) 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.

l) 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 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.

m) 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.

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 8 and 9)

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 recognized 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.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Trust may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the 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 recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the 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 recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the 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.

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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 investments in/ loans to subsidiaries and other receivables. Considering the nature of business, the Trust does not foresee any credit risk on its investments/ loans given to subsidiaries. However, these subsidiaries are SPV entities having Power Purchase Agreement with Long Term Transmission Customers for a period of 25/35 years. Hence, this needs to be tested for 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 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 recognized 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.

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This category generally applies to borrowings. For more information refer Note 15.

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 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.

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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.

n) 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.

o) 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 the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in unitholders equity.

p) 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.

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(All amounts in Rs. million unless otherwise stated)

Note 3: Property, plant and equipment (PPE)

Particulars	Data Processing Equipment	Total
Gross block		
As at 01 April 2021	-	-
Additions	1.29	1.29
Disposals	-	-
As at 31 March 2022	**1.29**	**1.29**
Additions	-	-
Disposals	-	-
As at 31 March 2023	**1.29**	**1.29**
Depreciation		
As at 01 April 2021	-	-
Charge for the year	0.37	0.37
Disposals	-	-
As at 31 March 2022	**0.37**	**0.37**
Charge for the year	0.43	0.43
Disposals	-	-
As at 31 March 2023	**0.80**	**0.80**
Net Block		
As at 31 March 2022	**0.92**	**0.92**
As at 31 March 2023	**0.49**	**0.49**

Note 4: Intangible Assets

Particulars	Intangible assets
Gross block	
As at 01 April 2021	-
Additions	77.12
Disposals	-
As at 31 March 2022	**77.12**
Additions	0.80
Disposals	-
As at 31 March 2023	**77.92**
Amortization	
As at 01 April 2021	-
Charge for the year	1.38
Disposals	-
As at 31 March 2022	**1.38**
Charge for the year	11.88
Disposals	-
As at 31 March 2023	**13.26**
Net Block	
As at 31 March 2022	**75.74**
As at 31 March 2023	**64.66**

Note 5: Capital work-in-progress (CWIP)

	31 March 2023	31 March 2022
Opening balance	-	1.89
Additions	-	-
Transfer / capitalised / disposed	-	(1.89)
Total	-	-

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

Note 6: Investments in subsidiaries

	31 March 2023	31 March 2022
Equity investments, at cost (unquoted)		
Indigrid Limited ("IGL")		
[17.67 million (31 March 2022: 17.67 million) equity shares of Rs 10 each fully paid-up] (refer note 7)	6,049.09	1,929.22
Less: Provision for impairment (Refer Note 26)	(5,494.55)	(1,929.22)
	554.54	-
Indigrid 1 Limited ("IGL1") [94.42 million equity shares (31 March 2022: 93.35 million) of Rs. 10 each fully paid up]	14,377.09	14,041.18
Indigrid 2 Limited ("IGL2") [26.05 million equity shares (31 March 2022: 26.05 million) of Rs. 10 each fully paid up]	536.84	536.84
Patran Transmission Company Limited ("PTCL") [50 million (31 March 2022: 50 million) equity shares of Rs 10 each fully paid-up]	735.53	735.53
East-North Interconnection Company Limited ("ENICL") [1.05 million equity shares (31 March 2022: 1.05 million) of Rs. 10 each fully paid up]	1,290.26	1,290.26
Gurgaon-Palwal Transmission Limited ("GPTL") [0.34 million equity shares (31 March 2022: 0.34 million) of Rs. 10 each fully paid up]	909.63	905.79
Jhajjar KT Transco Private Limited ("JKTPL") [22.66 million equity shares (31 March 2022: 22.66 million) of Rs. 10 each fully paid up]	1,397.97	1,418.21
Parbati Koldam Transmission Company Limited ("PrKTCL") [201.90 million equity shares (31 March 2022: 201.90 million) of Rs. 10 each fully paid up]	3,205.52	3,205.52
NER II Transmission Limited ("NER") [1.14 million equity shares (31 March 2022: 1.14 million) of Rs. 10 each fully paid up]	19,536.70	19,280.83
IndiGrid Solar-I (AP) Private Limited ("ISPL-I") [12.00 million equity shares (31 March 2022: 12.00 million) of Rs. 10 each fully paid up]	63.54	78.73
IndiGrid Solar-II (AP) Private Limited ("ISPL-II") [12.00 million equity shares (31 March 2022: 12.00 million) of Rs. 10 each fully paid up]	70.42	85.17
Raichur Sholapur Transmission Company Private Limited ("RSTCPL") [80.00 million equity shares (31 March 2022: Nil) of Rs. 10 each fully paid up]	103.53	-
Khargone Transmission Limited ("KgTL") [0.77 million equity shares (31 March 2022: Nil) of Rs. 10 each fully paid up]	135.13	-
Preference shares, at cost (unquoted)		
Indigrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") [27.06 million (31 March 2022: 27.06 million) 0.01% Optionally convertible redeemable non cumulative preference shares ("OCRPS") of Rs. 10 each fully paid-up] *	1,001.96	1,001.96
Less: Provision for impairment (Refer Note 26)	-	(1,001.96)
	1,001.96	-

* 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.

	31 March 2023	31 March 2022
Compulsorily-convertible debentures (unquoted) (at amortised cost)		
IndiGrid Solar-I (AP) Private Limited ("ISPL-I") [81.63 million compulsorily convertible debentures (31 March 2022: 81.63 million) of Rs. 10 each]	472.74	550.81
IndiGrid Solar-II (AP) Private Limited ("ISPL-II") [81.00 million compulsorily convertible debentures (31 March 2022: 81.00 million) of Rs. 10 each]	530.00	606.04
Total non-current investments	**44,921.40**	**42,734.91**

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(All amounts in Rs. million unless otherwise stated)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of Incorporation	Ownership interest %	
		31 March 2023	31 March 2022
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%	100%
East-North Interconnection Company Limited	India	100%	100%
Gurgaon-Palwal Transmission Limited ("GPTL")[1]	India	49%	49%
Jhajjar KT Transco Private Limited ("JKTPL")	India	100%	100%
Parbati Koldam Transmission Company Limited ('PrKTCL')[2]	India	74%	74%
NER II Transmission Limited ("NER")[3]	India	49%	49%
IndiGrid Solar-I (AP) Private Limited ("ISPL-I")[4]	India	100%	100%
IndiGrid Solar-II (AP) Private Limited ("ISPL-II")[4]	India	100%	100%
Raichur Sholapur Transmission Company Private Limited ("RSTCPL")	India	100%	0%
Khargone Transmission Limited ('KgTL')[6]	India	49%	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")[5]	India	100%	100%

1. The Trust acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from 28 August 2020 from Sterlite Power Transmission Limited (referred as "the seller") pursuant to Share purchase Agreement dated August 28, 2020 ("SPA"). The Trust had finalised purchase consideration for acquisition of entire stake in GPTL and had entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in GPTL from the seller. The Trust had beneficial interest based on the rights available to it under the SPA.

2. 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").

3. The Trust 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 had finalised purchase consideration for acquisition of entire stake in NER and had entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in NER from the Selling Shareholders. The Trust had beneficial interest based on rights available to it under SPA

4. The Trust acquired 100% of paid up equity capital of IndiGrid Solar-I (AP) Private Limited (('ISPL1') and IndiGrid Solar-II (AP) 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").

5. 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 Novmeber 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 September 2023."

6. The Trust acquired 49% of paid up equity capital of Khargone Transmission Limited ('KgTL') with effect from 02 March 2023 from Sterlite Power Transmission Limited (referred as "the seller") pursuant to Share Purchade Agreement dated January 21, 2023 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in KgTL and has entered into a binding agreement with the seller to acquire remaining 51% paid up equity capital in KgTL from the seller. The Trust has beneficial interest based on the rights available to it under the SPA.

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(All amounts in Rs. million unless otherwise stated)

Note 7: Investments

	31 March 2023	31 March 2022
Non-Current		
Non-convertible debentures (unquoted) (at amortised cost)		
Indigrid Limited ("IGL")	3,071.84	6,915.54
(665.82 million (31 March 2022: 665.82 million) 0.01% Non-convertible debentures of Rs 10 each)#		
Less: Provision for impairment (Refer Note 26)	-	(684.17)
	3,071.84	6,231.37
Total	3,071.84	6,231.37
Current		
Unquoted mutual funds (valued at fair value through profit or loss)		
Aggregate book and market value of unquoted investments		
Aditya Birla Sun Life Overnight Fund -Growth-Direct Plan - 4,088.88 units	4.96	-
HDFC Overnight Fund -Growth- Direct plan - 4,222.41 units	14.05	-
ICICI Prudential Liquid Fund - Direct Plan-Growth Option - 57,964.45 units	19.31	-
ICICI Prudential Overnight Fund -Growth- Direct plan - 1,220.51 units	1.47	-
Kotak Overnight Fund -Growth- Direct plan - 3,097.41 units	3.70	-
Nippon India Overnight Fund - Direct Growth Plan - 2,17,963.91 units	26.25	-
Total	69.74	-

Non Convertible debenture (NCD) of Face value of Rs. 10 each were issued by Indigrid Limited and were redeemable on or after July, 2024. During the current year, the due date of redemption of NCD was revised to July, 2033. Since the interest rate for the NCD is below market rate, Rs. 4,119.87 million has been re-classified as equity contribution in subsidiary disclosed under investment in subsidiary.

Note 8: Loans (unsecured, considered good)

	31 March 2023	31 March 2022
Non-current		
Loan to subsidiaries (refer note 28) *	1,56,914.84	1,32,476.19
Total	1,56,914.84	1,32,476.19

Details of loan to subsidiaries	Rate of Interest	Secured/ unsecured	31 March 2023	31 March 2022
Bhopal Dhule Transmission Company Limited	15.00%	Unsecured	17,149.32	8,825.32
Jabalpur Transmission Company Limited	15.00%	Unsecured	19,167.86	19,167.86
Maheshwaram Transmission Limited	15.00%	Unsecured	3,943.81	3,943.81
RAPP Transmission Company Limited	15.00%	Unsecured	2,020.54	2,053.52
Purulia & Kharagpur Transmission Company Limited	15.00%	Unsecured	3,523.45	3,612.50
Patran Transmission Company Limited	15.00%	Unsecured	1,566.10	1,571.86
NRSS XXIX Transmission Limited	15.75%	Unsecured	23,743.64	24,288.06
Odisha Generation Phase-II Transmission Limited	15.00%	Unsecured	10,951.24	10,951.24
East North Interconnection Company Limited	15.00%	Unsecured	8,269.83	8,410.97
Gurgaon-Palwal Transmission Limited	15.00%	Unsecured	9,783.28	9,783.28
Jhajjar KT Transco Private Limited	15.00%	Unsecured	1,462.52	1,549.81
Parbati Koldam Transmission Company Limited	9.20%	Unsecured	2,901.65	3,481.42
NER II Transmission Limited	15.00%	Unsecured	28,105.73	28,105.71
IndiGrid Solar-I (AP) Private Limited	15.00%	Unsecured	2,628.22	2,841.34
IndiGrid Solar-II (AP) Private Limited	15.00%	Unsecured	2,738.95	2,776.51
Indigrid Limited	15.00%	Unsecured	827.72	583.23
Indigrid 1 Limited	15.75%	Unsecured	0.02	93.03
Indigrid 2 Limited	15.00%	Unsecured	256.06	253.12
Kallam Transmission Limited	15.50%	Unsecured	903.60	183.60
Raichur Sholapur Transmission Company Private Limited	14.00%	Unsecured	2,083.36	-
Khargone Transmission Limited	14.00%	Unsecured	14,887.94	-
Total			1,56,914.84	1,32,476.19

* Loans are non-derivative financial assets which are repayable by subsidiaries upon expiry of period of their respective Transmission Services & Power Purchase Agreement. Further, the subsidiaries are entitled to prepay all or any portion of the outstanding principal with a prior notice.

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(All amounts in Rs. million unless otherwise stated)

Note 9: Other financial assets (unsecured, considered good) (carried at amortised cost)

	31 March 2023	31 March 2022
Non-Current		
Security deposits	38.90	38.90
Other bank balances (refer note 12)#	79.40	418.00
Total	**118.30**	**456.90**
Current		
Interest receivable from subsidiaries (refer note 28)	6,071.90	3,190.79
Advances receivable in cash or kind	4.45	2.19
Interest accrued on deposits	113.73	68.32
Others	0.10	0.05
Total	**6,190.18**	**3,261.35**

Includes amount of Rs 79.40 million (31 March 2022: NIL) is kept in Debt Service Reserve Account ('DSRA') / Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

Note 10: Other assets (unsecured, considered good)

	31 March 2023	31 March 2022
Non-Current		
Advance income tax, including TDS (net of provisions)	40.34	28.41
Others	1.57	3.42
Total	**41.91**	**31.83**
Current		
Others	4.90	-
Total	**4.90**	**-**

Note 11: Cash and cash equivalents (carried at amortized cost)

	31 March 2023	31 March 2022
Balance with banks		
- in current accounts ^	15.33	7,846.97
Deposit with original maturity of less than 3 months	1,934.00	-
Total	**1,949.33**	**7,846.97**

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, Rs. 13.04 million (31 March 2022: Rs. 11.38 million) pertains to unclaimed distribution to unitholders.

Note 12: Other bank balances

	31 March 2023	31 March 2022
Non-Current		
Bank deposits with original maturity of more than 12 months	79.40	418.00
Amount disclosed under head "other non current financial asset" (refer note 9)	(79.40)	(418.00)
Total	**-**	**-**
Current		
Deposit with original maturity for more than 3 months but less than 12 months #	1,927.94	1,092.08
Deposit with original maturity for more than 12 months#	1,182.82	1,230.50
Total	**3,110.76**	**2,322.58**

Includes amount of 2,993.76 million (31 March 2022: Rs. 2,322.58 million) kept in Debt Service Reserve Account ('DSRA') / Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

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Note 13: Unit Capital

	31 March 2023	31 March 2022
a. Reconciliation of the units outstanding at the beginning and at the end of the reporting period	**Number of units (In million)**	**Amount (Rs. in million)**
As at 01 April 2021	583.49	53,145.69
Units issued during the year (refer note below)	116.69	12,836.49
Issue expenses (refer note below)	-	(79.03)
As at 31 March 2022	**700.18**	**65,903.15**
Issued during the year	-	-
As at 31 March 2023	**700.18**	**65,903.15**

Note:

i) 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 Rs. 110.00 per unit (the "issue price"), aggregating to Rs. 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 ('Investment Manager'), considered and approved allotment of 116,695,404 rights units to the eligible unitholders of IndiGrid on 22 April 2021.

ii) Issue expenses of Rs. 79.03 million incurred in connection with issue of units had been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

b. 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.

c. Unitholders holding more than 5 percent Units in the Trust	31 March 2023		31 March 2022	
	(Nos. in million)	% holding	(Nos. in million)	% holding
Esoteric II Pte. Limited	165.90	23.69%	165.90	23.69%
Government of Singapore	140.18	20.02%	140.18	20.02%
Larsen And Toubro Limited	39.02	5.57%	38.07	5.44%

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.

Note 14: Other Equity

	31 March 2023	31 March 2022
Retained earnings/ (Accumulated deficit)		
Balance as per last financial statements	2,293.62	1,951.03
Add: Profit for the year	10,166.04	9,208.60
Less: Distribution paid to unitholders	(9,163.59)	(8,866.01)
Closing balance	**3,296.07**	**2,293.62**

Retained earnings are the profits earned by the Trust till date, less distribution paid to unitholder

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INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended 31 March 2023
(All amounts in Rs. million unless otherwise stated)

Note 15: Long term borrowings (carried at amortised cost)

	31 March 2023	31 March 2022
Debentures		
6.65% - 8.20% Public NCD (secured) (refer note A below)	9,886.75	9,872.40
7.11% Non-convertible debentures (secured) (refer note A below)	4,350.00	4,350.00
8.60% Non-convertible debentures (secured) (refer note A below)	2,500.00	2,500.00
7.85% Non-convertible debentures (secured) (refer note A and (i) below)	4,961.90	-
7.917% Non-convertible debentures (secured) (refer note A and (i) below)	4,970.49	-
7.53% Non-convertible debentures (secured) (refer note A and (i) below)	2,494.26	-
9.10% Non-convertible debentures (secured) (refer note A below)	2,996.63	2,976.28
8.40% Non-convertible debentures (secured) (refer note A below)	-	3,497.63
6.72% Non-convertible debentures (secured) (refer note A below)	8,477.66	8,470.48
6.52% Non-convertible debentures (secured) (refer note A below)	3,991.70	1,488.66
7.00% Non-convertible debentures (secured) (refer note A below)	2,496.24	2,493.70
7.25% Non-convertible debentures (secured) (refer note A below)	1,496.17	1,494.65
7.40% Non-convertible debentures (secured) (refer note A below)	995.09	993.54
7.32% Non-convertible debentures (secured) (refer note A below)	3,990.50	3,991.06
8.50% Non-convertible debentures (secured) (refer note A below)	-	3,982.53
	53,607.39	**46,110.93**
Term loans		
Indian rupee loan from banks (secured) (refer note B and (ii) below)	82,067.19	61,375.49
	82,067.19	**61,375.49**
Total non-current borrowings	**1,35,674.58**	**1,07,486.42**
Current maturities		
8.85% Non-convertible debentures (secured) (refer note A below)	-	1,989.20
9.10% Non-convertible debentures (secured) (refer note A below)	-	13,993.83
8.40% Non-convertible debentures (secured) (refer note A and (i) below)	3,499.92	-
8.50% Non-convertible debentures (secured) (refer note A and (i) below)	3,991.21	-
Indian rupee loan from banks (secured) (refer note D and (ii) below)	1,765.60	1,232.50
Total current borrowings	**9,256.73**	**17,215.53**
The above amount includes :		
Secured borrowings	1,44,931.31	1,24,701.95
Unsecured borrowings	-	-
Total short term borrowings	**1,44,931.31**	**1,24,701.95**

(i) The above items represent new secured non-convertible debentures that have been issued by the Trust during the year ended 31 March 2023.
(ii) During the year ended 31 March 2023 the Trust has taken new Indian rupee loan from banks of Rs. 22,700 million (31 March 2022: Rs. 27,600 million).

(A) Non-convertible debentures referred above are secured 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/Hold cos 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 99% over the equity share capital of all SPVs except pledged of 73% over the equity share capital of PrKTCL.
(iv) Exclusive charge on the ISRA/DSRA accounts created for respective facility.

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(All amounts in Rs. million unless otherwise stated)

The below table shows the maturity profile of outstanding NCD of the Trust the principal of which is repayable in full at the time of maturity :

Rate of Interest	Repayment Commencement Date	2023-2024	2024-2025	2025-2026	2026-2027	2027-28	2028-2029 & onward
3,000 9.10% Non-convertible debentures of Rs. 10,00,000 each	29 July 2024	-	3,000.00	-	-		-
50,000 7.85% Non-convertible debentures of Rs. 100,000 each	28 February 2028	-	-	-	-	5,000.00	
4,000 8.50% Non-convertible debentures of Rs. 10,00,000 each	01 March 2024	4,000.00	-				-
2,500 7.00% Non-convertible debentures of Rs. 10,00,000 each	28 June 2024	-	2,500.00	-	-		-
2,500 7.53% Non-convertible debentures of Rs. 10,00,000 each	05 August 2025	-	-	2,500.00	-		-
1,500 7.25% Non-convertible debentures of Rs. 10,00,000 each	27 June 2025	-	-	1,500.00			
1,000 7.40% Non-convertible debentures of Rs. 10,00,000 each	26 December 2025	-	-	1,000.00	-		-
2,500 8.60% Non-convertible debentures of Rs. 10,00,000 each	31 August 2028	-	-	-	-		2,500.00
50,000 7.917% Non-convertible debentures of Rs 100,000 each	28 February 2031	-	-	-	-		5,000.00
2,500 8.40% Non-convertible debentures of Rs. 10,00,000 each	14 June 2023	2,500.00	-	-	-		-
1,000 8.40% Non-convertible debentures of Rs. 10,00,000 each	16 June 2023	1,000.00	-	-			-
4,000 7.32% Non-convertible debentures of Rs. 10,00,000 each	27 June 2031		-	-	-		4,000.00
8,500 6.72% Non-convertible debentures of Rs. 10,00,000 each	14 September 2026	-	-	-	8,500.00		-
4,000 6.52% Non-convertible debentures of Rs. 10,00,000 each	07 April 2025		-	4,000.00			-
4,350 7.11% Non convertible debentures of Rs. 10,00,000 each	14 February 2029	-	-	-	-		4,350.00

Public NCD

Rate of Interest	Repayment Commencement Date	2024-2025	2026-2027	2028-2029	2031-2032
6.65% Category I & II	06 May 2024	0.01	-	-	-
6.75% Category III & IV	06 May 2024	101.82	-	-	-
7.45% Category I & II	06 May 2026	-	859.85	-	-
7.6% Category III & IV	06 May 2026	-	964.74		-
7.7% Category I & II	06 May 2028		-	1,004.25	-
7.9% Category III & IV	06 May 2028	-	-	409.09	-
7.49% Category I & II	06 May 2028		-	4.72	-
7.69% Category III & IV	06 May 2028	-	-	120.34	-
7.95% Category I & II	06 May 2031	-	-	-	126.46
8.2% Category III & IV	06 May 2031	-	-	-	5,991.84
7.72% Category I & II	06 May 2031	-	-	-	4.72
7.97% Category III & IV	06 May 2031	-	-	-	412.18

(B) Term loan from bank

The Indian rupee term loan from bank carries interest at the rate of 7.00% to 8.40% 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/Hold cos 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 99% over the equity share capital of all SPVs except pledged of 73% over the equity share capital of PrKTCL.
(iv) Exclusive charge on the ISRA/DSRA accounts created for respective facility.

Financial covenants

Loans from bank, debt securities 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 31 March 2023, the Trust has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

Note 16: Trade payables (carried at amortised cost)

	31 March 2023	31 March 2022
Trade payables		
- total outstanding dues of micro and small enterprises	1.58	-
- total outstanding dues of creditors other than micro and small enterprises		
- to related parties (refer note 28)	1.92	0.07
- to others	71.91	55.80
Total	**75.41**	**55.87**

Ageing schedule as at 31 March 2023	Outstanding for following periods from the due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	-	0.02	1.56	-	-	-	1.58
Total outstanding dues of creditors other than micro and small enterprises	46.06	25.35	1.74	0.47	0.21	-	73.83
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**46.06**	**25.37**	**3.30**	**0.47**	**0.21**	**-**	**75.41**

Ageing schedule as at 31 March 2022	Outstanding for following periods from the due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	34.08	-	21.49	0.30	-	-	55.87
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**34.08**	**-**	**21.49**	**0.30**	**-**	**-**	**55.87**

Trade payables are non-interest bearing and are normally settled on 30-90 days terms.
For explanation on the Company's risk management policies, refer note 33.

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(All amounts in Rs. million unless otherwise stated)

Note 17: Other financial liabilities (carried at amortised cost)

	31 March 2023	31 March 2022
Current		
Interest accrued but not due on borrowings	984.33	981.19
Distribution payable	13.04	11.38
Payable towards project acquired#		
- To related party (refer note 28)	1,213.10	1,108.97
- To others	27.79	374.92
Others	-	6.91
	2,238.26	2,483.37
Total	2,238.26	2,483.37

Liability 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, Parbati Koldam Transmission Company Limited, NER II Transmission Limited, Raichur Sholapur Transmission Company Private Limited and Khargone Transmission Limited pursuant to respective share purchase agreements.

For explanation on the Company's risk management policies, refer note 33.

Note 18: Other current liabilities

	31 March 2023	31 March 2022
Withholding taxes (TDS) payable	14.15	0.78
GST payable	-	0.02
Total	14.15	0.80

Note 19: Tax Expense

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:	31 March 2023	31 March 2022
- Current tax	31.88	23.62
- Income tax for earlier years	0.08	-
Income tax expenses reported in the statement of profit and loss	31.96	23.62

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:	31 March 2023	31 March 2022
Accounting profit before income tax	10,198.00	9,232.22
At India's statutory income tax rate of 42.74% (31 March 2022: 42.74%)	4,358.63	3,945.85
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(4,326.67)	(3,922.23)
Income tax for earlier years	0.08	-
At the effective income tax rate	31.88	23.62
Income tax expense reported in the statement of profit and loss	31.96	23.62

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INDIA GRID TRUST
Notes to Standalone Financial Statements for the year ended 31 March 2023
(All amounts in Rs. million unless otherwise stated)

Note 20: Revenue from operations

	31 March 2023	31 March 2022
Interest income on loans given to subsidiaries (refer note 28)	21,531.50	19,558.18
Finance income on non-convertible debentures issued by subsidiary on EIR basis	276.17	467.21
Total	**21,807.67**	**20,025.39**

Note 21: Other income

	31 March 2023	31 March 2022
Processing fees on loan given to subsidiary (refer note 28)	-	18.85
Miscellaneous income	-	0.18
Total	**-**	**19.03**

Note 22: Other expenses

	31 March 2023	31 March 2022
Investment management fees (refer note 28)	8.50	6.53
Rates and taxes	16.23	7.91
Insurance expenses	0.11	0.98
Miscellaneous expenses	8.53	6.37
Total	**33.37**	**21.79**

Note 23: Finance Cost

	31 March 2023	31 March 2022
Interest on financial liabilities measured at amortised cost	10,009.53	9,429.84
Other bank and finance charges	0.02	2.99
Total	**10,009.55**	**9,432.83**

Note 24: Depreciation and amortization expense

	31 March 2023	31 March 2022
Depreciation of tangible assets	0.43	0.37
Amortisation of intangible assets	11.88	1.38
Total	**12.31**	**1.75**

Note 25: 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	**31 March 2023**	**31 March 2022**
Profit after tax for calculating basic and diluted EPU (Rs. in million)	10,166.04	9,208.60
Weighted average number of units in calculating basic and diluted EPU (No. in million)	700.18	693.14
Earnings Per Unit:		
Basic and Diluted (Rupees/unit)	14.52	13.29

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Note 26: 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 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.
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 / solar 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-current assets
Non-current 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.

The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 27A.

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Note 27A: 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:

(Rs. in million)

Particulars	Carrying value 31 March 2023	Carrying value 31 March 2022	Fair value 31 March 2023	Fair value 31 March 2022
Financial assets at Amortized cost				
Cash & cash equivalent	1,949.33	7,846.97	1,949.33	7,846.97
Other bank balance	3,190.16	2,740.58	3,190.16	2,740.58
Investment	3,071.84	6,231.37	3,071.84	6,231.37
Loan	1,56,914.84	1,32,476.19	1,56,914.84	1,32,476.19
Other financial assets	6,229.08	3,300.25	6,229.08	3,300.25
Financial assets at Fair Value				
Investments in mutual funds	69.74	-	69.74	-
Total	**1,71,424.99**	**1,52,595.36**	**1,71,424.99**	**1,52,595.36**
Financial liabilities at amortized cost				
Borrowings	1,44,931.31	1,24,701.95	1,44,931.31	1,24,701.95
Trade payables	75.41	55.87	75.41	55.87
Other financial liabilities	2,238.26	2,483.37	2,238.26	2,483.37
Total	**1,47,244.98**	**1,27,241.19**	**1,47,244.98**	**1,27,241.19**

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 20 October 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 31 March 2023 and 31 March 2022 are as shown below:

Description of significant unobservable inputs to valuation:

(Rs in million)

Significant unobservable inputs	Input for 31 March 2023	Input for 31 March 2022	Sensitivity of input to the fair value	Increase /(decrease) in fair value 31 March 2023	Increase /(decrease) in fair value 31 March 2022
WACC	7.70% to 8.53%	7.55% to 9.12%	+ 0.5%	(10,744.00)	(10,168.42)
			- 0.5%	10,446.00	11,434.87
Tax rate (normal tax and MAT)	Normal Tax - 25.168%	Normal Tax - 25.168%	+ 2%	(580.08)	(520.00)
			- 2%	531.80	471.00
Inflation rate	Revenue(Esclable): 5.00%	Revenue(Esclable): 5.00%	+ 1%	(3,127.86)	(3,173.14)
	Expenses: 2.14% to 4.75%	Expenses: 2.46% to 4.84%	- 1%	2,574.20	2,604.90

Note 27B: Fair value hierarchy

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

(Rs. in million)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023 and 31 March 2022:	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 2023	-	-	2,26,879.67
	31 March 2022	-	-	2,06,398.37
Investments in mutual funds	31 March 2023	-	69.74	-
	31 March 2022	-	-	-

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

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Note 28: 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

Indigrid Limited (IGL)
Indigrid 1 Limited (IGL1)
Indigrid 2 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)
NRSS XXIX Transmission Limited (NTL)
Odisha Generation Phase II Transmission Limited (OGPTL)
East-North Interconnection Company Limited (ENICL)
Gurgaon-Palwal Transmission Limited (GPTL)
Jhajjar KT Transco Private Limited (JKTPL)
Parbati Koldam Transmission Company Limited (PrKTCL)
NER II Transmission Limited (NER)
IndiGrid Solar-I (AP) Private Limited (ISPL1) (from 13 July 2021)
IndiGrid Solar-II (AP) Private Limited (ISPL2) (from 13 July 2021)
Kallam Transmission Limited (KTL) (from 28 December 2021)
Raichur Sholapur Transmission Company Private Limited (RSTCPL) (from 9 November 2022)
Khargone Transmission Limited (KgTL) (from 2 March 2023)

(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 - Sponsor (EPL)
Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid
Indigrid Investment Managers Limited (IIML) - Investment manager of IndiGrid

II. List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations

(a) Parties to IndiGrid

Esoteric II Pte. Ltd (EPL) - Inducted Sponsor
Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid
Indigrid Limited (IGL) - Project Manager of IndiGrid (for all SPV's)
Indigrid Investment Managers Limited (IIML) - Investment manager of IndiGrid
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid (Axis Bank Ltd is Promoter)*

(b) Promoters of the parties to IndiGrid specified in (a) above

KKR Ingrid Co-Invest L.P.- Cayman Island - Promoter of EPL
Twin Star Overseas Limited - Promoter of SPTL
Electron IM Pte. Ltd. - Promoter of IIML

(c) Directors of the parties to IndiGrid specified in (a) above

Directors of IIML:

Harsh Shah (CEO & Whole-time director) (till 30 June 2022 and re-joined from 30 August 2022)
Jyoti Kumar Agarwal (till 30 September 2022)
Tarun Kataria
Rahul Asthana (till 25 December 2022)
Ashok Sethi
Hardik Shah (from 30 November 2021)
Jayashree Vaidhyanthan (from 30 November 2021)
Ami Momaya (from 27 January 2022)
Pratik Agarwal (till 14 January 2022)
Sanjay Omprakash Nayar (till 27 January 2022)

Directors of SPTL:

Pravin Agarwal
Pratik Agarwal
A. R. Narayanaswamy
Zhao Haixia (till 31 March 2022)
Anoop Seth
Manish Agarwal (from 17 December 2021)
Arun Lalchand Todarwal (till 24 July 2021)
Kamaljeet Kaur (from 29 June 2022)

Key Managerial Personnel of IIML:

Harsh Shah (CEO & Whole-time director) (till 30 June 2022 and re-joined from 30 August 2022)
Navin Sharma (CFO) (from 19 April 2023)
Urmil Shah (Company Secretary) (from 1 August 2022)
Jyoti Kumar Agarwal (CFO) (till 30 June 2022) and (CEO & Whole-time director) (from 01 July 2022 till 30 September 2022)
Divya Bedi Verma (CFO) (from 1 July 2022 till 15 February 2023)
Swapnil Patil (Company Secretary) (till 31 July 2022)

Directors of ATSL:

Rajesh Kumar Dahiya
Ganesh Sankaran
Deepa Rath (from 01 May 2021)
Sanjay Sinha (till 30 April 2021)

Directors of Esoteric II Pte. Ltd.:

Tang Jin Rong
Madhura Narawane (from 26 January 2022)
Velasco Azonos Cecilio Francisco (till 26 January 2022)

Relative of directors mentioned above:

Sonakshi Agarwal
Jyoti Agarwal
Sujata Asthana (till 25 December 2022)
Mala Todarwal (till 24 July 2021)

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

(B) The transactions with related parties during the year are as follows:- (Rs. in millions)

Particulars	Relation	31 March 2023	31 March 2022
1. Unsecured loans given to subsidiaries			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary	8,324.00	1,185.00
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	1,500.00	363.91
Maheshwaram Transmission Limited (MTL)	Subsidiary		61.40
RAPP Transmission Company Limited (RTCL)	Subsidiary	38.78	73.33
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary		88.45
Patran Transmission Company Limited (PTCL)	Subsidiary	-	67.80
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	381.45	487.41
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary		5,409.80
East-North Interconnection Company Limited (ENICL)	Subsidiary	-	283.21
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary		7,667.38
Jhajjar KT Transco Private Limited (JKTPL)	Subsidiary	8.30	143.01
Parbati Koldam Transmission Company Limited (PrKTCL)	Subsidiary		3,792.24
NER II Transmission Limited (NER)	Subsidiary	-	905.36
IndiGrid Solar-I (AP) Private Limited (IGS1)	Subsidiary	23.00	2,911.34
IndiGrid Solar-II (AP) Private Limited (IGS2)	Subsidiary	29.05	2,856.51
Kallam Transmission Limited (KTL)	Subsidiary	720.00	183.60
Indigrid Limited (IGL)	Subsidiary	760.67	742.13
Indigrid 1 Limited (IGL1)	Subsidiary	188.36	93.03
Indigrid 2 Limited (IGL2)	Subsidiary	2.94	17.36
Raichur Sholapur Transmission Company Private Limited (RSTCPL)	Subsidiary	2,098.47	
Khargone Transmission Limited (KgTL)	Subsidiary	14,638.81	-
2. Repayment of loan from subsidiaries			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary		690.40
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	1,500.00	-
Maheshwaram Transmission Limited (MTL)	Subsidiary	-	18.32
RAPP Transmission Company Limited (RTCL)	Subsidiary	71.77	168.94
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary	89.04	242.82
Patran Transmission Company Limited (PTCL)	Subsidiary	5.76	226.23
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	925.87	1,754.36
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary	-	187.93
East-North Interconnection Company Limited (ENICL)	Subsidiary	141.14	914.19
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary	-	630.32
Jhajjar KT Transco Private Limited (JKTPL)	Subsidiary	95.58	286.86
Parbati Koldam Transmission Company Limited (PrKTCL)	Subsidiary	579.75	310.82
NER II Transmission Limited (NER)	Subsidiary	-	105.20
IndiGrid Solar-I (AP) Private Limited (IGS1)	Subsidiary	236.12	70.00
IndiGrid Solar-II (AP) Private Limited (IGS2)	Subsidiary	66.62	80.00
Kallam Transmission Limited (KTL)	Subsidiary	-	-
Indigrid Limited (IGL)	Subsidiary	16.18	-
Indigrid 1 Limited (IGL1)	Subsidiary	281.36	-
Indigrid 2 Limited (IGL2)	Subsidiary	-	-
Raichur Sholapur Transmission Company Private Limited (RSTCPL)	Subsidiary	15.10	-
Khargone Transmission Limited (KgTL)	Subsidiary	4.15	-
3. Purchase of loan of Khargone Transmission Limited			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	253.28	-
4. Interest income from subsidiaries			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary	2,410.28	1,239.73
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	2,879.29	2,856.80
Maheshwaram Transmission Limited (MTL)	Subsidiary	591.57	589.97
RAPP Transmission Company Limited (RTCL)	Subsidiary	305.14	318.60
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary	539.67	557.65
Patran Transmission Company Limited (PTCL)	Subsidiary	235.77	249.67
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	3,818.79	3,920.38
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary	1,642.69	1,559.59
East-North Interconnection Company Limited (ENICL)	Subsidiary	1,261.47	1,304.78
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary	1,467.49	1,437.73
Jhajjar KT Transco Private Limited (JKTPL)	Subsidiary	225.62	246.67
Parbati Koldam Transmission Company Limited (PrKTCL)	Subsidiary	282.34	143.34
NER II Transmission Limited (NER)	Subsidiary	4,215.86	4,180.04
IndiGrid Solar-I (AP) Private Limited (IGS1)	Subsidiary	533.42	395.64
IndiGrid Solar-II (AP) Private Limited (IGS2)	Subsidiary	539.89	388.28
Kallam Transmission Limited (KTL)	Subsidiary	55.84	3.33
Indigrid Limited (IGL)	Subsidiary	114.54	70.03
Indigrid 1 Limited (IGL1)	Subsidiary	35.51	4.75
Indigrid 2 Limited (IGL2)	Subsidiary	93.17	91.22
Raichur Sholapur Transmission Company Private Limited (RSTCPL)	Subsidiary	114.46	-
Khargone Transmission Limited (KgTL)	Subsidiary	168.74	
5. Dividend income from subsidiaries			
Parbati Koldam Transmission Company Limited (PrKTCL)	Subsidiary	201.90	282.66
Jhajjar Transco Private Limited (JKTPL)	Subsidiary	20.00	-
6. Loan arrangement fees received from subsidiaries			
Parbati Koldam Transmission Company Limited (PrKTCL)	Subsidiary		18.85
7. Deposits Given			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence		36.00
8. Adjustment in consideration for equity shares of Indigrid 1 Limited on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	77.31	(0.58)
9. Consideration for equity shares of Indigrid 2 Limited on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence		18.53
10. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	(4.46)

Particulars	Relation	31 March 2023	31 March 2022
11. Adjustment in consideration for equity shares of GPTL on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	3.84	(0.57)
12. Purchase of equity shares of NER			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	5,179.33
13. Adjustment in consideration for equity shares of NER on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	255.87	10.58
14. Purchase of equity shares of KgTL			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	135.13	-
15. Investment in right issue of subsidiary			
Indigrid 1 Limited (IGL1)	Subsidiary	258.59	-
16. 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
17. Trustee fee			
Axis Trustee Services Limited (ATSL)	Trustee	2.63	3.32
18. Investment Management Fees			
Indigrid Investment Managers Limited	Investment manager of IndiGrid	8.50	6.53
19. Distribution to unit holders			
Sterlite Power Transmission Limited	Sponsor of IndiGrid	-	14.09
Indigrid Investment Managers Limited	Investment manager of IndiGrid	7.25	6.55
Esoteric II Pte. Ltd	Sponsor/Entity with significant influence over the Trust	2,171.24	2,100.73
Pravin Agarwal	Director of Sponsor (SPTL) and Investment Manager	-	1.05
Harsh Shah	Whole time director of Investment Manager	0.38	0.18
Swapnil Patil	Company Secretary of Investment Manager	0.02	0.06
Sonakshi Agarwal	Relative of director	0.24	0.24
Jyoti Agarwal	Relative of director	0.08	0.30
Sujata Asthana	Relative of director	1.60	1.55
Arun Todarwal	Director of Sponsor (SPTL)	0.03	0.05
A. R. Narayanaswamy	Director of Sponsor (SPTL)	0.25	0.25
Mala Todarwal	Relative of director	0.02	0.05
20. Deposit made to IT department on behalf of PKTCL & NRSS			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	19.19	-

(C) The outstanding balances of related parties are as follows:-

(Rs in Million)

Particulars	31 March 2023	31 March 2022
Unsecured loan receivable from subsidiaries	1,56,914.84	1,32,476.19
Interest receivable from subsidiaries	6,071.90	3,190.79
Non-Convertible Debentures of subsidiary (including accrued interest on EIR)	3,071.84	6,915.54
Compulsorily-convertible debentures of subsidiary	1,002.74	1,156.85
Investment in equity shares of subsidiary (excluding provision for impairment)	48,411.25	43,507.28
Optionally convertible redeemable preference shares (excluding provision for impairment)	1,001.96	1,001.96
Payable towards project acquired	1,213.10	1,108.97
Deposits given	36.00	36.00
Trade payable	1.92	0.07

*The Trust has entered into banking transactions in the nature of loans taken, fixed deposits made and interest thereof in the normal course of business with Axis Bank Limited in professional capacity.

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 20 October 2016 are as follows:

For the year ended 31 March 2023:
(A) Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations):

(Rs in million)

Particulars	KgTL
Enterprise value	14,975
Method of valuation	Discounted Cash Flow
Discounting rate (WACC):	8.30%

(B) Material conditions or obligations in relation to the transactions:

Acquisition of Khargone Transmission Ltd (KgTL):

The Trust acquired 49% of paid up equity capital of Khargone Transmission Limited ("KgTL") with effect from 02 March 2023 from Sterlite Power Transmission Limited (SPTL)) (referred as "the seller") pursuant to Share Purchase Agreement dated 21 January 2023 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in KgTL and has entered into a binding agreement with the Seller to acquire remaining 51% paid up equity capital in KgTL from the Seller. The Trust has beneficial interest based on the rights available to it under the SPA.
Based on the contractual terms of the agreement, the Trust has following rights:

•Right to nominate all directors on the board of directors of the KgTL;
•Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of KgTL;
•Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in KgTL;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls KgTL on the basis the above rights under the agreement and the fact that the Group has acquired 49% and have paid for the balance 51% consideration (subject to certain agreed hold back amount). Based on the assessment, management has concluded that the Group controls KgTL in spite of the fact that it has acquired only 49% of the paid up capital of KgTL.

For the year ended 31 March 2022:

- No acquisition from related party for the year ended 31 March 2022.

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(All amounts in Rs. million unless otherwise stated)

Note 29: Capital and other Commitments

The Trust and G R Infraprojects Limited ('GRIL') have entered into a framework agreement to acquire 100% stake in Rajgarh Transmission Limited

Note 30: Contingent liability
The Trust has no contingent liability to be reported.

Note 31: 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 32: Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Particulars	31 March 2023	31 March 2022
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	1.58	-
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 (31 March 2020: 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 33: 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.

Price Risk
The Company invests its surplus funds in mutual funds which are linked to debt markets. The Company is exposed to price risk for investments in mutual funds that are classified as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with the limits approved by the Board of Directors. Reports on investment portfolio are submitted to the Company's senior management on a regular basis

Particulars	% change in market value	31 March 2023	31 March 2022
		Effect on loss before tax	Effect on loss before tax
Mutual funds	0.50%	0.35	-

Profit for the year would increase / decrease as a result of gains / losses on mutual funds classified as at fair value through profit or loss.

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 31 March 2023 and 31 March 2022.

Equity price risk
The Trust's investments in equity shares of subsidiaries are susceptible to market price risk 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 Rs. 42,916.7 million (31 March 2022: Rs. 41,578.06 million). Sensitivity analyses of significant unobservable inputs used in the fair value measurement are disclosed in Note 27A.

(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 31 March 2023 and 31 March 2022, the credit risk is considered low since substantial transactions of the Trust are with its subsidiaries.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *
SRBC

India Grid Trust

(All amounts in Rs. million unless otherwise stated)

(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:

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2023						
Borrowings	-	-	9,256.73	1,11,751.00	23,923.58	1,44,931.31
Trade payables	-	75.41	-	-	-	75.41
Other financial liabilities	-	997.37	1,240.89	-	-	2,238.26
Total	-	1,072.78	10,497.62	1,11,751.00	23,923.58	1,47,244.98

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2022						
Borrowings	-	14,292.58	2,925.95	39,209.31	68,274.11	1,24,701.95
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	68,274.11	1,27,241.19

Note 34: 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.

Particulars	31 March 2023	31 March 2022
Borrowings	1,44,931.31	1,24,701.95
Less: Cash and cash equivalents	(1,949.33)	(7,846.97)
Net debt (A)	1,42,981.98	1,16,854.98
Unit capital	65,903.15	65,903.15
Other equity	3,296.07	2,293.62
Total capital (B)	69,199.22	68,196.77
Capital and net debt ((C) = (A) + (B))	2,12,181.20	1,85,051.75
Gearing ratio (A)/(C)	67%	63%

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 31 March 2023 and 31 March 2022.

Note 35: Subsequent event

On 12 May 2023, the Board of directors of the Investment Manager approved a distribution of Rs. 3.45 per unit for the period 01 January 2023 to 31 March 2023 to be paid on or before 15 days from the date of declaration.

Note 36: 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.
(v) The Trust has not been declared as a wilful defaulter by any bank or financial institution or other lender.

As per our report of even date

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

HSGinwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 12 May 2023

S R B C & CO LLP CHARTERED ACCOUNTANTS SRBC

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 12 May 2023

U.K. Shah

Urmil Shah
Company Secretary
Membership Number : A23423
Place : Mumbai
Date : 12 May 2023

India Grid Trust

Navin Sharma
Chief Financial Officer

Place : Mumbai
Date : 12 May 2023

Annexure-A

Format of the Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1	Name of the Company	India Grid Trust
2	CIN	IN/InvIT/16-17/0005
3	Outstanding borrowing of company as on March 31, 2023 (in Rs cr)	Rs. 14,493.13 Crore
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	[ICRA] AAA (Stable) CRISIL AAA (Stable) IND AAA (Stable)
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

We confirm that we are a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

For and on behalf of the IndiGrid Investment Managers Limited
(Representing India Grid Trust as its Investment Manager)

U.K.Shah

Urmil Shah
Company Secretary & Compliance Officer

Navin Sharma
Chief Financial Officer

INDIGRID INVESTMENT MANAGERS LIMITED

Contact Number: 022-6924 1311
Date: 27.04.2023

CC to-
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg,
Dadar West, Mumbai- 400 028, Maharashtra, India

IDBI Trusteeship Services Limited
Universal Insurance Building, Ground Floor,
Sir P.M Road, Fort, Mumbai Maharashtra – 400 001

IndiGrid

INDIGRID INVESTMENT MANAGERS LIMITED

Annex - XII-B2

Format of the Annual Disclosure to be made by an entity identified as a Large Corporate

1. **Name of the Company:** India Grid Trust
2. **CIN:** NA
3. **Report filed for FY:** 2022-2023 (T)
4. **Details of the Borrowings (all figures in Rs. Crores):**

Sr. No.	Particulars	Details
1	3-Year Block Period*	FY 2022-2023 (T) FY 2023-2024 (T+1) FY 2024-2025 (T+2)
2	Incremental Borrowing done in FY 2022-2023 **(a)**	3,770.00
3	Mandatory borrowing to be done through debt securities in FY 2022-2023 **(b) = (25% of a)**	943.00
4	Actual borrowing done through debt securities in FY 2022-2023 **(c)**	1,500.00
5	Shortfall in the borrowing through debt securities, if any, for FY 2021-2022 carried forward to FY 2022-2023 **(d)**	NIL
6	Quantum of (d), which has been met from (c) **(e)**	NIL
7	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2022-2023 {after adjusting for any shortfall in borrowing for FY 2021-2022 which was carried forward to FY 2022-2023} **(f)= (b)-[(c)-(e)]**	NIL

5. **Details of penalty to be paid, if any, in respect to previous block (all figures in Rs. crore):**

Sr. No.	Particulars	Details
1	2-Year Block Period	FY 2021-22, FY 2022-23, FY 2023-24
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	Not Applicable

For and on behalf of the IndiGrid Investment Managers Limited
(Representing India Grid Trust as its Investment Manager)

U.K. Shah

Urmil Shah
Company Secretary & Compliance Officer

Navin Sharma
Chief Financial Officer

INDIGRID INVESTMENT MANAGERS LIMITED

Contact Number: 022-6924 1311
Date: 09.05.2023

***As per SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/ dated March 31, 2023, the contiguous block of two years over which large corporates need to meet the mandatory requirement of raising minimum 25% of their incremental borrowings in a financial year through issuance of debt securities is extended to a contiguous block of three years**