



**POWERING  
AHEAD**

  
ANNUAL REPORT  
2022-23



## CONTENTS

### INTRODUCTION

From the CEO's Desk	2
IndiGrid – India's First Power Transmission Yield Platform	6
Celebrating 6 years of Consistent Growth	8
Track Record of Strong Fundamentals	9
5x Increase in AUM on the back of Accretive Acquisitions	10
Superior Risk-Return Profile	12
Managing Liabilities Prudently	13
Stakeholder Engagement	14
Delivering Holistic Performance	18
Gearing to Maximise Long-term Value Creation	19

To download this report and to know more about us,



please visit: [www.indigrid.co.in](http://www.indigrid.co.in)

### CORPORATE OVERVIEW

About IndiGrid	22
Our Key Stakeholders	23
An Esteemed Board	24
Our Management Team	26
Our Key Strategic Enablers	32
Our Asset Portfolio	34

### MANAGEMENT REPORTS

Management Discussion and Analysis	56
India's Transmission Network	64
Operational Review	74
Financial Review	84
ESG at IndiGrid	90
Year in Review: FY 2022-23	104
Corporate Governance Report	109
Summary of Independent Valuation	124
Unit Price Performance	125

### FINANCIAL INFORMATION

Financial Statements	138
Corporate Information	275



# POWERING AHEAD

## The India Story – Economic Development versus Climate Goals

Majority of the nations globally are aligning themselves to the International Energy Agency's (IEA's) Net Zero by 2050 roadmap with higher energy investments across renewable and cleaner energy. Currently, global share of renewable energy falls around 28% of the total energy generation.

India's need to achieve aggressive climate targets is in juxtaposition with the rapid pace of economic growth the country is witnessing. India is acting as a major growth driver of the rising global energy demand, accounting for 25% of the global growth. As per International Energy Agency (IEA), it is poised to supersede the European Union by becoming the world's third-largest energy consumer, by 2030. However, with the strong global need of managing climate change and rising temperatures, India has announced its target of becoming Net Zero by 2070. On path of its Net Zero journey, India is also envisioning a 500 GW of installed renewable generation capacity by 2030.

Currently, India is ranked the third largest producer of renewable energy, with 40% of its installed capacity sourced from non-fossil fuel sources at ~170 GW. Over the next decade (2022-32), investments worth ~INR 25,000 Billion will be needed to meet the nation's renewable installation and battery storage requirements.

## Accelerated Growth of the Indian Power Transmission Sector

Following the Government's mission of 'Power for All', through schemes like 'Saubhagya Yojana', and higher emphasis on green energy power generation, the nation's renewable energy generation sector, and the transmission and distribution network has entered a new phase of growth.

With the addition of new generation centres comprising largely of renewable energy sources, there has also been a fresh impetus to augment the country's transmission network with the twin objectives of improving the network efficiency and dealing with the inherent intermittency of renewable energy generation sources.

The Government is also focussing on leveraging digital technologies and smart grid solutions like advanced metering infrastructure, distribution automation, and demand response systems to improve the overall grid's operational efficiency, reduce losses, and enable better management of energy resources.

To support the growing electricity evacuation needs, the Indian transmission network (of 110 kV and above) will need to grow at a CAGR of ~4% between 2022-2027 adding over ~1,83,760 circuit kms of TL during the period.

## IndiGrid – Blazing Ahead

IndiGrid started its journey in 2016 with the vision of setting up an enviable yield platform focussed on participating in the rapidly developing power sector of the nation. Over the last 6 years, IndiGrid has emerged as the first and foremost power transmission InvIT of the country with a track-record of superior and stable operations, distributions and return to its unitholders.

IndiGrid, with its underlying theme of value-accretive acquisitions while maintaining AAA-rated cashflows, has grown its Assets under Management (AUM) from INR 37 Billion to INR 228 Billion. IndiGrid has successfully developed an ecosystem of revenue-generating assets portfolio coupled with operational excellence centred asset management capabilities powered by world-class digital tools to ensure a consistent portfolio performance.

With a vision to reach an AUM size of INR 300 Billion, IndiGrid is favourably placed to gain from the sizeable growth opportunity in the Indian transmission and renewable energy space. Through a planned acquisition pipeline, systematic and gradual diversification strategy and deepening investor base on equity and debt side, IndiGrid is placed in a steadfast position. IndiGrid maintains a continual focus on providing superior risk-adjusted total returns with stable cash yield and growth.



●●  
FROM THE CEO'S DESK

“

As we complete another glorious year of driving superior returns, we are deeply grateful to our unitholders, employees, regulators, and all stakeholders for their unwavering belief in the IndiGrid story and their constant support in our journey of growth. At IndiGrid, we have successfully stayed on course to focus on consistent value creation and build a superior and sustainable yield platform.

”



## Dear Unitholders,

It gives me immense pleasure to introduce this year's Annual Report, which vividly represents our 'Purpose, Potential, and Growth Outlook' – which guide our decisions, both strategic and operational. I express my gratitude for your steadfast support and am delighted to announce the successful conclusion of yet another remarkable and landmark year in FY 2022-23.

### FY2022-23 – An Acquisitive Year

It was an acquisitive year for IndiGrid. We acquired 100% stake in Raichur Sholapur Transmission Company Private Limited (RSTCPL) at an enterprise valuation of 2,500 Million and Khargone Transmission Limited (KhTL) at an enterprise valuation of 15,000 Million. These two accretive acquisitions coupled with acquisitions consummated in mid-FY2021-22 generating full year impact in FY2022-23, resulted in IndiGrid exceeding its DPU guidance for the year – delivering 13.35 per unit versus the guided 13.20 per unit – a growth of 4.5% on a run-rate basis.

Apart from the above two acquisitions, IndiGrid signed a framework agreement with G R Infra to acquire their currently under construction asset, Rajgarh Transmission Limited, post its commercial operationalisation, at an agreed upon enterprise valuation.

### A Landmark Deal

A landmark deal for IndiGrid this year is the acquisition of units of Virescent Renewable Energy Trust (VRET) wherein we have signed the definitive documents and are awaiting certain regulatory approvals. India's first and only renewable energy infrastructure trust, VRET owns 16 operational solar energy assets across 7 states with a combined capacity of 538 MWp and total Assets Under Management (AUM) of ~ INR 41,000 Million. We expect to complete the acquisition in Q2 FY 2024 VRET is a AAA-rated platform and has a strong institutional holding with KKR as its sponsor and other marquee investors like Alberta Investment Management Corporation (AIMCo), Utilico, and L&T as its unitholders.

VRET comes with proven track record with all its assets having an average operational tenure and average remaining tenure of ~7 years and ~18 years respectively. Alongwith the assets, IndiGrid will also inherit the entire asset management team of VRET with ~100 people. A complementary competence addition, this will help us strengthen our capabilities in solar asset management while also ensuring operational continuity for all the VRET assets.

The acquisition of VRET will increase the contribution of

renewable assets in IndiGrid portfolio to ~17% (on AUM basis) which is in-line with our strategy to increase our exposure to the fast growing renewable sector albeit capping the contribution of the sector to our AUM at 25%.

### Sound Financial Performance

During the fiscal year, our Revenue from Operations and EBITDA recorded a growth of 5% and 4% respectively. Our NDCF for the full year was recorded at ~ INR 10,365 Million, a Y-o-Y growth of 10%. We increased our DPU guidance for the year FY2023-24 to 13.8 per unit – a growth of 4.5% on a run-rate basis – on the back of completed accretive acquisitions, a promising pipeline and improved operational efficiency across assets.

As a result of our efforts, we ended the year with our asset portfolio at 46 transmission lines, covering a total distance of ~8,468 circuit kilometres, 13 substations with ~17,550 MVA transformation capacity, and a solar power generation capacity of 100 MW(AC), spread across 19 states and 1 Union Territory, and with an Asset Under Management worth ~INR 228 Billion – a Y-o-Y growth of 8%.

IndiGrid's strong balance sheet, prudent asset management and operational excellence align with our Company's strong growth and achievements. These robust strengths, coupled with AAA-rated cash flows, 7.53% average cost of debt, 11.6 Billion cash balance, 78% fixed rate of borrowings 59.5% Net Debt/AUM and 2.16x EBITDA/Interest have enabled us to maintain sustainable operations and deliver exceptional risk-adjusted returns for our investors.

### Improving our Operational Efficiency

Over the last 6 years, our efforts have consistently been dedicated to improving the dependability of our network through several initiatives. For the full year FY2022-23, we achieved an average availability of 99.7% across our assets. Our teams have worked towards moving to a preventative culture from reactive one to ensure avoidance of unexpected downtimes.

Technology has played an instrumental role in this endeavour and we have invested in various digital tools to create a future-ready ecosystem. We successfully deployed DigiGrid, our ambitious digital platform, across our asset portfolio. DigiGrid is a state-of-the-art digital platform which enables our teams across levels to consistently and remotely monitor the performance of each element of each asset across various parameters to ensure adherence to highest

standards of Quality, Health and Safety and other operational requirements.

Further, to ensure quick resolution of unexpected faults, we have trained an in-house team of 20 people and developed a QRT (Quick Reaction Team) under the advanced Emergency Restoration System (ERS). Predictive weather intelligence platforms, drone based inspections, and robotic module cleanings are some of the other initiatives where we have made investments.

### Focus on ESG Enhancement

Upliftment of our Environment, Social and Governance (ESG) practices has been a key focus area for IndiGrid. Under each of the E, S and G umbrellas our teams have identified target areas to which all our initiatives are aligned.

We have conscientiously worked towards improving our environmental footprint by bringing in efficiencies in our energy and emission management and by better managing our waster consumption and waste management. This year we commissioned our first Battery Energy Storage System (BESS) project coupled with solar panels at our Dhule substation for meeting the substation's auxiliary consumption requirement. While this project helps IndiGrid reduce its dependence on non-renewable electricity sources, it is also positioned well to act as a test bed for augmenting our capabilities to participate in energy transition opportunities in solar and BESS space. As the operations at this project stabilise, we look forward to replicating similar systems across our other substations.

At IndiGrid, we are aware of the importance of enhancing the Diversity, Equity and Inclusion (DE&I) quotient of our Company. We launched our DE&I policy this year which focusses on our targets and edeavours in ensuring promotion of equitable diversity across teams and leavels. As on end of FY2022-23, IndiGrid's gender diversity in leadership and corporate roles stood at 27.3%. We have identified plans to increase our diversity ratio further across corporate as well onsite teams.

With respect to our emmplyee health and safety initiatives, we achieved the milestone of 2.5 Million Safe Manhours while ensuring Zero Fatality, Zero LTI (Loss Time Injuries), Zero FAC ( First Aid Cases) across all our employees. Our concentrated approach towards ensuring defect-free transmission lines resulted in our Company reporting one of the lowest trips per line at 0.18 during FY 2022-23.

InvITs offer a promising solution to the challenge of balancing development and ownership, providing an appealing chance for developers and investors to participate in India's infrastructure growth story. We extend our gratitude to the Ministry of Finance, SEBI, and regulatory bodies for establishing a robust framework for InvITs and REITs, which have been and will continue to be pivotal in expediting the

growth of the Indian infrastructure sector.

Within the transmission space, according to the National Infrastructure Pipeline (NIP), the power transmission segment is estimated to require a capital expenditure of ~INR 3,040 Billion between 2020 and 2025. The state utilities are expected to spearhead the transmission segment with a projected capex of ~INR 1,900 Billion. The NIP highlights the need to replicate successful models such as InvITs, REITs, and TOTs across various infrastructure sectors, including power transmission, to facilitate large-scale infrastructure expansion across the country.

We are of the opinion that the Indian energy sector is on the verge of a major transformation, as the need for renewable energy alternatives emerges stronger than ever, the demand patterns witness key shifts, electric mobility emerges as a prominent trend, among other developments. Given the current state of affairs, we at IndiGrid, foresee significant growth prospects and plan to expand our Assets Under Management in the coming years by addition of value accretive projects.

As I conclude, I would like to express my sincere appreciation to our valued unitholders for their steadfast dedication and partnership with IndiGrid. Thanks to your unwavering support and invaluable advice, we have successfully weathered the highs and lows of the past six years and, moving forward, we remain committed to strengthening these relationships as we venture into our next growth trajectory phase.

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

Warm Regards,

**Harsh Shah**

Chief Executive Officer



# INDIGRID – INDIA'S FIRST POWER TRANSMISSION YIELD PLATFORM

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

## Our Vision

To become the most admired yield vehicle in Asia.

## Our Mission

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

## Our Key Driver

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





~INR **228** Billion\*Total Assets under  
Management**19** States**1** Union Territory

Presence across India

**46** Transmission Lines~**8,468** cKms

Total Length Network

**AAA**-Rated

Perpetual Ownership#

**13** Substations~**17,550** MVA

Total Transformation Capacity

~**12,970**

Towers

**100** MW (AC)

Solar Generation Capacity

**>5,35,000** MT

Steel and Aluminium

~**27** YearsAverage Residual  
Years of Contract Life

## NOTE:

\*Value of 100% stake of all projects (except PrKTCL) as per independent valuation report as of March 2023. PrKTCL held in a Joint Venture with Power Grid holding 26% stake

#All projects except JKTPL are on BOOM model

ENICL has a TSA term of 25 years from the Licence Date

IndiGrid Solar Assets have a PPA term of 25 years from the effective date

# CELEBRATING 6 YOURS OF CONSISTENT GROWTH

## DISTRIBUTION SINCE LISTING

~INR **38.88** Billion

Gross Distribution till date

**24**

Quarters of consecutive distribution

**3-4%** YoY

Growth Run-Rate

## EQUITY RAISED SINCE INCEPTION: INR66.36 BILLION

INR **28.38** Billion

IPO Proceeds

INR **25.14** Billion

Preferential Issue

INR **12.84** Billion

Rights Issue

## TOTAL RETURNS: 103%\*

INR **71.86**/Unit

Predictable DPU

~**13%**

Annualised Return

**0.08** Beta

Low Risk

\* Total return is sum of all distributions since listing (Jun'17) and change in price till Mar 31, 2023.  
NOTE: Total Distribution refers to gross distributions since listing till Q4 FY 2023

**Total AUM ~INR 228 Billion**

Initial Asset Portfolio :

INR **37** Billion

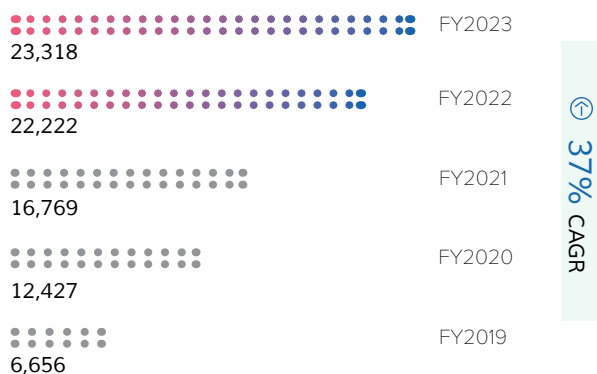
Acquisitions Worth:

~INR **191** Billion

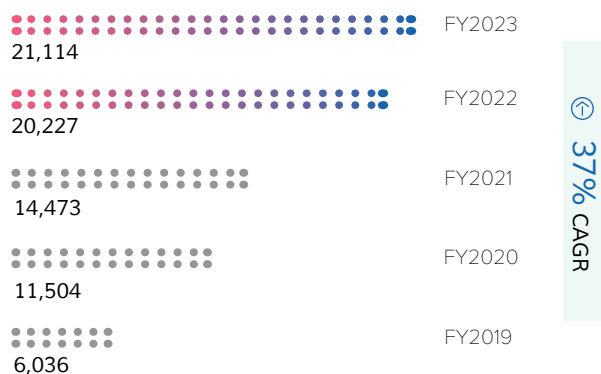


# TRACK RECORD OF STRONG FUNDAMENTALS

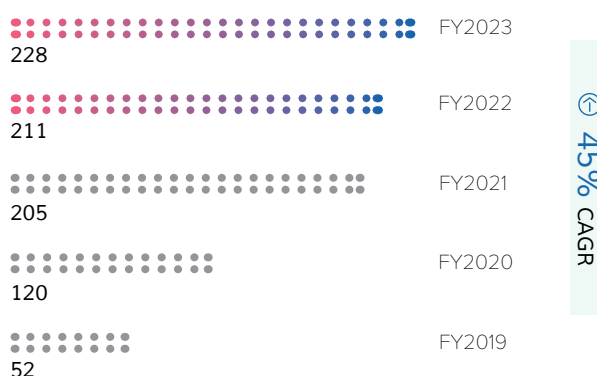
## REVENUE INR Million



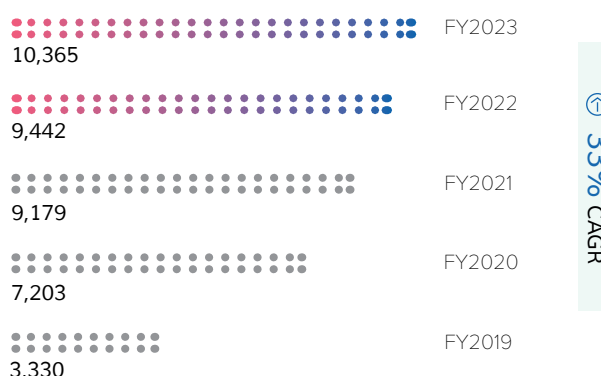
## EBITDA INR Million



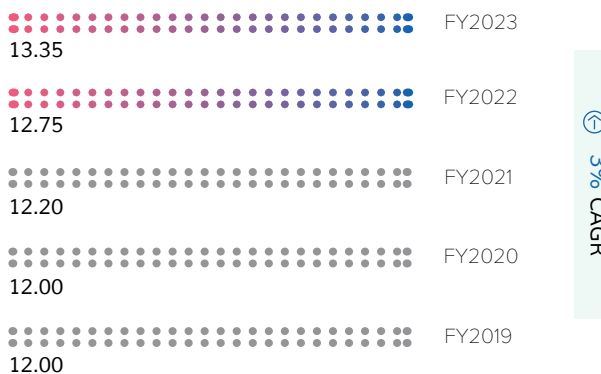
## ASSETS UNDER MANAGEMENT INR Billion



## NDCF INR Million



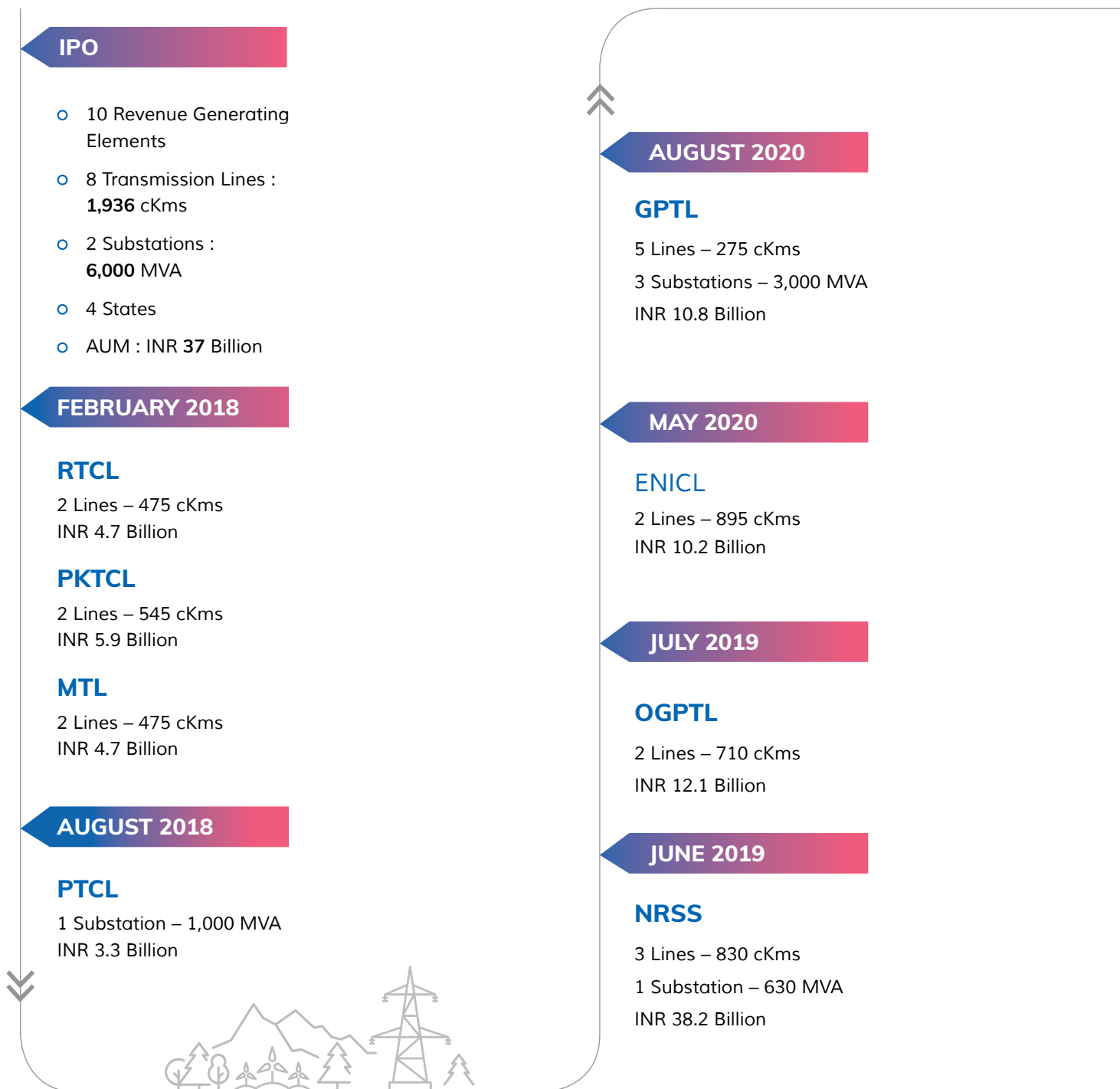
## DPU IN INR/UNIT



NOTE: NDCF includes reserve created at SPV level

# 5X INCREASE IN AUM ON ACCOUNT OF ACCRETIVE ACQUISITIONS

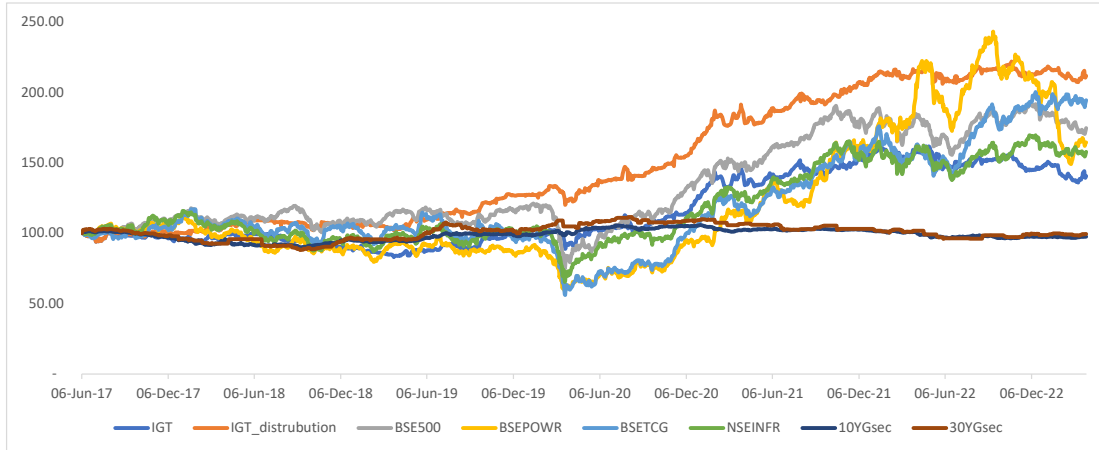
Over the past five eventful years, we have grown from 2 power transmission projects to diversified portfolio of 16 operational projects and 1 under-construction project. The sustainable growth has been led by our robust acquisition strategy with thorough due-diligence, systematic diversification and continuous evaluation of acquisition pipeline



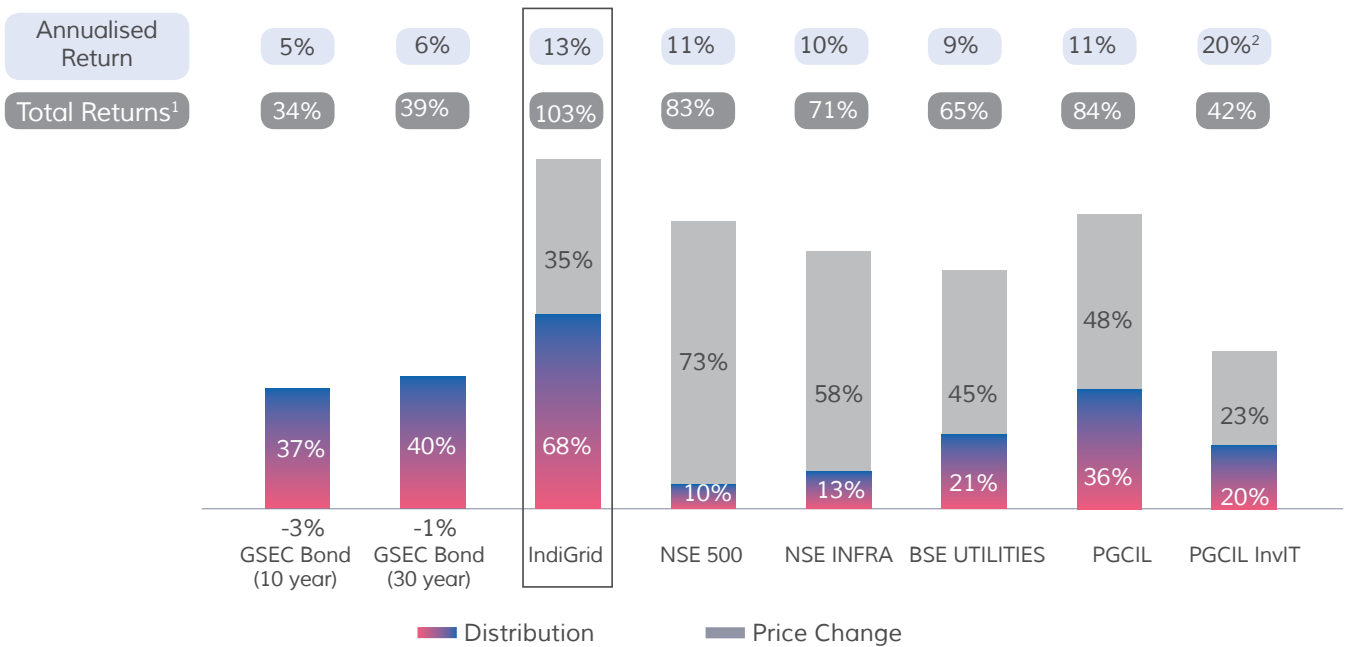


# SUPERIOR RISK-RETURN PROFILE

## SUPERIOR RISK-ADJUSTED RETURN



## TOTAL RETURNS SINCE IPO



Beta <sup>3</sup> vs NSE 500	10Y GSec Bond <sup>4</sup>	30Y GSec Bond <sup>4</sup>	IndiGrid	NSE 500	NSE INFRA	BSE Utilities	PGCIL	PGCIL InvIT
	0.01	0.02	0.08	1.00	0.95	0.91	0.54	0.18

NOTE: Bloomberg  
 (1) Total return is sum of all distributions since listing (Jun'17) and change in price till March 31, 2023  
 (2) PGCIL InvIT listed in May 2021  
 (3) Beta refers to Historical Beta calculated on a weekly basis since listing of IndiGrid to March 31, 2023  
 (4) 10Y GSec Bond refers to IGB 6.79 15/05/2027 ; 30Y to IGB 7.06 10/10/46 Corp



# MANAGING LIABILITIES PRUDENTLY

## LEVERAGE AND BORROWING FRAMEWORK

### AAA RATING

- Leverage cap of 70%
- AAA Rating from CRISIL, ICRA, India Ratings

### OPTIMISE BORROWING

- Majority of loans at fixed rate
- Diversified sources of borrowing

### ASSET-LIABILITY MANAGEMENT

- Focussing on long-tenure loans
- Well-diversified repayment schedule with no bunching up of repayments

### LIQUIDITY MANAGEMENT

- Maintaining a combination of liquid reserve & DSRA
- Factoring for working capital management

### TRANSPARENCY

- Quarterly reporting of Leverage and AUM to unitholders
- Regular review by Investment Committee and Board of the operating performance of outstanding liabilities and available liquidity to meet any contingency
- Regular reviews by Investment Committee

### POLICY ADVOCACY

- FEMA Regulations amended to permit FPIs to invest in debt securities of InvITs and REITs
- Insurance companies and NPS schemes enabled to invest in debt securities of InvITs
- PFRDA relaxed sponsor rating requirement for investments by NPS schemes into InvIT units
- Trading lot size reduced to one unit for publicly listed InvITs since Aug 2021

**AAA**  
Credit Rating

**~78%**  
Fixed Rate Borrowing

**~59.5%**  
Net Debt/AUM




**~7.53%**  
Average Cost of Debt



## STAKEHOLDER ENGAGEMENT

At IndiGrid, we remain committed to build constructive relationships with all our stakeholders. Proactively engaging with them enables us to get valuable insights on how we can shape our business strategy and operations while minimising risks and harm to all parties. We believe in forging long-term relation with stakeholders for collective growth and sustainable future.

### Engaging with our Stakeholders

STAKEHOLDERS	EFFORTS	IMPACT
 <p><b>UNITHOLDERS</b></p>	<ul style="list-style-type: none"> <li>○ Organisation website</li> <li>○ Corporate announcements</li> <li>○ Annual and semi-annual reports</li> <li>○ Investor presentations</li> <li>○ Quarterly and annual calls</li> <li>○ Unitholder meetings (AGM/EGM)</li> <li>○ Investor roadshows</li> <li>○ Communication through newspapers</li> <li>○ E-Mailers</li> </ul>	<ul style="list-style-type: none"> <li>○ Transparent communication</li> <li>○ Increased awarenesss about InvITs</li> <li>○ Increased total return to investors</li> </ul>
 <p><b>EMPLOYEES</b></p>	<ul style="list-style-type: none"> <li>○ Flexible Work-Enablement Policy</li> <li>○ Health &amp; safety benefits</li> <li>○ Reward and recognition</li> <li>○ Talent management</li> <li>○ Leadership development</li> <li>○ Employee engagement survey</li> <li>○ Monthly tonwhalls</li> </ul>	<ul style="list-style-type: none"> <li>○ Low attrition rate</li> <li>○ Growing headcount</li> <li>○ Positive engagement feedback</li> <li>○ Diversified and inclusive workforce</li> </ul>
 <p><b>CUSTOMERS</b></p>	<ul style="list-style-type: none"> <li>○ Client meetings</li> <li>○ Periodic performance reviews</li> <li>○ Performance reports</li> </ul>	<ul style="list-style-type: none"> <li>○ Well-managed receivables profile</li> <li>○ Industry best days outstanding</li> </ul>





**AMC PARTNERS AND  
SUPPLY CHAIN  
PARTNERS**

- Site visits and inspection
- Supplier's visits
- Workshops/Training for ESG standards
- Consistent asset performance
- Roll-out of innovative solutions
- Well-managed expenses
- Upliftment of ESG standards across value-chain



**REGULATORY  
BODIES**

- Policy advocacy
- Meetings and industry forums
- E-mails and digital platforms
- Compliance reports
- Regulatory visits
- Positive regulatory measures like allowing FPIs, insurance companies to invest in debt securities of InvITs, etc.



**LENDERS**

- Meetings and correspondence
- Timely submission of financial reports/quarterly reports
- Periodic submission of performance data
- AAA-rating
- Well-diversified and termed out borrowing profile
- Well-managed cost of borrowing
- Expanding lender base



**COMMUNITIES**

- CSR initiatives
- Community support programmes
- Awareness campaigns
- Focussed group discussion
- Announcements in local newspaper
- Increased number of beneficiaries
- Harmonious co-existence
- Limited ROW issues
- Collective growth





## Employees

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

### Safety: Our key priority

With digital readiness, workforce flexibility, transparent and two-way communication, supportive policies and empathy, we ensured to stand together in this war. IndiGrid also launched supportive medical packages, vaccination drives and well-being programmes to provide financial assistance to our employees during these tough times. Besides enabling work from home and providing equipment to enable this, we also created a COVID Taskforce for our employees and their families. Participating in comprehensive and multi-

dimensional health enhancement programme led our employees to enhance their wellness quotient at the physical, emotional and social level.

### Build a transparent and winning culture

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





## AMC Partners & Supply Chain

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

Even as power transmission was declared as an “essential service”, there were disruptions in the supply

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



## Communities

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

We continue to support our local communities through free health check-up drives, initiatives in education, skill development and rural area infrastructure development.



# DELIVERING HOLISTIC PERFORMANCE

## FY 2023 - VALUE ACCRETIVE GROWTH

**4%** YoY

EBITDA Growth

**>99.7%**

Average availability

**0.18**

Trips per line

### PORTFOLIO GROWTH

- AUM stable at ~INR 228 Billion
- Acquired Raichur Sholapur Transmission (RSTCPL) for ~INR 2.50 Billion
- Acquired Khargone Transmission Limited (KhTL) for ~INR 15 Billion

### IMPROVING BALANCE SHEET STRENGTH

- Average cost of borrowing at 7.53%
- Net Debt/AUM at 59.5% providing sufficient headroom for growth
- Raised long term NCDs from World Bank funded International Finance Corporation (IFC) totaling INR 11.4 billion for a tenure of 18 years
- While the interest rate scenario is rising and our incremental cost of debt may increase, we are well placed with low gearing levels and a AAA rating which allows us to leverage long term debt

### RESILIENT ASSET MANAGEMENT

- Average availability maintained at >99.7% in FY2023
- Improved reliability through implementation of DigiGrid across all the IndiGrid assets
- Low trips per line since inception on the back of preventive maintenance initiatives
- Implementation of Emergency Restoration System enabling to tackle unpredictable situations in an efficient manner
- Commissioned first Battery Energy Storage Systems (BESS) coupled with Solar installation at Dhule Substation (BDTCL), for offsetting the substation's auxiliary power consumption

### INDUSTRY STEWARDSHIP

- FEMA Regulations amended to permit FPIs to invest in debt securities of InvITs and REITs
- Trading lot size reduced to ONE unit for publicly listed InvITs
- PFRDA enabled NPS-backed pension funds to invest in debt securities of InvITs
- Since IndiGrid's listing in 2017, a total of 19 InvITs have registered in India including the PG InvIT and the NHAI InvIT

# GEARING TO MAXIMISE LONG-TERM VALUE CREATION

## KEY FOCUS AREAS GOING FORWARD

INR **28.38** Billion  
IPO Proceeds

INR **25.14** Billion  
Preferential Issue

INR **12.84** Billion  
Rights Issue

### PORTFOLIO GROWTH

- ~INR 400 Billion worth of transmission tenders already notified and ~INR 450 Billion identified under National Monetisation Pipeline till FY 2025 creating a healthy pipeline for bidding and acquisition of transmission projects respectively
- Focus on acquisition of Virescent Renewable Energy Trust, framework asset - Rajgarh Transmission Limited - post commissioning and other operational solar and transmission assets
- Evaluate bidding opportunities in power transmission with partners and explore opportunities in adjacent spaces such as utility scale battery storage
- Deliver on increased DPU Guidance of INR 13.80 for FY 2024

### IMPROVING BALANCE SHEET STRENGTH

- Focus on optimising interest cost and elongate tenures for incremental acquisitions in the year
- Focus on maintaining adequate liquidity to mitigate any uncertainties and unpredictable scenarios
- Further capital raise up to INR 15 Billion to maintain adequate headroom for growth

### RESILIENT ASSET MANAGEMENT

- Focus on maintaining >99.5% availability across portfolio and maximise incentives
- Self-reliant O&M practices across the portfolio
- Utilise digital tools to assist analytics and proactive decision making
- Ensuring world class EHS and ESG practices across the portfolio

### INDUSTRY STEWARDSHIP

- Maximising private sector participation in electricity sector for both green field and National Monetisation Pipeline
- Focus on increasing awareness about IndiGrid and InvITs



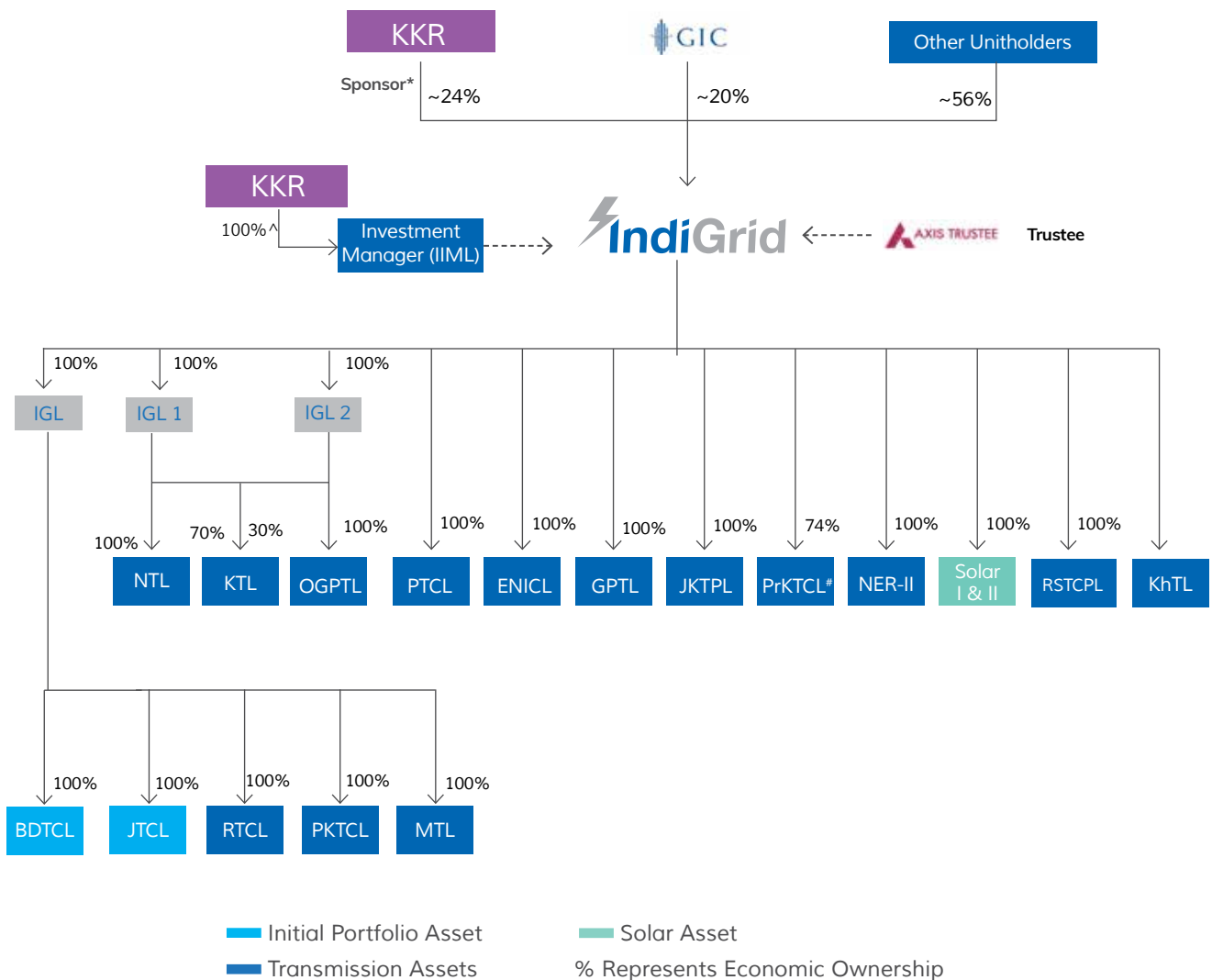


# CORPORATE OVERVIEW

# ABOUT INDIGRID

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

## INDIGRID'S CORPORATE STRUCTURE



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

\*Sterlite Power Transmission Ltd. is also the sponsor with 0% stake in and IndiGrid has received unitholders approval for de-classification of status of SPTL as a Sponsor

^ KKR acquired 26% stake in IIML held earlier by Sterlite Power Transmission Ltd. in January 2022

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



## OUR KEY STAKEHOLDERS

### Investment Manager

#### INDIGRID INVESTMENT MANAGERS LTD (IIML)

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

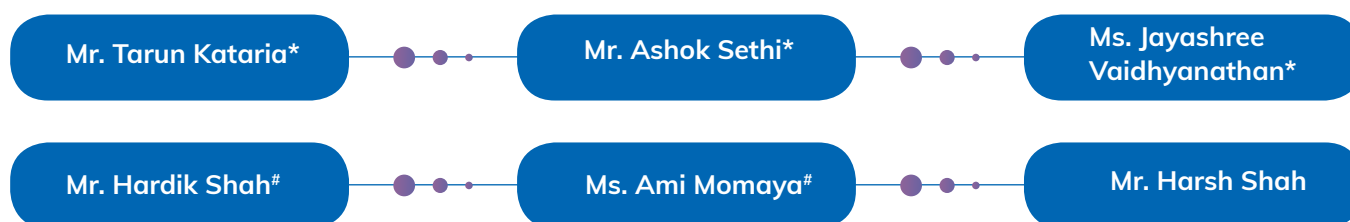
IIML executed Investment Management Agreement with IndiGrid on November 10, 2016, as amended and restated from time to time. As per the provisions of the Investment Management Agreement, IIML is empowered to:

- Take all decisions in relation to the management and administration of IndiGrid's assets and investments

- Oversee the activities of the Project Manager in terms of the InvIT Regulations and applicable Law
- Issue and allot units, accept subscriptions to units of IndiGrid and issue, transfer units to unitholders or other such people and undertake all related activities
- Engage teams for asset management, M&A, capital raising, compliance, engineering and finance & accounting

As on date, KKR owns 100% stake in IIML.

#### BOARD OF DIRECTORS



\* Independent Director

# Non-Executive Directors

### Sponsor

#### 1. ESOTERIC II PTE. LTD. (KKR)

Esoteric II Pte. Ltd., an affiliate of KKR, is a sponsor for IndiGrid. In the 3<sup>rd</sup> Annual General Meeting of IndiGrid held on September 28, 2020, the unitholders approved the induction of Esoteric II Pte. Ltd. as a sponsor (as defined under the InvIT Regulations) by a special majority (> 75% voting). This move marked an extension of IndiGrid's strategic relationship with KKR and is expected to expand IndiGrid's access to long-term

capital. KKR's induction has allowed the Trust to leverage KKR's global experience of investment management, along with enhancing its corporate governance standards in line with global standards. KKR had invested in IndiGrid in May 2019 and currently owns an ~24% stake in the platform. Separately, KKR also owns 100% stake in IndiGrid Investment Managers Limited (IIML), the Investment Manager of IndiGrid.

#### BOARD OF DIRECTORS



## AN ESTEEMED BOARD



**MR. TARUN KATARIA**  
Independent Director

Mr. Tarun Kataria has over 30 years of rich experience in banking and capital markets, working across New York, Singapore, Hong Kong and Mumbai. He was appointed as an Additional Independent Director on the Board of the Investment Manager on October 29, 2016 and has been serving as an Independent Director since September 22, 2017. He is an Independent Director of Westlife Foodworld Limited and Global Moats Fund (Mauritius). Previously, he was the CEO of Religare Capital Markets Limited, Managing Director and Head of Global Banking and Markets at HSBC India and Vice Chairman of HSBC Securities and Capital Markets Private Limited. He has a Master's degree in Business Administration in Finance from the Wharton School of the University of Pennsylvania. He is also a Chartered Accountant.



**MR. ASHOK SETHI**  
Independent Director

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



**MS. JAYASHREE  
VAIDHYANATHAN**  
Independent Director

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



**MR. HARDIK SHAH**  
Non Executive Director

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



**MS. AMI MOMAYA**  
Non- Executive Director

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



**MR. HARSH SHAH**  
Chief Executive Officer  
and Whole-time Director

Mr. Harsh Shah has extensive experience in infrastructure sector across bidding, financing, operations, mergers and acquisitions and regulatory policy. He is the Chief Executive Officer and Whole-time Director of IndiGrid and has been instrumental in setting IndiGrid up as India's first Infrastructure Investment Trust in the power transmission sector. He is also a member of the SEBI Advisory Committee for InvITs and REITs. Previously, he worked with Azure Power, Sterlite Power Transmission Limited, Larsen & Toubro Limited, L&T Infrastructure Finance Company Limited and Procter & Gamble International Operations Pte. Limited. He holds a Master's degree in Business Administration from National University of Singapore and a Bachelor's degree in Electrical Engineering from Nirma Institute of Technology, Gujarat University.

## OUR MANAGEMENT TEAM



**MR. HARSH SHAH**  
Chief Executive Officer  
and Whole-time Director

Mr. Harsh Shah has extensive experience in infrastructure sector across bidding, financing, operations, mergers and acquisitions and regulatory policy. He is the Chief Executive Officer and Whole-time Director of IndiGrid and has been instrumental in setting IndiGrid up as India's first Infrastructure Investment Trust in the power transmission sector. He is also a member of the SEBI Advisory Committee for InvITs and REITs. Previously, he worked with Azure Power, Sterlite Power Transmission Limited, Larsen & Toubro Limited, L&T Infrastructure Finance Company Limited and Procter & Gamble International Operations Pte. Limited. He holds a Master's degree in Business Administration from National University of Singapore and a Bachelor's degree in Electrical Engineering from Nirma Institute of Technology, Gujarat University.



**MR. NAVIN SHARMA**  
Chief Financial Officer

Mr. Navin Sharma is the Chief Financial Officer of the Investment Manager. He is a Chartered Accountant with more than two decades of diverse experience. He has worked at multiple sectors ranging from cybersecurity, telecommunications equipment, electronics products, and textiles and has deep experience across domains of finance, accounting, and taxation. Prior to joining IndiGrid, Navin was associated as the Chief Financial Officer of Quick Heal Technologies Limited and led their finance team to drive business strategy, customer acquisition, mergers and acquisitions, transfer pricing, financial planning and analysis and risk management. He has previously worked with Sterlite Technologies Limited, Raychem RPG & Century Textiles & Industries Limited.



**MS. MEGHANA PANDIT**  
Chief Investment Officer

Ms. Meghana Pandit is the Chief Investment Officer at IndiGrid since 2018. She holds a Bachelor's degree in Commerce and a Master's degree Management Studies from the University of Mumbai, has cleared all three levels of CFA, CFA Institute (US) and a Post Graduate Diploma in Financial Analysis from the Institute of Chartered Financial Analysts of India. She has over 19 years of experience in investment banking and corporate finance, covering the infrastructure sector across private equity transactions, mergers and acquisitions, initial public offerings, qualified institutional placements and infrastructure investment trusts, in sub-sectors such as roads, airports, renewable power, thermal power, ports and real estate. She has previously worked in IDFC Bank, Deloitte Financial Advisory Services India Private Limited and Essar Steel Limited.



**MR. SATISH TALMALE**  
Chief Operating Officer

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



**MR. KUNDAN KISHORE**  
Head – Human Resources

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



**MR. URMIL SHAH**  
Company Secretary &  
Compliance Officer

Mr. Urmil Shah, serves as the Compliance Officer at IndiGrid. He joined IndiGrid in July 2019. Previously, served as the Company Secretary of IRB Infrastructure Private Limited (Investment Manager of IRB InvIT Fund) and was designated as the Compliance Officer of IRB InvIT Fund. Mr. Shah holds a Bachelor's degree in Commerce and is an Associate of the Institute of Company Secretaries of India. Prior to joining IRB in 2011, he was part of the Secretarial department of Great Offshore Limited. He has several years of experience in secretarial and compliance functions.

## KKR – A leading global investment firm

- KKR is a leading global investment firm with over 46 years of experience and a strong track record of performance
- It sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds
- It has US\$ 504 Billion of AUM globally (as of December 31, 2022) with offices in 17 cities across 4 continents
- Infrastructure is a core focus for KKR, where it has completed ~70 investments across several infrastructure subsectors since 2010 and ~US\$ 55 Billion of assets under management
- KKR had established the Asia-Pacific Infrastructure team to address the significant and growing infrastructure investment needs across the region

## KKR's strategy to invest in India

### FAVOURABLE LONG-TERM OUTLOOK

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

### ONE OF KKR'S CORE MARKETS

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

### ATTRACTIVE INFRASTRUCTURE INVESTMENT DESTINATION

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



## KKR's strategy to invest in ASIA-PACIFIC

### PLAY TO KKR'S COMPETITIVE ADVANTAGE

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

### DIFFERENTIATED INVESTMENT APPROACH

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

### CAPITAL PROTECTION WITH PARTICIPATION IN GROWTH

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

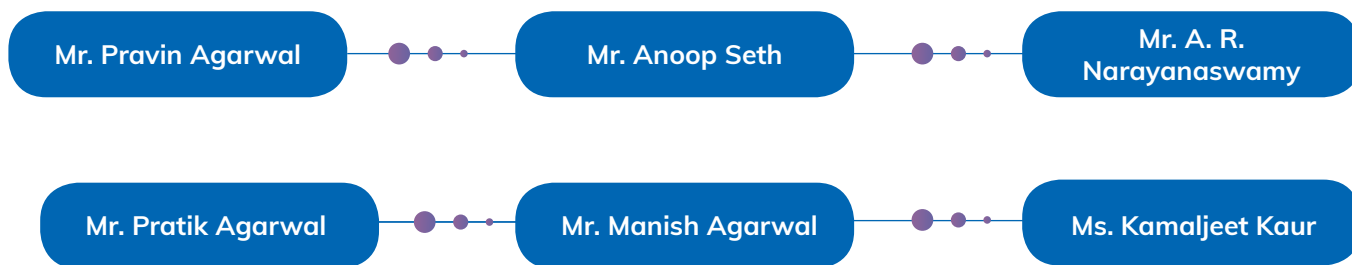
NOTE: The reference to KKR includes funds, vehicles and/or entities managed and/or advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates.

## 2. STERLITE POWER TRANSMISSION LIMITED (SPTL)

SPTL, one of IndiGrid's sponsor, is a leading global developer of power transmission infrastructure with extensive experience in developing projects spanning across India and Brazil. With an industry-leading portfolio of power conductors, EHV cables and OPGW, Sterlite Power also offers solutions for upgrading, uprating and strengthening existing networks. The company has set new benchmarks in the industry by use of cutting-edge technologies and innovative financing. Of the 28 power transmission projects developed by Sterlite Power, 11 have been acquired by IndiGrid till date.

With dedicated teams to ensure best-in-class designing, construction and maintenance of power transmission assets, coupled with the deployment of latest technologies, SPTL has been able to improve efficiency and minimise the impact on the environment during the project construction period. The unitholders of IndiGrid at their Extra Ordinary General Meeting held on June 6, 2023 approved de-classification of status of SPTL as a Sponsor.

### BOARD OF DIRECTORS



## Trustee

### AXIS TRUSTEE SERVICES LIMITED

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

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

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

### BOARD OF DIRECTORS





## Project Manager

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

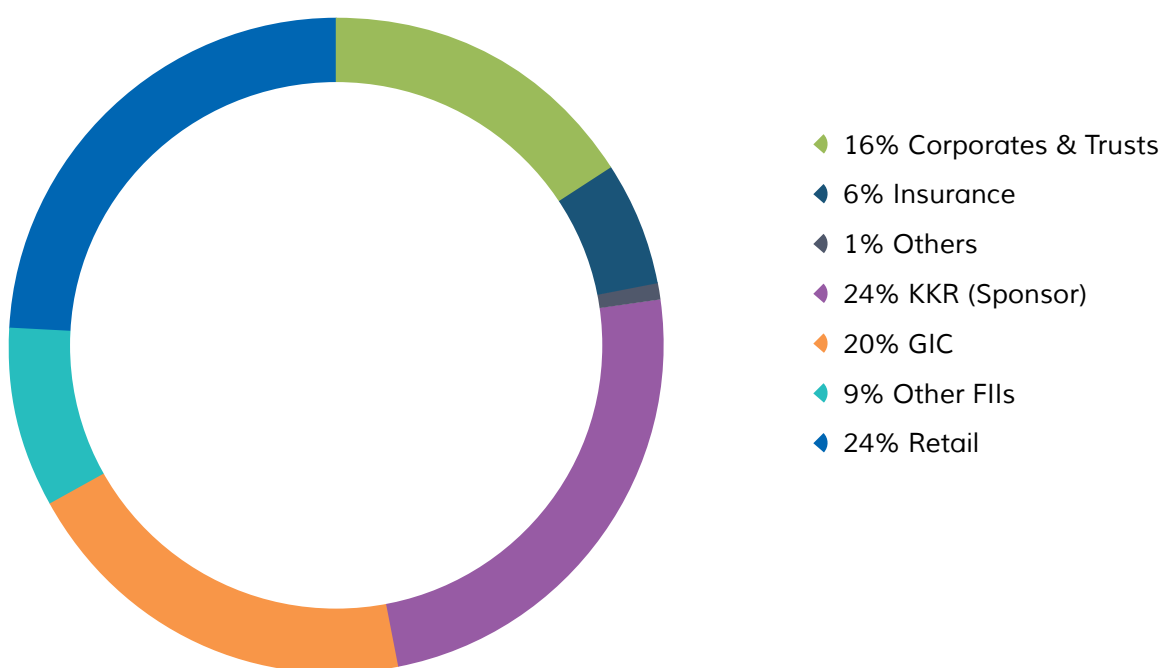
- Support operations of IndiGrid's assets as per the terms and conditions of the O&M agreements, either directly or through the appointment and supervision of appropriate agents
- Provide additional services to IndiGrid's assets on the terms and conditions set out in the Project Implementation and Management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

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

## Unitholders

As of March 31, 2023, total Foreign Institutional Investors (FII) ownership (including sponsor) in IndiGrid is at ~53%. KKR (Sponsor) owns 24%, GIC owns ~20% while the balance 9% is held by other marquee foreign investors. Domestic Institutional Investors (DII) and corporates hold ~23% of the units which includes 9 insurance companies, 5 mutual funds and 4 NPS backed pension funds. Retail holding is at 24%, which has quadrupled in value since IPO.

### UNITHOLDING PATTERN (As on March 31, 2023)



## OUR KEY STRATEGIC ENABLERS

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

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

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

### OUR STRATEGIES ARE BUILT ON THE BELOW PILLARS:

**Focussed Business Model**

**Value Accretive Growth**

**Optimal Capital Structure**

**Best-in-Class Corporate Governance**

#### Focussed Business Model

**LONG-TERM AAA-RATED CASH FLOWS**

- Own operational power assets
- Long-term contracts with technical asset life of more than 50 years
- Pre-contracted availability-based tariffs
- Focus on acquiring high quality AAA-rated accretive acquisitions

**LOW RISK ANNUITY RETURNS**

- Limited construction risk
- Diversify counterparty risk
- Minimal counterparty risk due to the inherent tariff payment security mechanism
- Transmission costs form a relatively lower proportion of the total operational costs

#### Value-Accretive Growth

**GROWING DPU**

- **FY2024 DPU guidance increased to INR13.80 per unit announced on May 12, 2023**
- **Sixth instance of DPU increase by IndiGrid since listing**
- Delivering predictable DPU and growing it sustainably
- Value-accretive acquisitions aimed at stabilising and growing the DPU
- Completed FY 2023 ahead of the DPU guidance, at INR 13.35 per unit versus INR13.20 per unit guidance

**MAXIMISING TOTAL RETURNS**

- IndiGrid's track record of accretive acquisitions, resilient operations and a strong balance sheet have allowed us to underpin our goal of sustainably and responsibly growing returns for our investors despite the volatility of capital markets
- The planned acquisition of framework assets along with third-party acquisitions enable incremental growth in DPU yield as well as capital appreciation

## Optimal Capital Structure

### COMPLIANCE WITH INVIT REGULATIONS

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

### MAXIMISING DISTRIBUTION

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

### LOW COST OF CAPITAL

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

## Best-in-Class Corporate Governance

### ELIGIBILITY AND LOCK-IN

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

### INDEPENDENCE

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

### DISTRIBUTION

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

### UNITHOLDER RIGHTS

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

## OUR ASSET PORTFOLIO

In our short but eventful existence, we have come a long way – from two power transmission projects with 1,930 circuit kilometres and 6,000 MVA transformation capacity to 17 (16 operational and 1 under construction) power projects consisting of 46 transmission lines (~8,468 cKms), 13 substations (~17,550 MVA capacity) and 100 MW of solar power plants across 19 states and one Union Territory in India.

Since listing, our assets under management (AUM) have increased more than six-fold from INR 37 Billion in June 2017 to over INR 228 billion in March 2023. The current portfolio has a total circuit length of approximately ~8,468 cKms (across 46 transmission lines, 10 x 765 kV lines and 33 x 400 kV lines and 3 x 132 kV lines), and 17,550 MVA (across 13 substations) of transformation capacity and 100 MW of solar power plants across 19 states and one Union Territory. Most of the portfolio assets have in place long-term Transmission Services Agreements (TSAs) of 35 years from the scheduled commercial operation date of the relevant portfolio asset, after which we can apply to CERC for extension if not unilaterally extended by CERC.

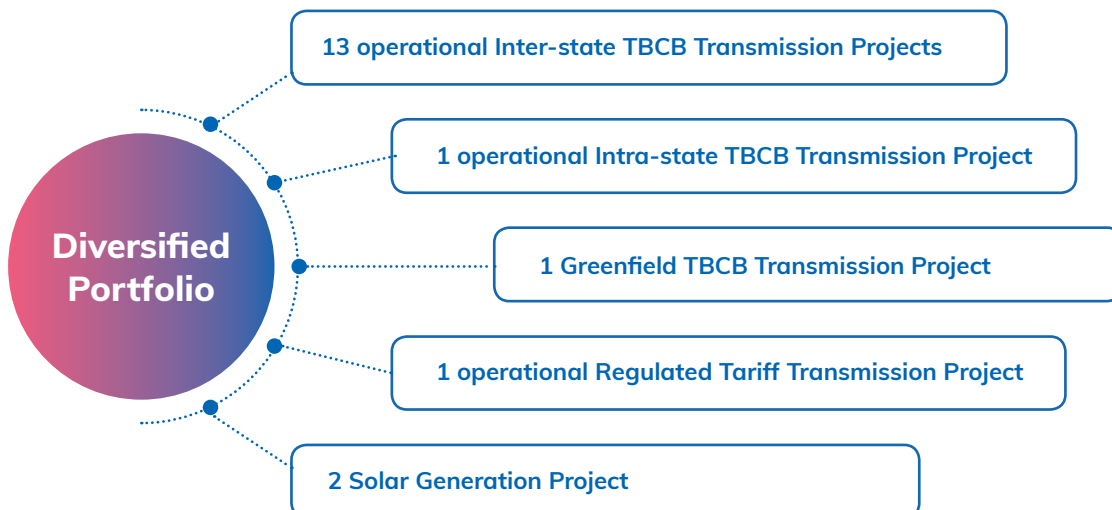
All our transmission assets are located in strategically important areas for electricity transmission connectivity, delivering power from generating centres to load centres to meet inter-regional power deficits. Once a transmission project has been commissioned, it requires relatively low levels of expenditure to operate and maintain, which means that the

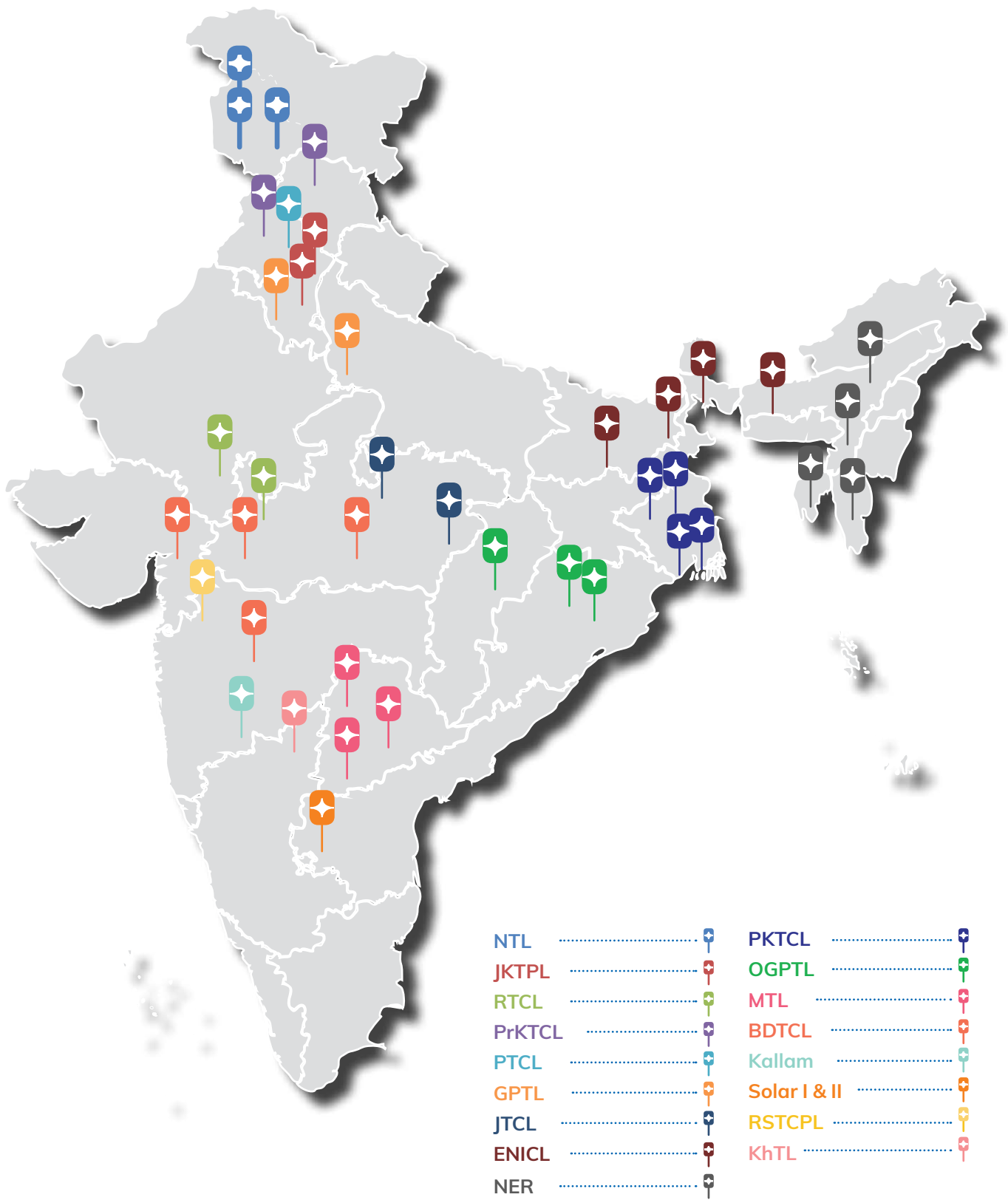
assets will have the benefit of owning a critical asset without incurring significant operational costs. The transmission line business enjoys a longer asset life of ~50 years as compared to other infrastructure projects, such as roads. The transmission lines of the portfolio assets are predominantly located in areas where developing alternate lines may be challenging due to the terrain, challenges in obtaining rights of way, limited corridors and high construction costs. This puts us in an advantageous position to capitalise the opportunities to increase our power transmission capacity through the same corridor by upgrading our existing systems.

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

NOTE: \*PrKTCL held in a Joint Venture with Power Grid holding 26% stake

## SNAPSHOT OF PORTFOLIO ASSETS





**Map Disclaimer :** This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

## ACQUISITION HISTORY

The Initial Portfolio Assets comprised of two power transmission projects located across four states in India. These projects comprise eight EHV Overhead Power transmission lines, comprising of six 765 kV transmission lines and two 400 kV transmission lines, with a total circuit length of approximately 1,930 cKms, and two sub-stations with 6,000 MVA of transformation capacity.

### February 2018

Acquired three power transmission projects i.e. PKTCL, MTL and RTCL from our sponsor as under the ROFO deed. These projects comprise five EHV Overhead Power transmission lines, comprising of five 400 kV transmission lines, with a total circuit length of approximately 1,425 cKms across five states in India.

### August 2018

Additionally, as part of our growth strategy of acquiring third-party transmission assets, acquired Patran Transmission Company Limited ("PTCL") from Techno Electric & Engineering Company Ltd. ("TEECL"), with one substation having 1,000 MVA of transmission capacity in Punjab.

### August/September 2020

Completed acquisition of Gurgaon-Palwal Transmission Limited from Sterlite Power at an ~enterprise value of ~INR 10.20 Billion as part of the Framework Agreement. Also acquired Jhajjar KT Transco Pvt Ltd from Kalpataru Power and Techno Electric at an enterprise value of INR 3.10 Billion in September 2020.

Successfully completed the acquisition of two power transmission assets, NRSS XXIX Transmission Limited ("NTL") and Odisha Generation Phase II Transmission Limited ("OGPTL"), from Sterlite Power for an enterprise value of ~INR 50.25 Billion.

### June 2019

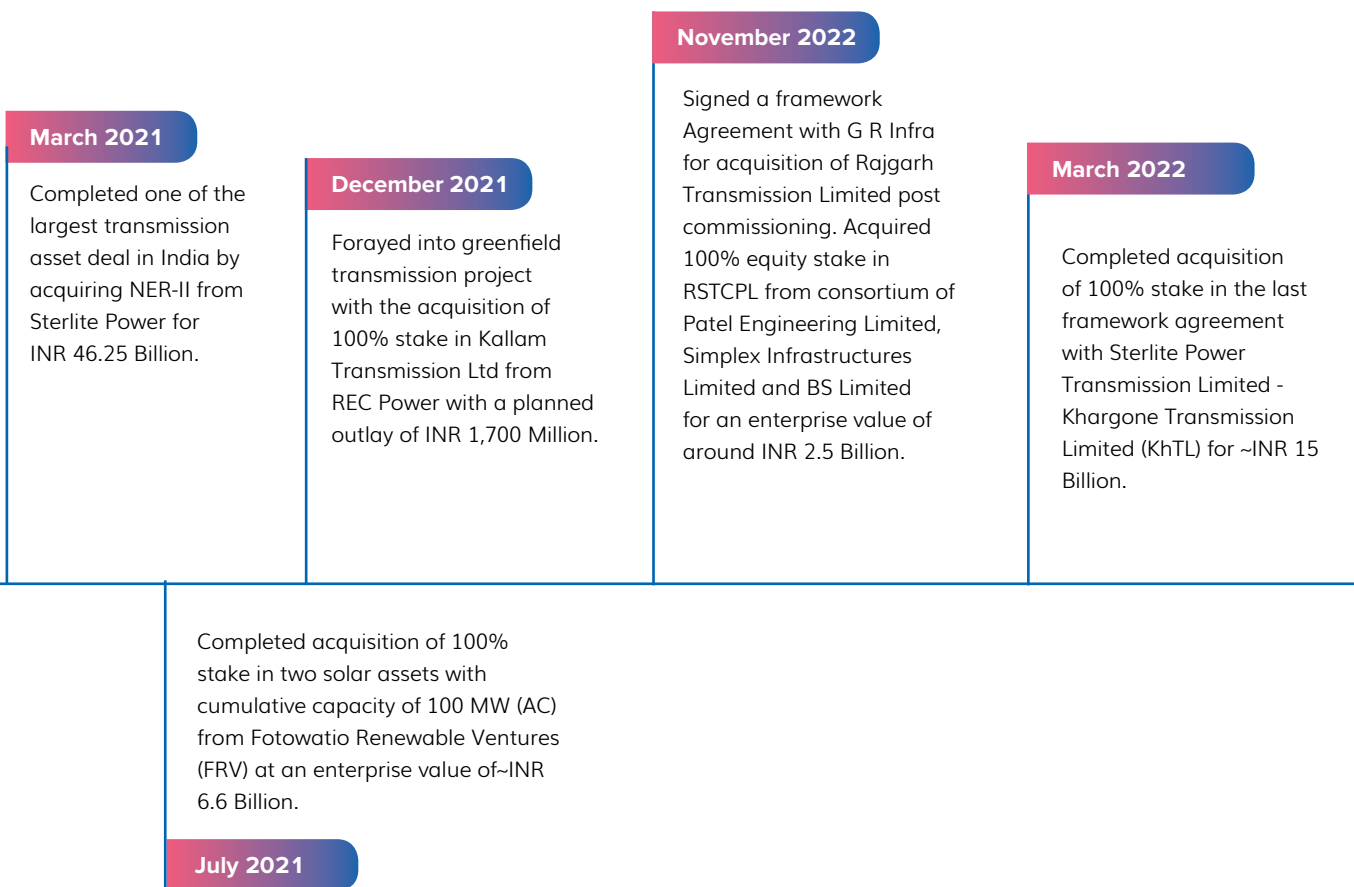
Additionally, East North Interconnection Company Limited ("ENICL") was acquired from Sterlite Power for ~INR 10.20 Billion.

### March 2020

Completed acquisition of first cost-plus asset i.e. Parbati Koldam Transmission Ltd. from Reliance Infrastructure. The asset is held under a JV with Power Grid owning 26% in PrKTCL.

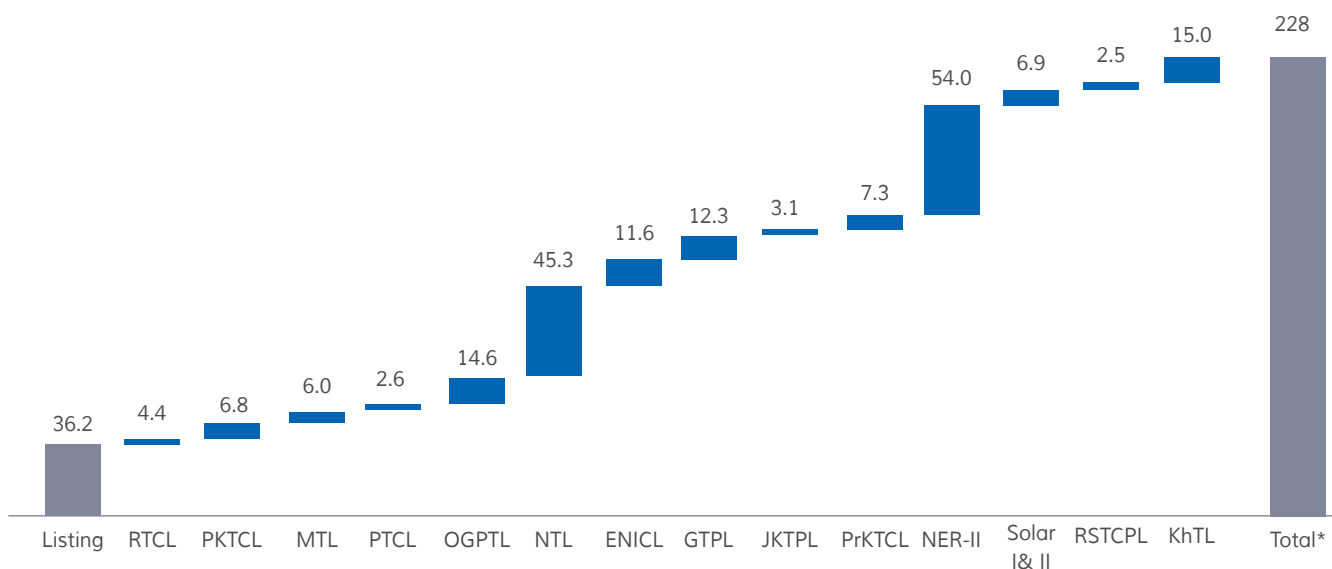
### January 2021





In view of the acquisitions, we have amended and restated the Investment Management Agreement (IMA) and Project Implementation and Management Agreement (PIMA) executed in November 2016. Further, Deed of Accession to IMA and PIMA has been executed as and when new SPVs were acquired.

**ACCRETIVE ACQUISITION TRACK RECORD (IN INR Billion)**



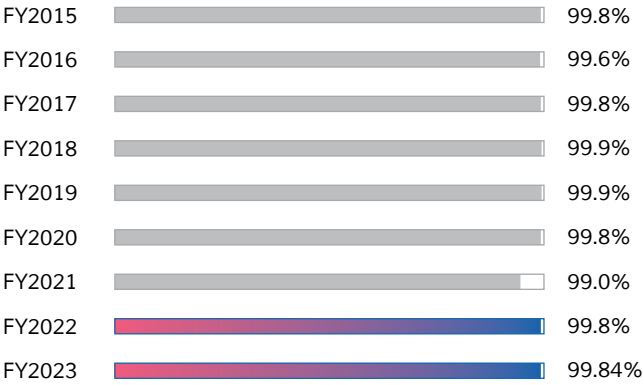
# Asset Portfolio

## BHOPAL-DHULE TRANSMISSION PROJECT (BDTCL)



BDTCL was incorporated on September 8, 2009. BDTCL entered into a TSA on December 7, 2010 with LTTCs. The BDTCL project was awarded to IGL (erstwhile Sterlite Grid 1 Limited) by the Ministry of Power on January 31, 2011 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain (BOOM) basis. We acquired BDTCL from the Sterlite Sponsor in May 2017. BDTCL project is part of the system strengthening scheme of the western region and facilitates the transfer of up to 5,000 MW of electricity from the coal belt in the East, to the energy-deficient regions of western and northern India. BDTCL owns 943 cKms of transmission lines covering six elements and two substations with 2x1,500 MVA capacity each. BDTCL operates six EHV overhead transmission lines comprising of four 765 kV Single Circuit and two 400 kV Double Circuit lines commissioned to strengthen the transmission system in the states of Madhya Pradesh, Maharashtra, and Gujarat. There are also two 765/400 kV Substations at Bhopal (Madhya Pradesh) and Dhule (Maharashtra).

### Annual Availability



### Details of BDTCL Elements

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

**Current Status** As on March 31, 2023, BDTCL TSA has a remaining term of ~ 26 years.



## JABALPUR TRANSMISSION PROJECT (JTCL)



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

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

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

### Annual Availability

FY2015	<div style="width: 99.8%;"></div>	99.8%
FY2016	<div style="width: 99.9%;"></div>	99.9%
FY2017	<div style="width: 99.8%;"></div>	99.8%
FY2018	<div style="width: 99.8%;"></div>	99.8%
FY2019	<div style="width: 99.4%;"></div>	99.4%
FY2020	<div style="width: 99.6%;"></div>	99.6%
FY2021	<div style="width: 99.90%;"></div>	99.90%
FY2022	<div style="width: 99.8%;"></div>	99.8%
FY2023	<div style="width: 99.86%;"></div>	99.86%

### Details of JTCL Elements

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

**Current Status** As on March 31, 2023, JTCL TSA has a remaining term of ~ 26 years.

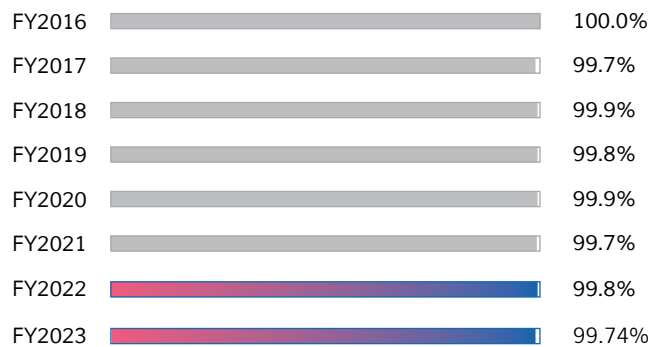
**RAPP TRANSMISSION PROJECT (RTCL)**



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

RTCL strengthens the transmission capability between the northern and western sectors of India’s power grid by evacuating electricity from an atomic power plant near Kota in Rajasthan to central Madhya Pradesh. The project was set up to transfer power from the atomic power plant near Kota (Rawalbhatta) in Rajasthan to Shujalpur in Madhya Pradesh to provide the path for the evacuation of electricity generated at RAPP-7 and 8. The project involves operation of one 400 kV Double Circuit transmission line stretching over 400 cKms. RTCL acts as an interregional link between the Northern and western region by helping in evacuation of power from the power complex even in case of any grid constraints in the northern region.

**Annual Availability**



**Details of RTCL Elements**

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

**Current Status** As on March 31, 2023, RTCL TSA has a remaining term of ~ 28 years.




## PURULIA &amp; KHARAGPUR TRANSMISSION PROJECT (PKTCL)



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

PKTCL supports the interconnection of the West Bengal state grid and the ISTS and facilitates the exchange of additional power between them. It strengthens the transmission system in the Indian states of West Bengal and Jharkhand. PKTCL operates two EHV overhead transmission lines with a total circuit length of approximately 545 cKms in the states of West Bengal and Jharkhand, comprising one 400 kV D/C line of 323 cKms from Kharagpur (West Bengal) to Chaibasa (Jharkhand) and one 400 kV D/C line of 223 cKms from Purulia (West Bengal) to Ranchi (Jharkhand).

## Annual Availability

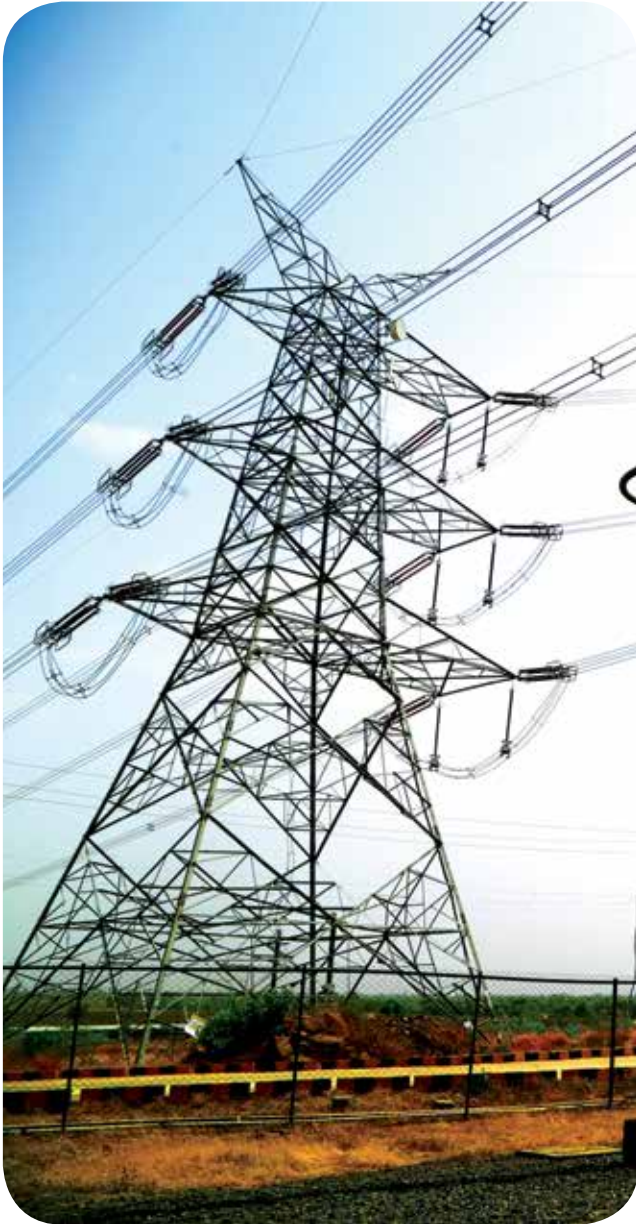
FY2017		100.0%
FY2018		100.0%
FY2019		99.9%
FY2020		99.9%
FY2021		99.9%
FY2022		99.8%
FY2023		99.89%

## Details of PKTCL Elements

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

**Current Status** As on March 31, 2023, PKTCL TSA has a remaining term of ~ 28 years.

## MAHESHWARAM TRANSMISSION PROJECT (MTL)



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

MTL constitutes a key component in enabling the southern region of India to draw more power from the rest of the grid and seeks to address the issue of power stability in southern India. The improved grid connectivity has facilitated power procurement from the Inter State Transmission System (ISTS) network to the beneficiary states Telangana, Tamil Nadu, Seemandhra and Karnataka to meet their electricity demands. MTL operates two EHV overhead transmission lines with a total circuit length of approximately 475 cKms in the state of Telangana.

### Annual Availability



### Details of MTL Elements

Transmission Line/Substation	Route Length (cKms)	Specifications	Actual Commission Date	Expiry Term of Initial TSA
Maheshwaram-Mehboob Nagar	196	400 kV D/C transmission line	December 14, 2017	December 2052
Nizamabad-Yeddumailaram (Shankarpalli)	278	400 kV D/C transmission line	October 14, 2017	October 2052
Mehboob Nagar Substation of TSTRANSCO	-	2 x 400 kV line bays	-	-
Yeddumailaram (Shankarpalli) Substation of TSTRANSCO	-	2 x 400 kV line bays	-	-

**Current Status** As on March 31, 2023, MTL TSA has a remaining term of ~30 years.



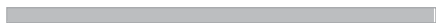


## PATRAN TRANSMISSION PROJECT (PTCL)



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

PTCL plays a key role in strengthening the power transmission system in Punjab by meeting the requirement of growing load in Patiala and Sangrur district of Punjab. The project comprises of 400/220 kV substation having 1,000 MVA transformation capacity with 14 bays in Patran, Punjab and LILO of both circuits of Patiala-Kaithal 400 kV double circuit triple snow bird Line of 5 km at Patran.

## Annual Availability

FY2017		100.0%
FY2018		99.9%
FY2019		99.7%
FY2020		100.0%
FY2021		99.8%
FY2022		99.8%
FY2023		99.72%

## Details of PTCL Elements

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

**Current Status** As on March 31, 2023, PTCL TSA has a remaining term of ~ 28.5 years.

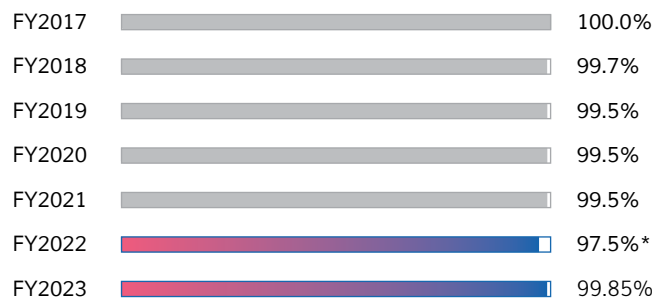
**NRSS XXIX TRANSMISSION PROJECT (NTL)**



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

NTL, is one of the largest private sector transmission project awarded in the country. The project is extremely critical to meet the power requirements of Jammu & Kashmir. The NTL project is expected to deliver over 2,000 MW of electricity from Punjab to the Kashmir Valley by strengthening the transmission system in the states of Jammu and Kashmir and Punjab. NTL consists of three 400 kV Double Circuit transmission lines & one 400/220 kV GIS Substation.

**Annual Availability**



\* NRSS-XXIX FY2022 availability was majorly impacted due to forced outage taken to avoid tower collapse situation created due to hill land slide.

**Details of NTL Elements**

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

**Current Status** As on March 31, 2023, NTL TSA has a remaining term of ~ 30.5 years.

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



Odisha Generation Phase-II Transmission Limited (OGPTL) was incorporated on April 17, 2015 with LTTCs. OGPTL entered into a TSA on November 20, 2015 with LTTCs. The OGPTL project was awarded to IGL 2 by the Ministry of Power on a perpetual ownership-basis with a TSA term of 35 years from the scheduled commercial operation date. We acquired OGPTL from the Sterlite Sponsor in July, 2019. The OPGC-J line was commissioned in August 2017 and JR line was commissioned in April 2019 respectively. We acquired OGPTL from our Sponsor on June 28, 2019. OGPTL project is a part of common transmission system for Phase-II Generation Projects and immediate evacuation system for OPGC Project in Odisha. The project consists of two transmission lines totalling over 700 cKms connecting Odisha and Chhattisgarh.

## Annual Availability

FY2018	<div style="width: 100%;"></div>	100.0%
FY2019	<div style="width: 100%;"></div>	100.0%
FY2020	<div style="width: 99.9%;"></div>	99.9%
FY2021	<div style="width: 99.6%;"></div>	99.6%
FY2022	<div style="width: 99.9%;"></div>	99.9%
FY2023	<div style="width: 99.88%;"></div>	99.88%

## Details of OGPTL Elements

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

**Current Status** As on March 31, 2023, OGPTL TSA has a remaining term of ~ 31 years.

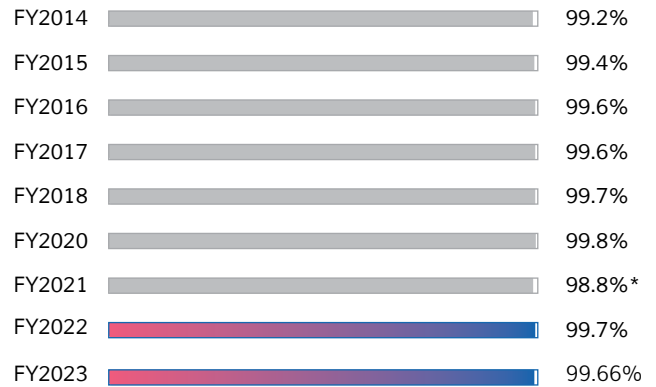
## EAST-NORTH INTERCONNECTION PROJECT (ENICL)



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

The project addresses the critical issue of the power shortfall during non-Monsoon months, thereby bringing significant relief to the people of Assam. ENICL operates two 400 kV Double Circuit transmission lines of 896 cKms through challenging terrain in the States of Assam, West Bengal and Bihar. Commonly referred to as the Siliguri Corridor or the Chicken’s Neck, the peculiarity of this stretch is that it is the only land route connecting mainland India with North-East India making it critical from an inter-region power transfer point of view.

### Annual Availability



\*FY21 availability - indemnified by seller

### Details of ENICL Elements

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

**Current Status** As on March 31, 2023, ENICL TSA has a remaining term of ~ 12.5 years.



## GURGAON-PALWAL TRANSMISSION PROJECT (GPTL)



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

GPTL is part of Inter State Transmission Scheme (ISTS) network and consists of three gas-insulated substations (GIS) with a total transformation capacity of 3,000 MVA and ~273 circuit kilometres of 400 KV transmission lines. The project is first of its kind vertically mounted GIS framework with a substantial focus on ESG aspects. It is a strategic asset for ensuring reliable power supply in the region which may reduce the carbon emissions by reducing dependence on DG sets. The land requirement for this project is also substantially reduced with innovatively-designed vertical GIS substation and monopole towers with micro-piling.

## Annual Availability



## Details of GPTL Elements

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

**Current Status** As on March 31, 2023, GPTL TSA has a remaining term of ~ 31.5 years.

## JHAJJAR KT TRANSCO PROJECT (JKTPL)



Jhajjar KT Transco Pvt Ltd. (JKTPL), is IndiGrid's first intra-state asset. JKTPL is an operational intra state asset awarded on a Design Build Finance Operate and Transfer ("DBFOT") basis, with a contractual period of 25 years and a provision of further 10-year extension. JKTPL was incorporated on May 19, 2010. JKTPL entered into a TSA on May 28, 2020. The project was awarded to Kalpataru Power and Techno Electric based on the

competitive bidding process conducted by HVPNL. In October 2020, we completed the acquisition of 100% of the equity shares of JKTPL from KPTL and TEECL.

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

### Annual Availability

FY2012	<div style="width: 100%;"></div>	100.0%
FY2013	<div style="width: 99.9%;"></div>	99.9%
FY2014	<div style="width: 99.9%;"></div>	99.9%
FY2015	<div style="width: 95.5%;"></div>	95.5%
FY2016	<div style="width: 99.8%;"></div>	99.8%
FY2017	<div style="width: 99.3%;"></div>	99.3%
FY2018	<div style="width: 99.6%;"></div>	99.6%
FY2019	<div style="width: 98.2%;"></div>	98.2%
FY2020	<div style="width: 99.9%;"></div>	99.9%
FY2021	<div style="width: 99.6%;"></div>	99.6%
FY2022	<div style="width: 99.9%;"></div>	99.9%
FY2023	<div style="width: 98.97%;"></div>	98.97%

### Details of JKTPL Elements

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

**Current Status** As on March 31, 2023, JKTPL TSA has a remaining term of ~ 14 years.

## PARBATI KOLDAM TRANSMISSION PROJECT (PrKTCL)



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

on March 4, 2010. The Project was awarded as cost plus project with a guaranteed ROE of 15.5% on the approved equity base. In January 2020, we completed the acquisition of 74% of the equity shares of PrKTCL from Reliance Infrastructure Limited. PrKTCL is now held as a joint venture between IndiGrid (74%) and Power Grid Corporation of India Limited (26%).

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

### Annual Availability

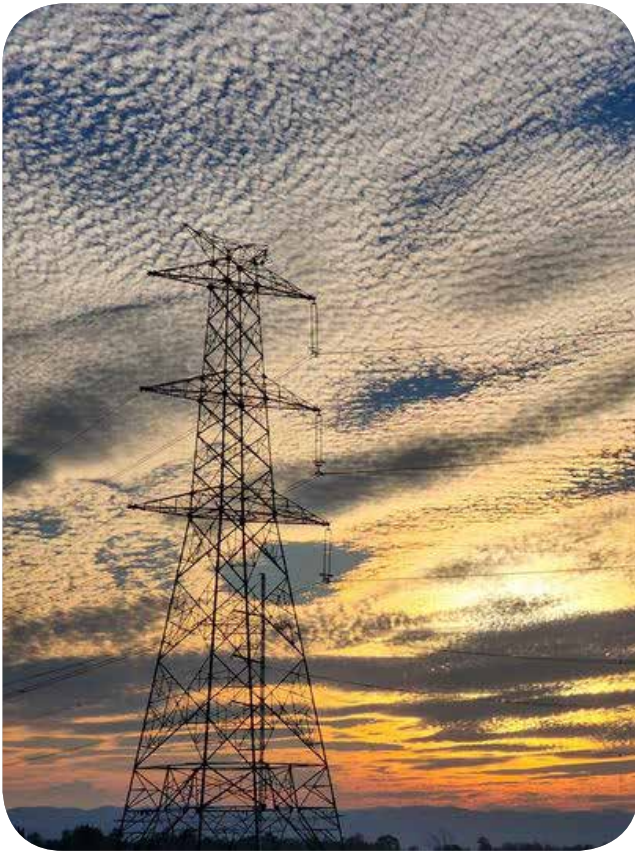
FY2014	100.0%
FY2015	100.0%
FY2016	99.6%
FY2017	99.9%
FY2018	100.0%
FY2019	99.8%
FY2020	99.9%
FY2021	99.9%
FY2022	99.7%
FY2023	99.86%

### Details of PrKTCL Elements

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

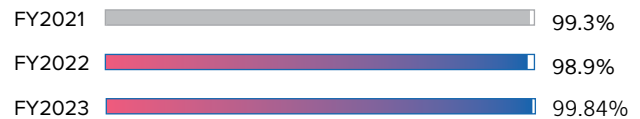
**Current Status** As on March 31, 2023, PrKTCL TSA has a remaining term of ~ 27 years.

## NER-II TRANSMISSION PROJECT (NER-II)



NER-II was incorporated as a company on April 21, 2015. NER-II entered the TSA (the "NER TSA") on December 27, 2016. The Project was awarded by the Ministry of Power on February 22, 2017 for a 35-year period from the scheduled commercial operation date of the NTL project, on a BOOM basis. We acquired NER-II from Sterlite Sponsor in March 2021. This project strengthens the power transmission network in the North-Eastern States and address the transmission, sub-transmission, and distribution system needs of the region. The project consists of two substations, five transmission lines and four bays to meet the rising power demand in North-Eastern Region of India. The project has 11 elements including two substations of ~1,260 MVA capacity and four transmission lines extending over ~830 circuit kilometres. The asset spans across Assam, Arunachal Pradesh and Tripura and is of strategic importance for the delivery of power in one of the toughest regions in the country and also acts as an important link for power evacuation to Bangladesh.

### Annual Availability



### Details of NER-II Elements

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

**Current Status** As on March 31, 2023, NER-II TSA has a remaining term of ~32.5 years

## SOLAR ASSETS (SOLAR I &amp; II)



FRV is an operational 100 MW solar asset located in high radiation zone in the 400 MW Ananthapuram Solar Park in Andhra Pradesh with a contractual period of 25 years at a fixed tariff. The Power Purchase Agreement (PPA) has been signed with SECI on October 16, 2016 at a fixed tariff for 25 years of project life with Solar Energy Corporation of India ("SECI"), a limited liability company owned 100% by the Government of India, as the counterparty. These superior quality projects use Tier I equipment and are eligible to receive a fixed tariff on per unit of electricity generated, thus, limiting the operational risk. The projects have been operational for more than 2 years and have a robust track record of collections with a healthy plant availability and grid availability. We completed acquisition of 100% stake in two solar assets with cumulative capacity of 100 MW (AC) from Fotowatio Renewable Ventures (FRV) at an enterprise value of ~INR 6.60 Billion in July 2021. Solar I & II have been one of the best performing solar plants.

## Plant Availability

FY2021		99.5%
FY2022		99.75%
FY2023		99.75%

## Operational Metrics

	UOM	FY 2021	FY 2022	FY 2023
Generation	MU	211.0	209.41	215.43
CUF	%	24.08%	23.90%	24.59%

Note: Gap largely attributable to annual degradation factor in case of PV modules.

## Details of Solar Elements

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

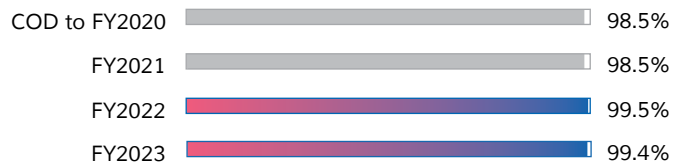
**Current Status** As on March 31, 2023, Solar assets have a remaining PPA term of ~ 21.5 years.

**RAICHUR SHOLAPUR TRANSMISSION COMPANY PRIVATE LIMITED (RSTCPL)**



RSTCPL was incorporated on November 11, 2009. RSTCPL entered into a TSA on August 4, 2010 with LTTCs. The Letter of Intent (LoI) for the RSTCPL project was awarded to consortium of Patel Engineering Limited (PEL), Simplex Infrastructures Limited (SIL) and BS Limited (BSL) by the RECPDCL (erstwhile RECTCL) on December 16, 2010 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain (BOOM) basis. Indigrid acquired RSTCPL from the the consortium in November 2022. It is a critical project of the Inter State Transmission Scheme (ISTS) network of the country. RSTCPL consists of 765 kV single circuit transmission line of ~208 ckms between Raichur (Karnataka) and Sholapur (Maharashtra) associated with the Krishnapattnam Ultra Mega Power Thermal Project. The project enables synchronous interconnection between Southern and Western Regions of the country and is a key transmission link to strengthen the power transmission network between these regions.

**Availability**



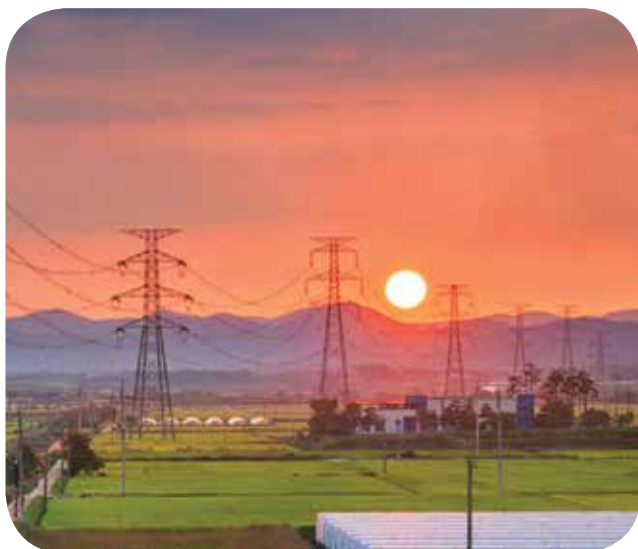
**Details of RSTCPL Elements**

Transmission Line/ Substation	Route Length (cKms)	Specifications	Actual Commission Date	Expiry Term
Raichur – Sholapur	208	765 kV S/C transmission line	July 2014	July 2049

**Current Status** As on March 31, 2023, RSTCPL has a remaining term of ~26.5 years.

## New Acquisition

### KHARGONE TRANSMISSION PROJECT (KhTL)



KhTL was incorporated on 28th November 2015 to strengthen the Transmission System in Western Region associated with Khargone Thermal Power Plant of 1,320 MW (2×660MW) at Khargone in the state of Madhya Pradesh. KhTL evacuates the power generated by Khargone Power Plant to 765 kV Khandwa substation to further distribute it downstream across Madhya Pradesh, Maharashtra, Chhattisgarh, Gujarat, Goa, Daman & Diu, and Dadra & Nagar Haveli.

KhTL was acquired by IndiGrid in March 2023 and was awarded under the 'tariff based competitive bidding' (TBCB) mechanism on a 'build-own-operate-maintain' (BOOM) basis. It entered into TSA on 14th March 2016 and the Khandwa Pool – Dhule substation was commissioned in December 2021.

### Details of KhTL Elements

Transmission Line/Substation	ROUTE LENGTH (cKms)	SPECIFICATIONS	COMMISSION DATE	EXPIRY TERM OF TSA
Khandwa – Rajgarh (LILO)	13.57	400 kV D/C	March 2018	July 2054
Switchyard – Khandwa (Quad)	50.10	400 kV D/C	March 2020	July 2054
Khadwa Pool-Indore	180.08	765 kV D/C	March 2020	July 2054
Khandwa Pool-Dhule	382.66	765 kV D/C	December 2021	July 2054
Khandwa Substation	-	765/400 kV, 2x1500 MVA	March 2020	July 2054
Khandwa Pool – Dhule Substation	-	765 kV line bays and 7x80 MVAR switchable reactors	December 2021	July 2054

### UNDER CONSTRUCTION PROJECTS

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

The project, with a planned outlay of ~INR 1,700 Million, will consist of one substation of 2 x 500 MVA, 400/220 kV

near Kallam and 10 Bays with a LILLO multi circuit line of ~18 kms. The project will strengthen the transmission system in Maharashtra by improving the grid availability for evacuation & integration of renewable energy in the state. The project is situated in a low-risk plain topography and is proposed to be completed within this financial year.

Additionally, IndiGrid has also received augmentation work of ~ INR 2.3 Billion in existing projects

NOTE: On acquisition of Kallam Transmission Limited (executed in Dec 2021) refer Media Release on our website







# MANAGEMENT REPORTS



# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economy

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As the COVID-19 led pent-up demand of 2021 subsided, the global economy faced various challenges at the onset of 2022. However, it showed resilience in the third quarter of 2022 with strong labour markets, robust household consumption, business investments, and better-than-expected strategy in response to the energy crisis.

Commodity prices saw a significant rise between February and August 2022, with energy leading the way as natural gas prices rose by 120-130% due to supply scarcity in Europe caused by the reduction in gas supplies from Russia. Frequent lockdowns in China under the zero-COVID policy resulted in their economic weakening and considering their position as a major cog in the global supply chain, China's weakening is expected to reflect negatively on global trade and supply activity. As nations across the globe grappled with inflationary

pressure, preventive measures adopted by fiduciary machinery led to some respite at the exit of 2022.

With the looming inflationary worries, global growth is projected to fall from 3.4% in 2022 to 2.8% in 2023, then rise to 3.0% in 2024, still much lower than the historical (2000-19) average of 3.8%. Global inflation, on the other hand, is expected to fall from 8.7% in 2022 to 7.0% in 2023 and further increasing the possibility of inflation returning to target by 2025, still much above the pre-pandemic (2017-19) levels of about 3.5%.

The major challenge to the health of the global economy, going forward, is the increasing price pressures, which are squeezing real incomes and undermining macroeconomic stability. Central banks around the world are persistently



working on restoring price stability, resulting in accelerated tightening. While the Bank of England has raised its policy rate by 25 bps to 4.25% during March 2023, whereas the Federal Reserve has increased the federal funds expecting the interest rates to range between 5-5.25% in 2023. Similarly, all the central banks have worked on tightening monetary policy, leading to higher interest rates and spreads and induced volatility in the financial markets.

Consequently, the currencies of emerging market economies (EMEs) and some advanced economies (AEs) are losing value compared to the US dollar. This is leading to an increase in inflationary pressures and making it harder for these economies to obtain external funding, leading to financial stability challenges.



**IMF'S WORLD ECONOMIC OUTLOOK (APRIL 2023)**

**GLOBAL ECONOMY GROWTH**



**ADVANCED ECONOMIES GROWTH**



**ADVANCED ECONOMIES GROWTH**



(Source: World Economic Outlook April 2023 - IMF)



## Indian economy

Despite the global economic challenges, Indian economy has demonstrated resilience and grew by 7% in 2023-24. Although inflation remains high, it has demonstrated signs of respite due to tighter monetary policies. Moreover, the RBI after increasing key benchmark policy rate for six consecutive times, finally paused in April 2023, effectively bringing the interest rate to 6.5% as the benchmark, helped the country stabilise the inflation.

In mid-2022, Consumer Price Inflation (CPI) in India increased to 7%, mainly due to food inflation. With efforts, RBI has been able to bring down the CPI to 6.44% and retail inflation to 6.52%; although, still above RBI's 6% upper tolerance band for the second straight month in February 2023. During the same period, Gross Value Added (GVA) rose by 12.7%, primarily driven by growth in the services sector. By harnessing the growth of the MSME sector, India has the potential to achieve a USD 5 Trillion economy by 2025-26 and even reach USD 7 Trillion by 2030. MSME sector has been a critical driver of India's rise as the world's fifth-largest economy. Currently, the Indian economy is expected to reach the USD 3.5 Trillion benchmark by March 2023.

Moreover, GDP per capita in India is predicted to increase to USD 2,690 in 2023 and USD 3,150 in 2025, indicating a significant improvement in business conditions. All of these factors are expected to have a positive impact on the Indian economy. Looking ahead, the outlook for aggregate supply appears promising, with agriculture and allied activities, as well as a rebound in services, boosting prospects. Rural demand is picking up, and urban demand is projected to strengthen further. The government's continued emphasis on capital expenditure, improved capacity utilisation in manufacturing, and an upswing in non-food credit should sustain the expansion in industrial activity, which stalled in July. The outlook for aggregate demand is positive, with consumer outlook remaining steady, and firms in manufacturing, services, and infrastructure sectors optimistic about demand conditions and sales prospects. However, downside risks to net exports and India's GDP outlook arise from geopolitical tensions, tightening global financial conditions, and slowing external demand.

### Real GDP growth rate



SOURCE: Statista

### OUTLOOK

Amid a gloomy outlook for the global economy battered by the Russian invasion of Ukraine just as it was emerging from the COVID pandemic, India will remain the fastest-growing major economy, according to two important international financial institutions. India's Gross Domestic Product is projected to grow by 6.8% this fiscal year and keep the top spot.

India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook are expected to be marginal. Several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. Global in-house centres and multinationals, for instance, may prefer India over Eastern European markets (especially those that border Ukraine) to shift their current operations or open new

facilities. Moreover, a matured and resilient domestic demand is expected to drive the growth for India in the coming fiscals.

The world has recognised the Indian economy as a bright star. This was further supported by a budget contained several provisions aiming at capitalising on the buoyant state of affairs and unlocking the tremendous potential of enterprises and talent in India. The government's commitment to building a technology- and knowledge-focused economy, will be a key driver in the country's growth story in the years ahead. In this pursuit the government has focused on strengthening our digital and technology space, supporting job growth and entrepreneurship, and bringing us closer to that goal. These can be seen through the provisions made in Artificial Intelligence, Investments in 5G, Focus on upskilling, Data governance, Support for startups and Relaxations in personal income tax.

## Industry Overview

### Power Generation

World electricity demand showed remarkable resilience in 2022 despite the global energy crisis triggered by Russia's invasion of Ukraine. The demand grew by nearly 2%, primarily driven by continued electrification of the transport sector and higher demand from the heating sector. This trend was demonstrated by the record numbers of electric vehicles and heat pumps sold globally. However, the growth was hampered by record-high energy prices that resulted from the surge in natural gas and coal prices. These high costs led to a rapid rise in inflation, causing economic slowdowns in most regions worldwide and stifling the electricity demand growth.

Closer home, in India the robust post-pandemic recovery continued to support strong electricity demand of over 8.4% in 2022, which was substantially higher than the average annual growth rate of 5.3% seen in the 2015-2019 period.

India is the world's third-largest energy-consuming country and by 2030, India's energy demand is expected to reach 405 GW, primarily driven by rapid industrialisation and urbanisation. Consequently, India's power sector is undergoing significant changes aimed at reducing the

emissions intensity of its GDP by 33%. Additionally, to also address the nation's energy security and affordability challenges, efforts are being made to improve domestic coal production, mandate coal imports, increase renewable energy sources (RES) and promote focus on Battery Energy Storage Solutions to improve reliability of RES. With an installed power capacity of 416.59 GW as of March 31, 2023, India is aiming to increase its installed capacity to 500 MW by 2030 with a target of 50% contribution from RES.

### All India Installed Capacity (as on April 30, 2023)

Category	Installed Generation Capacity (MW)
Thermal	2,37,268.91
Nuclear	6,780.00
Hydro	46,850.17
RES*	1,25,692.30
<b>Total</b>	<b>4,16,591.38</b>

## Driving Forces for the growth of India Power Sector

### Improved attractiveness of the sector for Foreign Direct investment

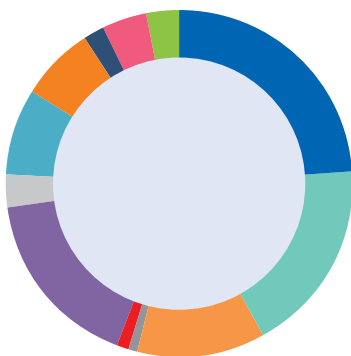
India's liberal foreign direct investment (FDI) policy, along with an improving business environment and vast potential, has piqued the interest of foreign investors in the energy sector. Non-conventional energy sources have become highly attractive, with the cumulative FDI inflow in the renewable sector at USD 11.75 Billion from April 2010 to June 2022.

Going forward, India is looking to implement energy transition strategies which include building local supply chains, securing domestic fuel resources, and deepening power sector reforms to address structural issues. The country also plans to continue adopting new and clean technologies, creating demand and infrastructure to support this transition.

### National Infrastructure Pipeline

The National Infrastructure Pipeline (NIP) is a long-term plan launched by the Government of India in 2019 to develop and improve India's infrastructure across various sectors, including energy, transportation, housing, water, and health. The plan targets an investment of ~INR 111 Lakhs Crores between 2019-20 and 2024-25 with share of Centre, State and Private players pegged at 39%, 40% and 21% respectively.

### NIP Sectoral Allocation



- Energy
- Roads
- Railways
- Ports
- Airports
- Urban
- Digital Infra
- Irrigation
- Rural Infra
- Agriculture & Food Processing Infra
- Social Infra
- Industrial Infra

Under the NIP, the energy sector has been allocated the highest share (24%) of the total expected capital expenditure. The focus is on renewable energy projects, with a planned outlay of INR 9.3 Lakhs Crores across 250+ opportunities. The government aims to increase India's renewable energy capacity to 450 GW by 2030, requiring significant investments in generation, transmission, and distribution infrastructure. To facilitate the integration of renewable energy into the existing transmission network, the government plans to establish Green Energy Corridors and Renewable Energy Management Centres. This initiative is aimed at improving network efficiency and address the intermittent nature of RES.

Under NIP, the generation, transmission and distribution sectors have a planned outlay of ~INR 14 Lakhs Crores. Given the addition of newer generation capacities across both – non-renewable and renewable energy sources – the focus for transmission and distribution sectors will be development of high voltage transmission corridors, substations and last-mile connectivity to ensure smooth and uninterrupted power supplies.

Source: <https://indiainvestmentgrid.gov.in/opportunities/nip-projects/electricity-generation?subSector=115&all=1>

Capital expenditure over FY20 to FY25Sector	Total Investment Projected (INR Lakhs Crores)
Generation	3.3
Transmission	3.2
Distribution	3.0
<b>Total</b>	<b>9.5</b>
States*	4.6
<b>Overall Total</b>	<b>14.1</b>

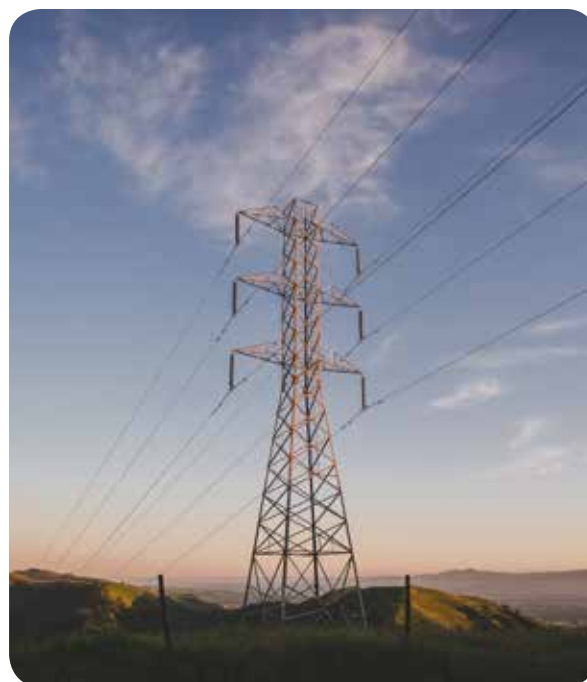
\* States include Uttar Pradesh, Maharashtra, Gujarat, Telangana, Jharkhand, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Karnataka, Haryana, Punjab, Delhi, Kerala, Odisha, Chhattisgarh, West Bengal Sikkim, Mizoram, Andaman & Nicobar, Chandigarh and Puducherry

Source: Report of the Task Force NIP – Volume 2

## 24/7 Power for All

The Indian government has implemented several initiatives and schemes to address issues related to power infrastructure, distribution, and efficiency. These include the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS), Ujwal DISCOM Assurance Yojana (UDAY), and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya). The government has allocated [ ] Billion for funding to various state governments to strengthen their power infrastructure. Notably, India has achieved 100% electrification of all households as of April 2021, demonstrating significant progress towards universal access to electricity. In addition, the government is encouraging the use of smart grid

technologies, energy-efficient appliances, and demand-side management strategies to improve the efficiency of the power sector.



### ENERGY REQUIREMENT GROWTH (IN BILLION)



## Infrastructure Development to drive Power Demand

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

Source: Crisil Research

## Power Transmission in India

Transmission plays a crucial role in the power delivery value chain as it facilitates the efficient evacuation of power from generating stations to load centres. To ensure effective power dispersal, it is essential to strengthen the transmission network, enhance the Inter-State power transmission system, and augment the National Grid. The demand for electric power transmission and distribution equipment in India is projected to grow at a rate of 8.2% per year, reaching USD 15.8 Billion by 2023. India has one of the world's largest synchronous interconnected electricity grids, with 174,601 ckm of transmission lines and more than 504,862.7 MVA of transformation capacity as of April 30, 2023. Moreover, the transmission lines of 220KV and above in India have increased from 4,56,716 ckm in FY2022 to 4,71,341 ckm in FY2023 and are projected to grow at a CAGR of 4.4% from 2022-2030.



The T&D system in India operates at several voltage levels:



In response to the growing need for transmitting large amounts of power over extended distances, the transmission system has undergone significant expansion in recent years, particularly in terms of higher voltage levels and substation

capacities. The goal of this expansion has been to optimise the utilisation of land, minimise transmission losses, and enhance the overall reliability of the power grid.

### Voltage-wise Growth in Transmission Line Length (circuit km)

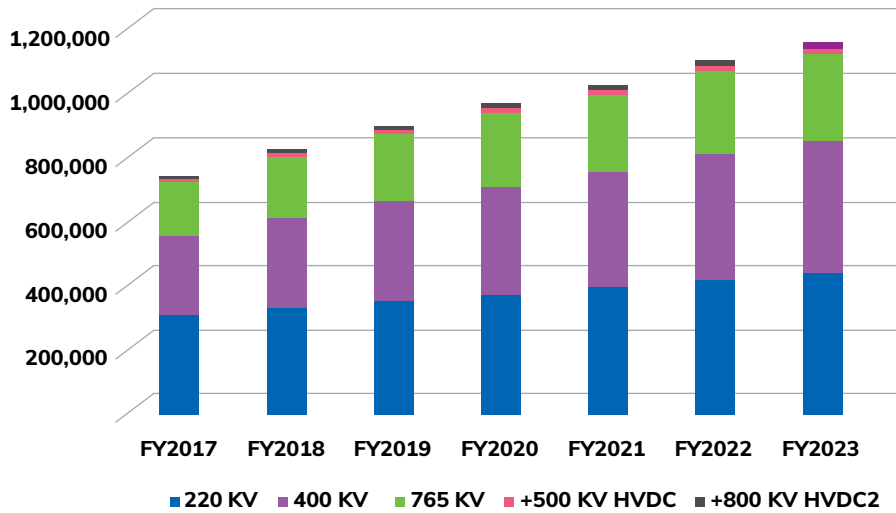


Source: CEA, India Infrastructure Research





## Voltage-wise Growth in AC Transformer Capacity



Source: CEA

To achieve the Indian Government’s objectives for renewable energy and ensure consistent power supply, it is essential to augment the transformation capacity in the system for every megawatt of new generation capacity. However, the MVA:MW ratio for transformation at 220 kV and above levels has not shown a significant improvement over the years,

increasing from 1.1 times in March 1985 to just 2.8 times by March 2023.

To resolve this issue and ease congestion, Indian Government has emphasised on expanding transmission and transformation capacities of the system. The transmission sector has seen consistent growth due to an enabling policy framework. As per the CTU ISTS Rolling plan 2027-28, the government plans to invest INR 1,40,962 Crores to add 33,019 cKms of transmission lines, along with a transformation capacity of 2,42,940 MVA to the grid.





# INDIA'S TRANSMISSION NETWORK

**4,71,341** ckm  
Transmission Line Length

**11,80,352** MVA  
Transformation Capacity

## Key Players in India's Transmission Portfolio

### INDIA GRID TRUST

**8,468** cKms  
Transmission Line Length

**17,550** MVA  
Transformation Capacity

### ADANI TRANSMISSION

**19,700** Ckm  
Transmission Line Length

**45,500** MVA  
Transformation Capacity

### STERLITE POWER (INDIA)

**3,400** cKms  
Transmission Line Length

**3,800** MVA  
Transformation Capacity

### PGCIL

**1,74,601** Ckm  
Transmission Line Length

**5,04,862.7** MVA  
Transformation Capacity

### PGCIL InvIT

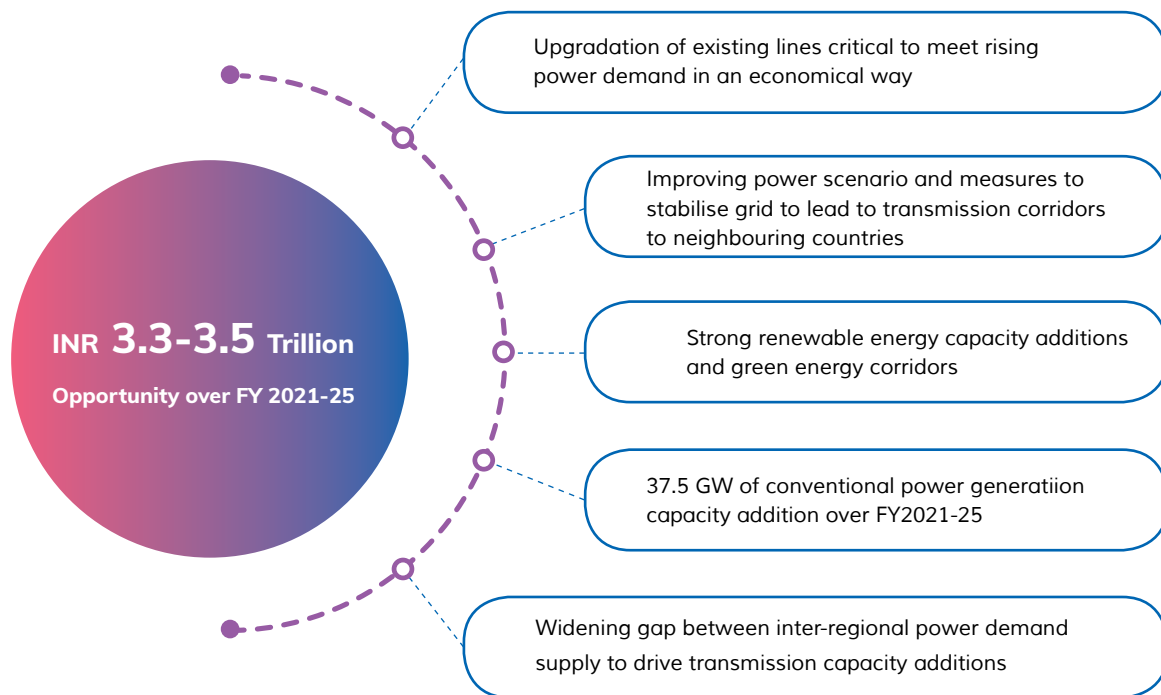
**3,699** ckm  
Transmission Line Length

**6,630** MVA  
Transformation Capacity

## Key Transmission Projects in India

Project SPV	Stakeholders	Length/ Capacity	Project Cost (In INR Million)
Fatehgarh III Transmission Limited	Apraava (Under Construction)	~400 cKms	8000
Fatehgarh IV Transmission Limited	Apraava (Under Construction)	"~50 cKms 2,500 MVA"	3500
Khandukhal Rampura Transmission Limited	Megha Engineering and Infrastructures Limited (under construction)	~390 cKms	6000
Gadag Phase II part A	Renew Power (Under Constuction)	"~120 cKms ~1,500 MVA"	3,100
MP Power Transmission Package I Limited	Megha Engineering and Infrastructures Limited (under construction)	"~500 cKms ~3,500 MVA"	13,000
Rajgarh Transmission Limited	GR Infraprojects Limited (under construction)	"~280 cKms, ~1,500 MVA"	5000
Gadag Transmission Limited	Renew Power (under construction)	"~200 cKms, ~1,000 MVA"	4000
Koppal Transmssion Project	Renew Power (under construction)	~250 cKms, ~2500 MVA	7,500
Kudgi Transmission Limited	Sekura Energy	960 cKms	15,000
"Darbhanga - Motihari Transmission Co. Ltd."	Sekura Energy	~280 cKms, 1,400 MVA	17,000
"NRSS XXXI (B) Transmission Limited"	Sekura Energy	~580 cKms	
NRSS XXXVI Transmission Limited	Resurgent Power Ventures	~340 cKms	4,700
Kohima-Mairani Transmission Limited	Apraava	~500 cKms; 1,200 MVA	13,000
"Kalpataru Satpura Transco Pvt Ltd."	Apraava	200 cKms	3,400
Western UP Power Transmission Company Limited	Megha Engineering	820 cKms; 6340 MVA	41,500
South East UP Power Transmission Company Limited	Resurgent Power Ventures	"2090 cKms; 5000 MVA"	80,000
Powerlinks Transmission Limited	PGCIL (49%), Tata Power Ltd. (51%)	2300 cKms	7,500
Torrent POWERGRID Limited	PGCIL(26%), Torrent Power Limited (74%)	710 cKms	3,500
North-East Transmission Company Limited	PGCIL (26%), ONGC Tripura Power Company Limited (26%), Govt. of Tripura (10%), Govt. of Assam (13%), Govt. of Mizoram (10%), Govt. of Manipur (6%), Govt. of Meghalaya (5%) & Govt. of Nagaland (4%)	1320 cKms	22,000
Teesta Valley Power Transmission Limited	PGCIL (26%), Teesta Urja Limited (74%)	410 cKms	7,680
Cross Border Power Transmission Company Ltd.	PGCIL (64%), Satluj Jal Vidyut Nigam Ltd (26%) and NEA (10%)	170 cKms	2,500
Power Transmission Company Nepal Limited	NEA: 50%, PGCIL: 26%, Hydroelectricity Investment and Development Company Limited (HIDCL):14% and IL&FS Energy: 10%	80 cKms	1,000
Bihar Grid Company Limited	PGCIL (50%), Bihar Power (Holding) Company Limited (50%)	"800 ckms; 2990 MVA"	16,900
Kalinga Bidyut Prasaran Nigam Private Limited	PGCIL (50%), Odisha Power Transmission Corporation Limited (50%)	NA	NA
Jaigad Power Transco Ltd	JSW (74%), MSETCL (24%)	330 cKms	4,000
Amravati Power Transmission Company Ltd	Rattan India (100%)	215 cKms	2,500
Sinnar Power Transmission Company Ltd	Rattan India (100%)	110 cKms	1,500
<b>Total</b>		<b>"14,405 cKms; 27,930 MVA"</b>	<b>2,96,780</b>

## Growth drivers in transmission



Source: Crisil Research

## Key drivers for development of transmission infrastructure

### a. Renewable energy integration

The government is actively pursuing the green energy corridor initiative to enable the integration of large-scale RES into the power grid. To achieve this, two schemes - green energy corridor I and II - have been implemented to create highways for transmitting renewable power. Advanced technologies are being utilised to ensure grid stability, while energy balancing and scheduling mechanisms are being implemented at Renewable Energy Monitoring Centres (REMC) to enhance stability and facilitate energy transmission. Across the country, 11 renewable energy monitoring centres are being planned, in addition to state load dispatch centres and a national-level REMC, to enable smooth grid operations. These monitoring centres will operate in conjunction with their respective state or national load dispatch centres to ensure seamless grid operations.

### b. Cross-border links

There have been several efforts in recent times aimed at strengthening the exchange of electricity across borders. One noteworthy example is the inauguration of two new transmission lines between India and Nepal in August 2017.

These transmission lines have increased the electricity transfer capacity by an additional 100 MW, on top of the 350 MW that India was already supplying to Nepal. India has also undertaken several interconnections with Bangladesh, including the second Baharampur-Bheramara interconnection. Additionally, there is a memorandum of understanding signed between India and Bangladesh for the supply of 1,600 MW through high voltage direct current transmission lines. India is also working on various interconnections with Bhutan. All of this is slated to contribute to the growth of transmission infrastructure within India.

### c. Rail electrification

The electrification of railways is anticipated to be a significant catalyst for growth in the transmission segment. To achieve its goal of saving INR 41,000 Crores over the next ten years through an Integrated Rail Energy Management System (I-REMS), Indian Railways launched the Railways Mission 41k initiative in January 2017. This program involves electrifying 38,000 route km of rail track between FY 2018 and FY 2022, which will result in complete electrification of broad-gauge rail routes. To accomplish this objective,

transmission lines, sub-stations, and transformers must be established, with around 8,000 km of transmission lines needed in the initial phase to provide dependable and secure power to the Golden Quadrilateral. This effort is predicted to drive growth in the transmission sector and provide ample opportunities for transmission equipment manufacturers in India. The Central Organisation for Railway Electrification (CORE) has been instrumental in electrifying Indian Railways, with 52,247 route kilometers (RKM), equivalent to about 80.2% of the total Broad-Gauge network of Indian Railways (65,141 RKM) having been electrified by March 31, 2022. CORE aims to electrify all BG routes of Indian Railways by December 2023 and has nine operational project units located in Ahmedabad, Ambala, Bangalore, Chennai, Kolkata, Jaipur, Lucknow, Guwahati, and Secunderabad, targeting important railway routes with high traffic potential.

#### d. Smart grid and electric vehicles

The PowerGrid Corporation is working on the Unified Real Time Dynamic State Measurement project to upgrade the transmission grid's intelligence. However, the Indian government's ambitious plan to shift towards an all-electric fleet will result in a surge of electric vehicles into the grid, which will pose significant charging challenges. To prevent grid overloading, there is a pressing need for investments in grid enhancement, automation, and reactive power compensation capabilities. To encourage electric vehicle usage, the government is planning to offer incentives and create regulatory frameworks.

#### e. Private sector participation

The promotion of competition in the electricity sector is a fundamental goal of the Electricity Act, 2003. To encourage competition, the Central and State Governments have implemented various reform measures. The Ministry of Power has introduced competitive bidding guidelines to facilitate private sector investment in power transmission, enabling price discovery through market-based mechanisms. These guidelines ensure that private transmission companies have equal opportunities to access the market alongside public companies, fostering healthy competition. The most significant advantage of these guidelines is the availability of competitive prices, which benefits both consumers and the market.

India has opened up its transmission sector for private participation, setting it apart from other countries. Private players have shown a keen interest in this sector due to various initiatives taken by the Government and state governments to promote competition in power transmission. However, private participation and competition in the Indian electricity transmission sector are still in their nascent stages. As India's generation capacity continues to grow, there is a growing need to increase transmission capacity to ensure that the power generated reaches the end-consumer. Private investment will play a crucial role in meeting the significant investment and capacity enhancement target in transmission. Therefore, the success of public-private partnerships in transmission will be crucial in achieving these goals.



## Outlook for power transmission

The power sector in India is a constantly evolving and diverse industry, with an expected shift from fossil fuel-based energy sources to renewable energy sources. This shift is expected to decrease fossil fuel-based energy sources' installed capacity from 58% to 43% by 2027-28, while renewable energy capacity additions will present new challenges in integrating renewable generation centres with the grid.

To support the integration of renewable energy sources, transmission schemes comprising of 33,019 ckm of transmission lines and transformation capacity of 2,42,940 MVA, at an estimated cost of INR 1,40,962 Crores, will be added to the grid. The National Infrastructure Pipeline (NIP) has estimated a USD 54.2 Billion investment outlay across

### National Electricity Plan, 2016

During the 13th plan period, the National Electricity Plan 2016-Transmission has envisioned the addition of 105,580 circuit km of transmission lines and 292,000 MVA of substation capacity. The cost of tower erection is a major part of the investment required for transmission line construction, with towers and their foundations comprising nearly half of the total cost. With the increasing generation of renewable energy, there will be significant market opportunities for technology providers and transmission tower players. Rapid development of transmission lines and towers will be crucial to facilitate the evacuation of energy from renewable energy projects, and this can be achieved through the adoption of advanced technologies such as surveying drones and helicopters for tower erection and stringing.



221 opportunities in the transmission sector. The need for a robust and reliable transmission system to support continued generation additions, as well as the push for renewable energy and rural electrification, will drive investment in the sector.

The transmission sector's growth will also be supported by increased private sector participation, with transmission projects having favourable risk-return profiles. By 2027-28, large renewable energy complexes are expected to be established in the Northern, Western, and Southern regions of India, which will further increase the complexity of the power sector.

### NEP 2022 - Provision for Power Transmission and Grid Operators

The National Electricity Plan (NEP) has laid out a comprehensive roadmap for electricity demand and supply planning until the fiscal year 2026/27. One of the primary objectives of the NEP is to achieve a cumulative target of 175 GW renewable energy capacity by 2022, while also anticipating the addition of 46 GW of coal-fired power capacity between 2022 and 2027.

However, to ensure the safety and security of power supply, it is crucial that system operators have access to modern technologies. This can be achieved through a range of measures, including expanding balancing areas, integrating renewable energy sources with conventional generation and storage systems, developing ancillary services, and evaluating transfer capability.

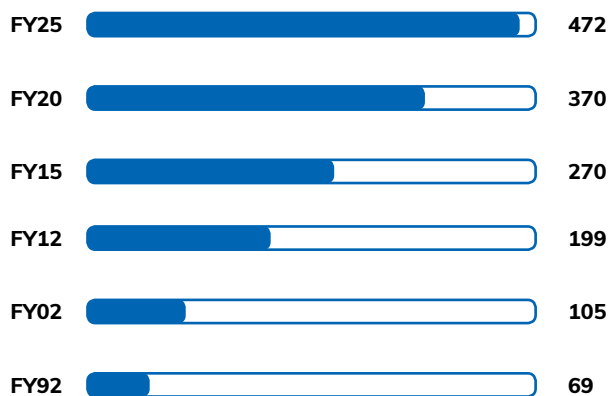
Furthermore, it is imperative to streamline the approval process for transmission projects. Currently, at the central level, the National Committee on Transmission approves plans formulated by the Central Transmission Utility (CTU), and a similar mechanism is recommended at the state level to expedite the approval process.

### Key Objectives of NEP 2022

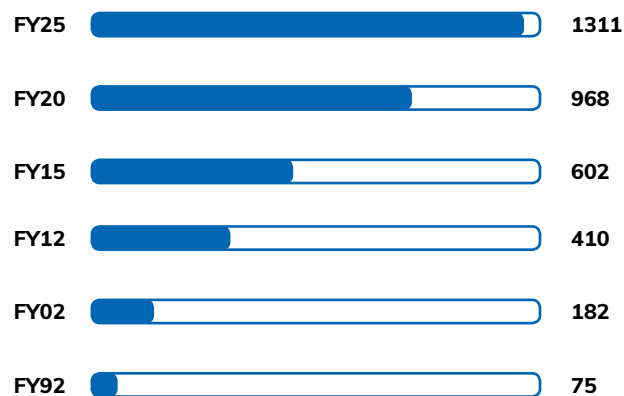
1. Ensure reliable and affordable electricity supply.
2. Promote the use of renewable energy sources.
3. Reduce greenhouse gas emissions from the electricity sector.
4. Improve energy efficiency and conservation.
5. Develop and modernise the electricity grid.
6. Encourage private sector investment in the electricity sector.
7. Ensure equitable access to electricity across all regions and communities.
8. Support economic growth and development through a stable and efficient electricity sector.

## Outlook on Transmission Capacity Additions

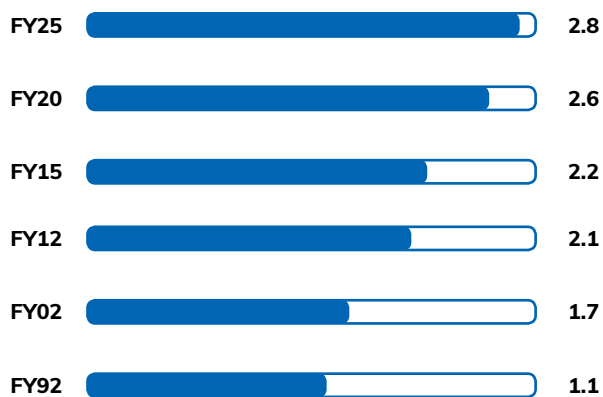
### INSTALLED GENERATION CAPACITY (GW)



### INSTALLED TRANSFORMATION CAPACITY ('000 MVA)



### TRANSFORMATION CAPACITY TO GENERATION CAPACITY RATIO (MVA: MW)



## Renewable Energy in India

India is at the forefront of a global push towards renewable energy, driven by the need to combat climate change. With 17% of the world's population, India contributes only 3.5% to global emissions. However, the country is making significant strides towards a clean energy transition, with an ambitious target to achieve 500 GW of non-fossil fuel capacity by 2030.

India currently has around 171 GW of renewable energy, with another 80 GW under construction. The share of renewable energy in India's total installed capacity has increased from 18% to 29%, with solar energy installation picking up pace in the last half a decade. The government has provided fiscal and regulatory incentives, viability gap funding, and execution support to renewable energy projects to achieve this growth.

The government's target of 500 GW of non-fossil fuel capacity by 2030 translates to 35-40 GW of annual incremental renewable capacity over the next 8-9 years. To achieve this target, the government is working on policy support for energy storage systems, green hydrogen, and offshore wind. Green Energy Open Access is now allowed to any consumer with a load limit reduced from 1,000 kW to 100 kW, which will increase the weightage of green power.

The transition to renewable energy has also been driven by the availability of low-cost finance through various instruments and sources, which has supported renewable energy capacity additions. The next leg of the accelerated renewable energy transition will require further policy support and execution, as well as a focus on energy storage systems, green hydrogen, and offshore wind.

Globally, some countries are investing in fossil fuels to secure and diversify their sources of supply. However, the lasting

solutions to the climate crisis lie in speeding up clean energy transitions through greater investment in efficiency, clean electricity, and a range of clean fuels. India's Ministry of Power has taken several initiatives towards a clean energy transition, and the country's focus on renewable energy will continue to drive growth in the sector.



## Increase in share of renewable energy sources

	FY2015	FY2020	FY2022	FY2025
Coal	58%	54%	51%	46%
Lignite	2%	2%	2%	2%
Gas	8%	7%	6%	5%
Diesel	1%	1%	1%	1%
Nuclear	2%	2%	2%	1%
Hydro	15%	12%	12%	10%
Solar	1%	9%	14%	20%
Wind	9%	10%	10%	11%
Other RES	4%	3%	3%	4%

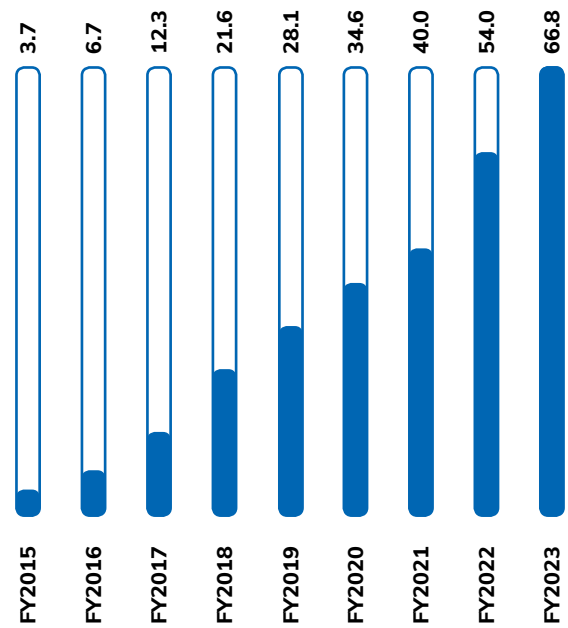


## Evolution of Solar Power in India

India has experienced impressive growth in its solar energy capacity, ranking fourth globally in solar PV deployment with a capacity of 61.97 GW as of November 30, 2022. This growth has been driven by a rising demand for renewable energy, as traditional electricity generation methods like thermal power plants become less viable. The National Institute of Solar Energy estimates that India's solar potential is around 748 GW, with 3% of waste land area covered by Solar PV modules. In 2010, the National Solar Mission was launched to install 100 GW grid-connected solar power plants by 2022, aligning with India's Intended Nationally Determined Contributions to achieve 40% cumulative electric power installed capacity from non-fossil fuel-based energy resources and reduce GDP emission intensity by 33-35% from 2005 levels by 2030.

To attain these goals, the Indian government has initiated several schemes to promote solar power generation, such as the Solar Park Scheme, VGF Schemes, CPSU Scheme, Defence Scheme, Canal bank & Canal top Scheme, Bundling Scheme, and Grid Connected Solar Rooftop Scheme. In addition, solar tariffs in India have become highly competitive, resulting in grid parity.

## Growth in Installed Solar Capacities (GW)



## Growth drivers for solar sector in India

1. **Government Support:** The Indian government has been very supportive of the solar sector and has launched several schemes to promote solar energy generation. These schemes include the Solar Park Scheme, VGF Schemes, CPSU Scheme, Defence Scheme, Canal bank & Canal top Scheme, Bundling Scheme, and Grid Connected Solar Rooftop Scheme. The government's goal of installing 100 GW of grid-connected solar power plants by 2022 has been a significant driver of growth in the sector.
2. **Increasing Awareness and Demand:** As people become more aware of the benefits of renewable energy and the negative impact of conventional energy sources on the environment, there has been a significant increase in demand for solar energy in India. This demand is expected to continue to grow in the coming years.
3. **Technological Advancements:** Advancements in solar technology have made it more efficient and cost-effective. This has made it more attractive to consumers and has further contributed to the growth of the solar sector in India.
4. **Favourable Policy Environment:** The Indian government has created a favourable policy environment for the solar sector, including offering tax incentives and subsidies to encourage investment in the sector. This has helped attract both domestic and foreign investment, further driving growth in the sector.
5. **Improving availability of finance at low cost:** Developers in India's solar sector are adopting innovative approaches to secure low-cost financing, including the issuance of green bonds, funding from the Asian Infrastructure Investment Bank (AIIB), and the creation of investment trusts. These alternative channels have helped to widen the pool of available investments, bringing down the cost of financing and enabling more renewable energy projects to be funded.
6. **Foray of large established players in the Indian solar industry:** After the Government of India announced its plan to establish 500 GW of renewable energy generation capacity by 2030, numerous established players have entered the solar power generation market. Several large Indian conglomerates and global companies have announced their intentions to develop significant solar power generation capacities.



## Factors to boost growth in solar capacity additions

- Government subsidies and incentives for solar power projects
- Increase in public awareness and demand for renewable energy
- Development of new and innovative solar technology
- Expansion of solar power infrastructure, including grid integration and storage systems
- Partnerships and collaborations between government, private sector, and international organisations
- Favourable policy environment and regulatory frameworks
- Improvement in ease of doing business, including streamlined processes for project approvals and permits
- Investment in research and development for improving solar efficiency and reducing costs
- Increased focus on sustainability and reducing carbon emissions by corporations and industries, leading to adoption of renewable energy solutions

## Opportunities and Challenges

### Operational power transmission projects

Operational power transmission projects offer a low-risk investment opportunity, as they are not dependent on asset utilisation and have reliable payment security. During the construction phase, transmission assets may face risks such as right of way, forest and environment clearances, and an increase in raw material prices. However, post-commissioning, with the implementation of POC mechanism, the risks are limited, and the cash flows from operational transmission projects resemble that of an annuity, providing steady returns to investors.

The tariffs payable to the Inter-State Transmission System (ISTS) have a fixed escalable component, which ensures stability in cash flows, while the variable component is linked to the inflation index in India, making it a smaller component of the tariff. These factors make operational transmission projects an attractive investment option for those seeking reliable and steady project returns.

Some of the key reasons for low risks are:

1. Revenue recovery irrespective of asset utilisation limits offtake risk
2. Diversified counter-party risk
3. Collection risk offset owing to presence of CTU
4. Payment security mechanism in place
5. Relatively low probability of default due to lack of alternatives

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

Infrastructure projects such as roads, ports, and power generation rely heavily on the operational performance of the assets to generate returns. However, the success of these projects often depends on factors that are beyond the control of the developers. For example, the profitability of toll-based road projects depends on the collection of toll revenues, while port projects are at risk of fluctuations in cargo traffic. Similarly, power generation projects are dependent on the availability of fuel and off-take by distribution companies.

In the case of annuity-based road projects, counterparty risk is higher as the sole revenue counterparty for annuity-based payments is the National Highway Authority of India (NHAI). This limits the diversification of revenue sources and increases the risk associated with the project.

On the other hand, ISTS transmission projects have a pool of

distribution and generation companies as revenue counterparties, which reduces counterparty risk based on diversification. The revenue stream from power transmission infrastructure projects is generally more stable and predictable compared to other infrastructure projects, which may provide a more favourable risk-return profile for investors.

### The key challenges faced in terms of India's power transmission sector

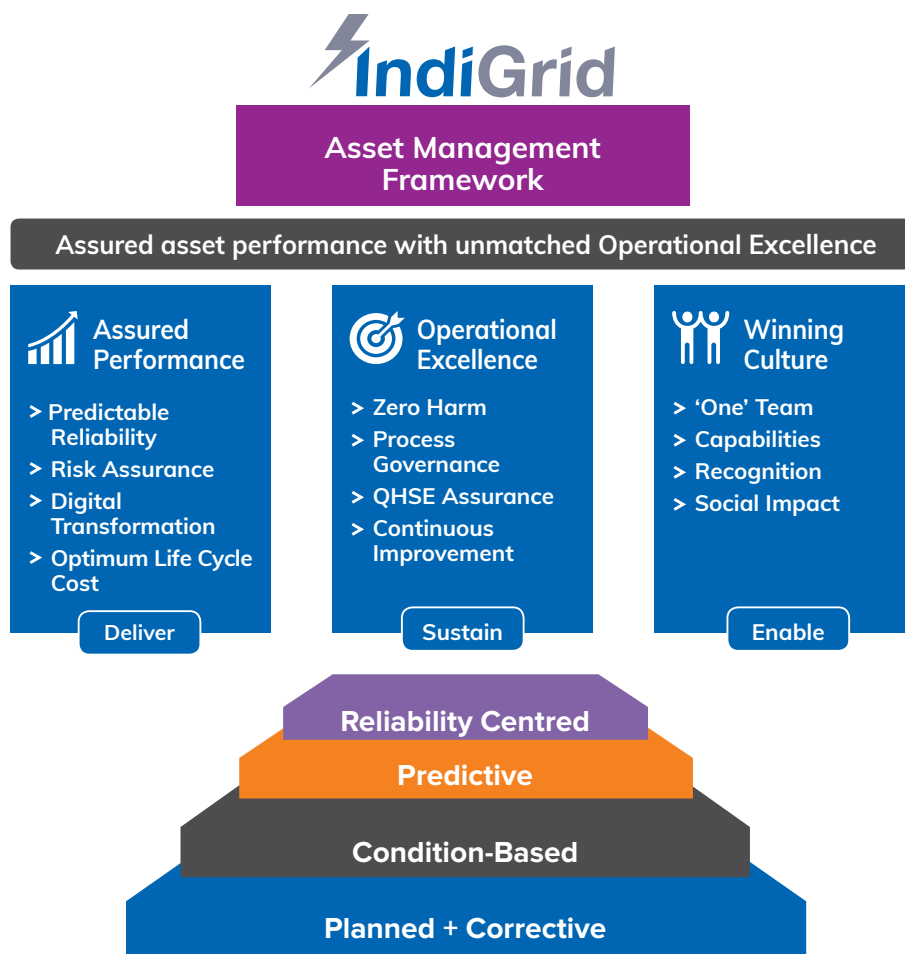
- Inadequate infrastructure: India's power transmission infrastructure is insufficient to handle the increasing demand for electricity. The infrastructure needs to be modernised and upgraded to accommodate the growing renewable energy capacity.
- Inefficient power transmission: The transmission and distribution losses in India are among the highest in the world, resulting in significant energy wastage. This is primarily due to outdated equipment and inadequate maintenance practices.
- Delayed and inadequate approvals: The approval process for transmission projects in India can be time-consuming and complex, leading to project delays and cost overruns.
- Land acquisition issues: Acquiring land for transmission projects can be challenging in India due to a variety of reasons, such as land disputes, environmental concerns, and lack of proper compensation for landowners.
- Insufficient investment: Despite the high demand for electricity in India, investment in the power transmission sector has been insufficient. This has resulted in a funding gap that needs to be bridged to meet the growing demand for electricity.
- Regulatory challenges: The regulatory environment in India can be challenging for transmission companies, with frequent changes in policies and regulations affecting their operations.
- Cybersecurity risks: As power transmission becomes more digitised, there is a growing risk of cyber-attacks that can disrupt the power supply and cause significant damage. The transmission sector needs to prioritise cybersecurity measures to prevent such incidents.

## OPERATIONAL REVIEW

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

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

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



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

**a. Deliver Assured Performance**

Assured Performance is key to achieve IndiGrid Vision to meet our investor and other stakeholder expectations. Robust risk mitigation plan execution enabled by digital technologies will be key driver for success of this pillar. Digital technologies will enable transition from conventional planned and corrective practices to advanced reliability centered predictive maintenance. Thus, strong rigor to minimise the downtime and improve mean time between failures and restoration, would certainly result in optimising total life cycle cost of ownership and unlocking the value of assets for our stakeholders.

**b. Sustain with Operational Excellence**

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

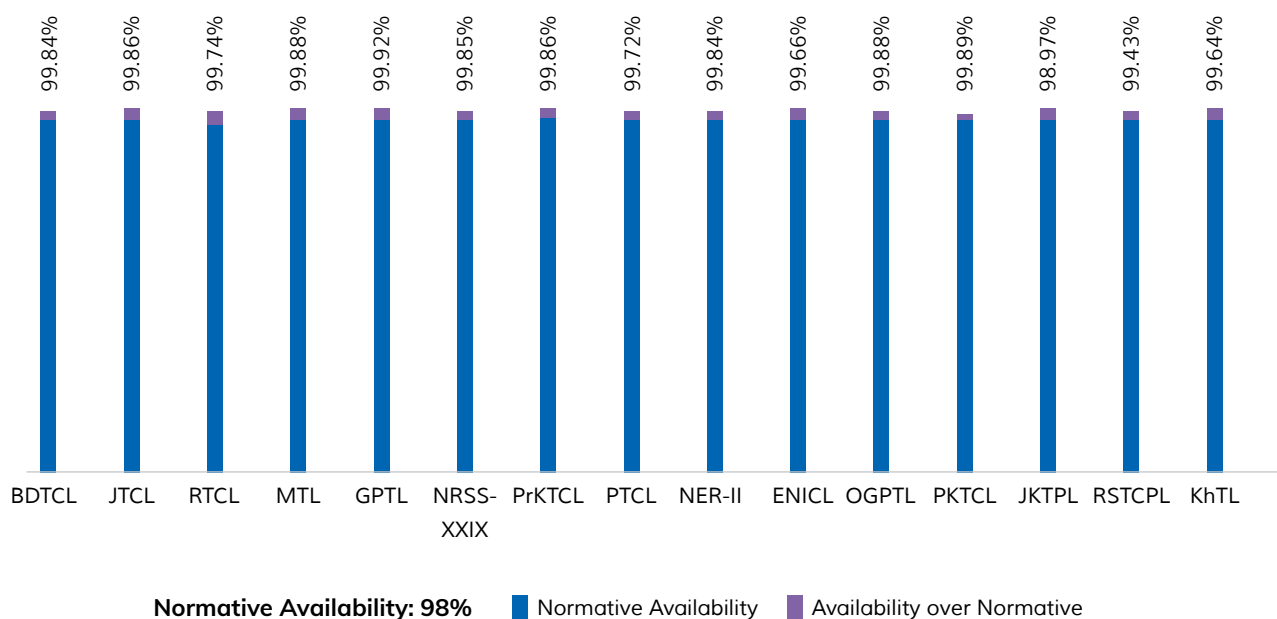
**c. Enable with Winning Culture**

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

**Key Performance FY 2022-23**

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

**Annual Availability FY2023**



## KEY INDICATORS

Average Portfolio Availability (%)

**>99.5**

FY2022

**>99.7**

FY2023

No. of Trips/Line

**0.17**

FY2022

**0.18**

FY2023

Loss Time Incident Reporting (Including Fatality)

**2\***

FY2022

**0**

FY2023

Training Manhours (hrs)

**31,200**

FY2022

**58,952**

FY2023

Solar Generation (MU)\*\*\*\*

**209.41**

FY2022

**215.43**

FY2023

Solar Plant Availability

**99.75%**

FY2022

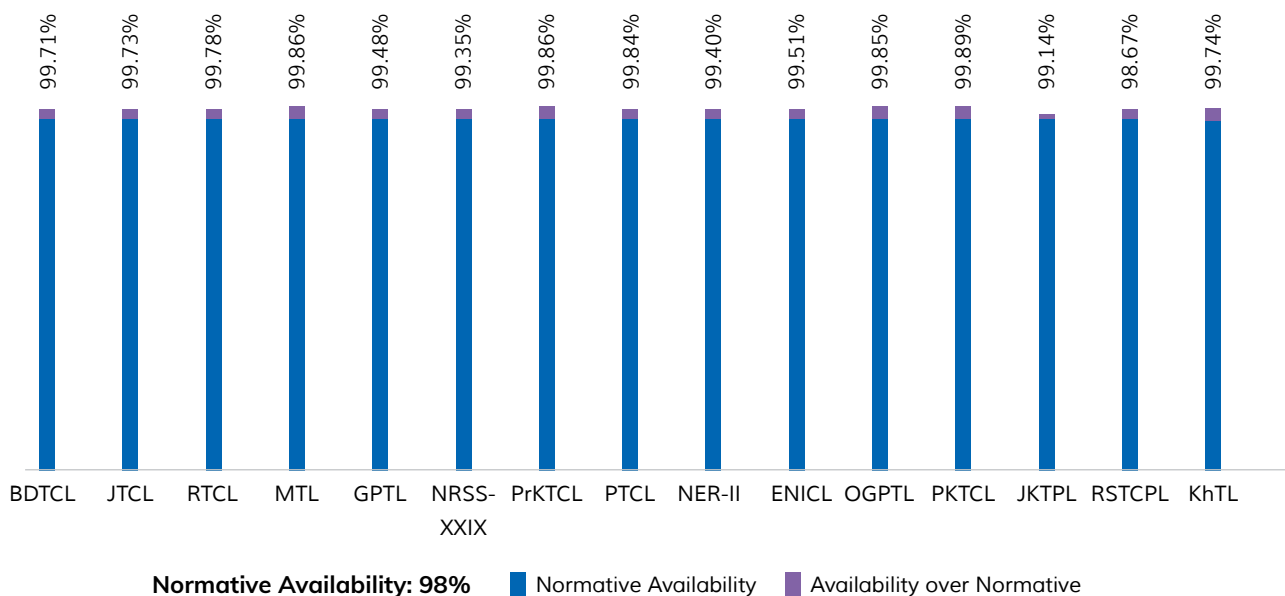
**99.75%**

FY2023

\* - No Fatal loss time incidents in FY-22 & FY-23

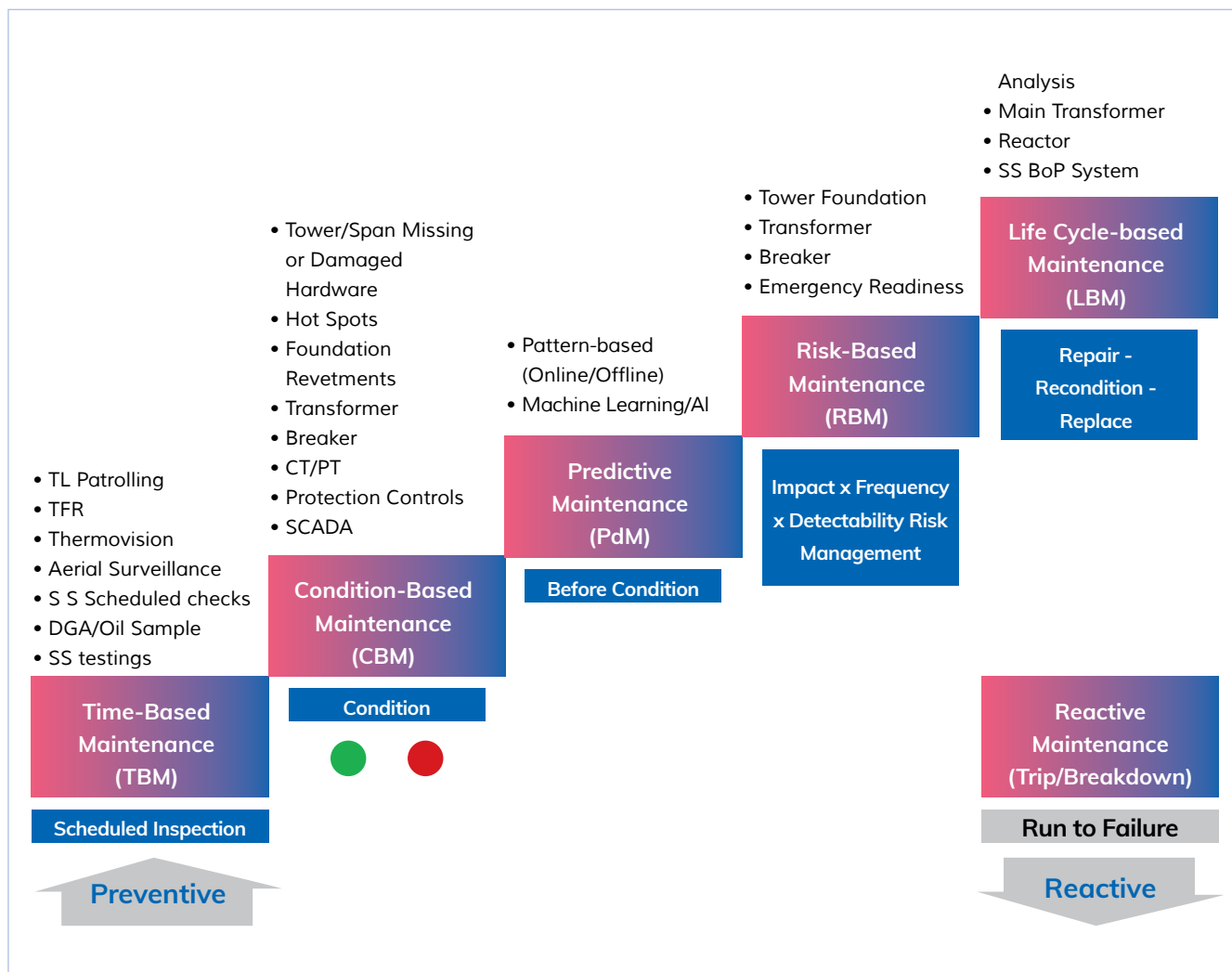
\*\*\*\*These numbers are for 100 MW solar plant generation.

### Commercial operations date to FY2023 Consistent Performance



## Focus on maximising ‘Reliability’

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



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

The RC philosophy employs best practices from each of maintenance strategies such as Time-based Maintenance, Condition-based Maintenance, Predictive Maintenance with Real-time Monitoring, Risk-based Maintenance, Life Cycle-based Maintenance and even hard inevitable learnings from Run-to-Failure maintenance. These are deployed in

integrated manner at system or component level to increase the confidence that the assets will deliver its assured performance in the desired manner over its design life cycle.

Right now, we’re in the “Condition-based maintenance” phase, where the objective is to plan maintenance when it’s needed most based on how the equipment is performing. By doing so, we can have lower service costs and excellent system availability.

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

IndiGrid is now also accredited with IMS certification for ISO 9001, ISO 14000, ISO 45000 quality and safety management systems and ISO 27001 for cybersecurity management system.

Some of these key projects undertaken during the year are detailed below :



Drone Inspection



ERS Training

## Some Key Initiatives

### Digital Transformation in partnership with IBM

IndiGrid has signed a multi-year collaboration agreement with IBM to build an artificial intelligence (AI)-enabled asset management platform. DigiGrid, the digital transformation project with IBM, aims to digitise the entire operations of IndiGrid through its platform Maximo, recognised across the utility segment globally. At IndiGrid, we aim to deploy a One cloud solution with IBM Maximo Application Suite running on the secure AWS Cloud to optimise the quality and utilisation of our assets throughout their lifecycle, increase productive uptime through preventive and predictive maintenance, drive efficiency and reduce operating costs, thereby ultimately delivering better value to the investors. DigiGrid is live in all IndiGrid assets and integrated with SAP ERP system. The key modules of Asset Master, Work Order Management for Preventive Inspection and Defect Correction, QHSE, Crew Management, Warehouse operations, Procurement & Service Modules are completed. Migration on all legacy processes to digital mode has been completed including GPS-based mobile and geofencing technology. The next phase of the projects covers implementation of advanced business analytics and asset performance module to provide insights for risk-based and life cycle-based maintenance strategies.



IMS Certification



### Other Digital & Technology Initiatives

IndiGrid is investing heavily into creating a future-ready infrastructure. Several projects including DMS, SAP implementation and SCADA upgradation have been undertaken to revamp and upgrade the existing infrastructure. IndiGrid has added Emergency restoration system in the inventory to prepare itself better in case of emergency events. We also plan to use drones and Thermal & LIDAR technology for effective vegetation management.

1. IndiGrid has completed the IT/data migration from erstwhile system to a fully independent ecosystem.
2. Cyber security- To ensure IndiGrid assets are resilient to any cyber attacks and its impact on the grid, IndiGrid has deployed managed security operations centre across all its IT and OT systems. IndiGrid has completed all mitigation measures as guided by CERT and best prudent practices SCADA upgradation been completed at all the substations
3. IndiGrid has been certified for ISO 27001 ISMS standards and compliance by Bureau Veritas which is an internationally recognised certification agency.



## OUR STRATEGIC INITIATIVES

### TECH INITIATIVES

- Emergency restoration system
- Drone Inspections
- Thermal Image Camera
- SF6 leakage detection camera
- Online DGA instrument for transformer
- Asset Health Index (AHI)
- RAS and AFAS System
- TWFL System
- Robotic Module Cleaning

### CYBER SECURITY

- Cyber security strengthening
- ISO 27001 Certification
- ISO 27019 Certification
- SCADA upgradation & Integration
- SIEM/SOC application portfolio enhancement

### DIGITAL INITIATIVES

- DigiGrid (Maximo)
- Weather monitoring
- Document Management System (DMS)
- One Cloud Initiative with DR Dashboard & Analytics

### OPERATIONAL EXCELLENCE

- Zero Harm Zero Defect Approach
- Reliability centered framework adoption
- IMS Certification
- Self Perform Model with CBM maintenance approach
- KPI based contracts (for limited assets)

## Dashboard & Analytics (within DigiGrid Platform)

### Asset Base



### Dashboard & Charts



### Key Notes

BI Ver-1 is released and integrated with DigiGrid Data base.

More than 250 Charts are developed in BI to get insights on operation such as

- o All Asset details
- o Plan vs Actual details pertaining to Preventive Maintenance and Inspections

- o Quality and Safety performance of different Assets
- o Trip trend with route cause
- o AR/Trip prone Location information
- o Mean time to Restore parameters
- o Solar Generation trend
- o Availability, etc

## Self Perform Model

- Self-perform O&M in TL will lead to retaining of only quality manpower, thereby enhancing the skill set, operational quality, and thus, enhanced reliability
- The proposed set-up will help IndiGrid in attaining self-sufficiency through in-house capability building
- Better end-to-end control will lead to improved compliances
- Proposed set-up is hopeful in aiding in efficient manpower mobilisation in case of special assignments
- Besides, Self-perform O&M may help us to retain competitive advantage, through increased confidentiality of processes & technology
- Digitally savvy workforce in which the majority of periodic Time-based, condition-based maintenance and restoration activities are managed internally
- Certification through CERC authorised training centers

## Drone Inspections

Drone Inspection is a methodology that helps IndiGrid alter inspection procedures that have traditionally relied on manual labor, saving time and reducing risk by replacing time-consuming and potentially dangerous manual methods.

Below are some benefits

- Enable Improvement in Reliability indicators (Defects, Trips, ARs & Failures)
- Drones will enable implementation of Predictive Maintenance (Reliability Centered Approach) if automated, through image analysis & interface with Work Order Management (EAM)
- Higher detectivity in inspection thereby defect detecting accuracy will be high
- Overall Trip/AR reduction
- Improve productivity of field resources enabling fulfillment lean model
- Unapproachable locations can be addressed well ahead of time
- HSE Hazard reduction to reduce risk of working at height/ remote locations
- Defect analysis and ARE matrix based on images
- Improve cost efficiency
- Approach to assess damaged during if unapproachable to last mile location

## Emergency Preparedness

- Deployed ERS (Emergency Restoration System)- 2 Sets compatible for 400kV and 765kV levels, planning to procure additional sets
- Material Management strategy for strategic placement of inventory
- Training on Emergency restoration SOP
- In-house team of 20 people got trained on ERS and developed as QRT (Quick Reaction Team) during installation of ERS in NER II
- Virtual mock drill on Emergency restoration
- Reduced Response time
- Reduce Restoration time



## Robotic Module Cleaning:

Dust particles, bird droppings, and other particulate materials lead to a decrease in energy generation, highlighting the importance of solar module cleaning. While manual cleaning is one of the options, several robotic technologies have entered the market that provides a cost-effective method to clean solar panels as compared to manual cleaning. Robotic cleaning: The robotic cleaning is a method to clean the PV modules in a solar plant. IndiGrid did POC (Proof of Concept) for 30 days in collaboration with Skilancer (Vendor).

Below are the advantages

Improved Cleaning efficiency, Reduced water usage, Lower soiling deposition rate as the frequency will be increased using robotic cleaning.

### Achieving ZERO DEFECTS on assets

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

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

### Key Pillars of Quality Policy



Zero Defect



Conformity



Efficiency



Sustain



Competency

### Reliability Improvement Efforts

IndiGrid has adopted a Reliability Centred Approach that strives for “ZERO DEFECT”. The Quality Policy aims for a continuous improvement culture through the adoption of leading practices, robust quality governance, conformance to applicable requirements and leading global standards. As part of the Reliability Improvement Efforts, under IndiGrid’s defect liquidation program, 96% towers and 95% spans (excluding newly acquired assets) have been made defect free till March 31, 2023.

### Emergency Readiness

To strengthen the reliability centred approach IndiGrid has procured Emergency Restoration System suitable for the 765 kV and 400 kV Transmission Lines network spread across the country and planning to procure additional sets . This will ensure quick restoration in case of any tower collapse events thus minimising the outage hours & availability loss. The 1st phase of field training has been completed for understanding the erection process and hardware’s and tools used in site. In-house team of 20 people got trained on ERS and developed as QRT (Quick Reaction Team) during installation

of ERS in NER II. Several trainings on emergency preparedness & response, incident reporting & investigation, hazard identification & risk assessment has been undertaken in FY2023.

### ZERO HARM Culture

IndiGrid has committed itself to the vision of “ZERO HARM” through its extensive Health, Safety & Environment Policy and ESMS Framework. As a part of this endeavour, IndiGrid shall strive for “Zero Harm” to people, environment and community by adopting best-in-class practices and advocating risk-based HSE culture across the organisation and its stakeholders.

Several initiatives such as awareness sessions, quizzes, expert sessions, trainings, and community help sessions have been organised during the year to inculcate the philosophy of “ZERO HARM” across levels. IndiGrid had run campaigns of 34th Road Safety Month Campaign across portfolio with aim to raise public awareness about traffic rules and Celebrated 52nd National Safety Week from March 4 to 10, 2023 with an aim of “Zero Harm”

### Key Pillars of HSE Policy



Safety First



Responsible Social Entity



Well-Being



Environment Protection

## STRONG MANAGEMENT TEAM



**MR. PIYUSH PANDYA** Senior Vice President - BU South

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



**MR. AMITANSHU SRIVASTAVA** Senior Vice President - BU North

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



**MR. ABHAY KUMAR** Vice President ( Legal and Corporate Affairs)

- Over 25 years of experience across different Legal Regulatory functions in varied sectors like Power, Telecom, Real Estate and Print and Electronic media
- bachelor's degree in law from Campus Law Centre, University of Delhi and Bachelor of Science ( Maths- Stats- Hons) from Kirori Mal College University of Delhi
- He has previously worked with Tata Power Delhi Distribution Ltd, Jindal Steel and Power Ltd, Bennett, Coleman & Co. Ltd. Tata Teleservice Ltd and Tata Power Co Ltd



**MR. PUNEET SINGH CHAUHAN** Vice President - SCM, BD & Contracts

- Over 20 years of experience in Power Transmission & Railways Infra sector, worked in developer as well as EPC environment in India, Africa & South America
- He has previously worked with BSES, ANGELIQUE, STERLITE & KEC
- Bachelor's degree in Electrical Engineering from CCS UNIVERSITY Meerut, UP



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

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



**MR. SATEESH KUMAR** General Manager – Quality Assurance & HSE

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



**MR. LOKENDRA RANAWAT** General Manager - Regulatory Affairs

- About 16 Years of experience in the field of Power Transmission detailing into various verticals of project development, project monitoring, tendering & bidding, contract management, supply chain management, contracts & commercial, regulatory operations, regulatory affairs in transmission sector
- Previously worked with Adani Power Limited and Reliance Infrastructure Limited. Bachelor's Degree in Electrical Engineering from the University of Rajasthan

## FINANCIAL REVIEW

### Consolidated Financials - IndiGrid

(INR Million unless otherwise stated)

Particulars	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018*
Revenue from Operations	23,318	22,222	16,769	12,427	6,656	4,476
EBITDA	21,114	20,227	14,473	11,504	6,036	4,155
EBITDA Margin	91%	91%	86%	93%	91%	93%
NDCF	10,365	9,442	9,179	7,203	3,330	2,793
PAT	4,658	3,433	3,344	5,057	1,539	2,104
Net Debt/AUM	59.5%	56%	59%	50%	47%	45%
DPU (INR/Unit)	13.35	12.75	12.20	12.00	12.00	9.56*
NAV as per Independent Valuer (INR/Unit)	131.62	131.71	146.26	102.26	96.55	101.87

\*10 months of operations, INR 11.47 per unit annualised DPU

#### REVENUE, EBITDA AND PAT

For full year FY2023, while revenue grew by 5% YoY, EBITDA grew by 4% YoY.

For the year the EBITDA margins maintained at 91% on the back of consistently efficient asset management and operational excellence. Key cost components included costs incurred towards annual maintenance contracts, insurance, professional and regulatory fees.

During the period under review, PAT grew 36% YoY on account of higher interest income and better operational leverage.

#### NDCF AND DPU

Net Distributable Cash Flows (NDCF) is the free cash flow generated from underlying operations. Cash flows received by IndiGrid are typically in the form of interest income, dividend

income, other income, and principal repayment. IndiGrid is required to distribute 90% of the cash flows received to its unitholders. During the period, the NDCF was INR 10,365 Million, a YoY growth of 10% on the back of accretive acquisition consummated during the fiscal.

Distribution Per Unit (DPU) amounts to cash flows distributed on a 'per unit' basis to the unitholders. The trust distributed DPU of INR 13.35/unit in the period FY2023, ahead of its guidance of INR 13.2/unit. Total cash distributed to unitholders in FY2023 was at INR 9,349 Million.

#### ASSETS UNDER MANAGEMENT

Registered valuer, Mr. Pradhan Priya Das, carried out the valuation as an independent valuer and valued IndiGrid's assets at INR 227.99 Billion, as of March 31, 2023.

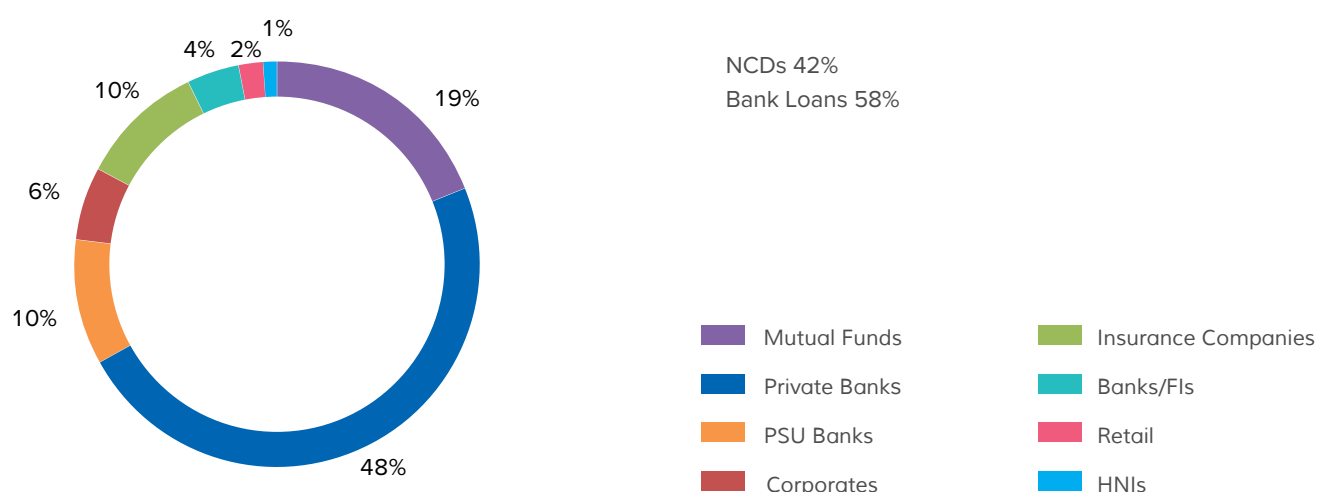


Asset	Revenue (INR Million)					AUM (INR Million)	
	FY 2019	FY 2020	FY 2021	FY 2022	FY2023	March 31, 2022	March 31, 2023
BDTCL	2,577	2,694	3,081	2,718	2,705	19,984	19,441
JTCL	2,150	1,505	1,541	1,546	1,525	16,232	16,229
MTL	572	585	587	581	581	5,979	5,901
RTCL	457	460	460	457	457	4,367	4,342
PKTCL	746	756	759	773	753	6,799	6,759
PTCL	153	301	321	319	320	2,614	2,604
NRSS	-	4,832	5,234	5,022	5,225	45,734	44,530
OGPTL	-	1,260	1,736	1,649	1,609	14,668	14,533
ENICL	-	33	1,473	1,494	1,509	11,804	11,599
GPTL	-	-	909	1,494	1,466	12,358	12,002
JKTPL	-	-	191	292	326	3,167	3,126
Parbati	-	-	355	1,088	1,394	7,194	7,275
NER II	-	-	-	4,157	4,222	53,290	53,075
IG Solar -1				306	460	3,384	3,231
IG Solar -2				325	481	3,667	3,464
Kallam				-	-	-	807
RSTCPL					142	-	2,708
KThL					145	-	16,362
<b>Total</b>	<b>6,656</b>	<b>12,427</b>	<b>16,748</b>	<b>22,222</b>	<b>23,318</b>	<b>2,11,240</b>	<b>2,27,990</b>

## BORROWINGS

IndiGrid enjoys a AAA corporate credit rating; its debt facilities at the asset level are also rated AAA. This is on account of low operating risk resulting in stable cash flows. The break-up of borrowing by sources as of March 31, 2023 is as follows:

### Gross Borrowings (INR 146 Billion) as on March 31, 2023



Rating Agency	Rating For	Rating	Date	Rating Rationale
India Ratings	IndiGrid	IND AAA/Stable IND A1+	February 21, 2023	<ul style="list-style-type: none"> <li>Stable operating performance</li> <li>Diversified ownership</li> <li>High-quality underlying assets</li> <li>Stable solar Assets</li> <li>Moderate debt structure</li> <li>Adequate liquidity</li> </ul>
CRISIL	IndiGrid	CCR AAA/Stable, CRISIL AAA/ Stable	April 06, 2023	<ul style="list-style-type: none"> <li>Stable revenue of the operational assets</li> <li>Strong collection efficiency of central transmission utility</li> <li>Robust financial risk profile</li> </ul>
ICRA	IndiGrid	ICRA AAA/Stable ICRA A1+	April 05, 2023	<ul style="list-style-type: none"> <li>Availability linked payments under the long-term TSAs for transmission assets and long-term PPAs for the solar assets</li> <li>Stable performance of assets under IndiGrid Strong payment security for inter-state transmission assets and strong counterparty for solar assets</li> <li>Healthy debt coverage metrics</li> <li>Structural features such as DSRA, cash-trap triggers and payment mechanism</li> </ul>

### Key Metrics

**7.53%**

Weighted Average  
Cost of Debt

**AAA**

Rating by CRISIL, ICRA,  
India Ratings

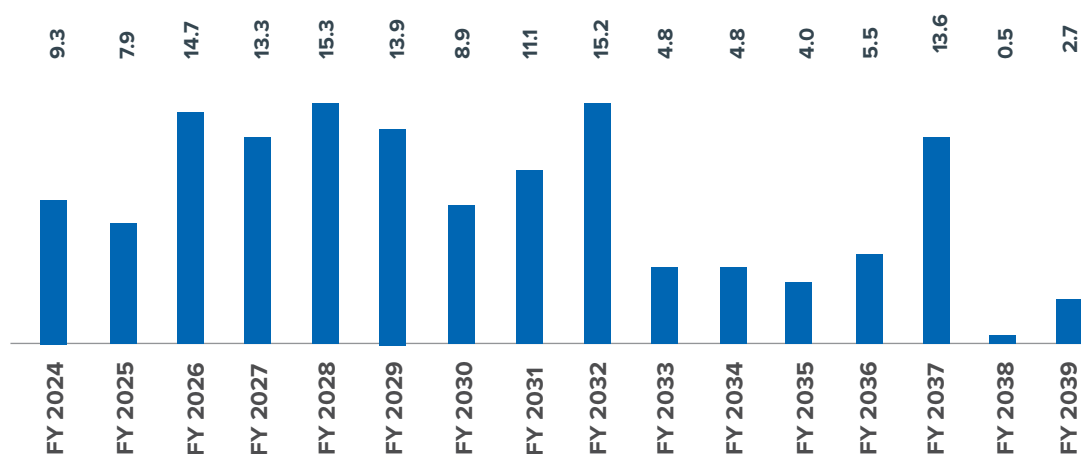
**>78%**

Fixed Rate  
Borrowing





## Repayment/Refinancing Schedule as of March 31, 2023 (INR Billion)



NOTE: Information as of March 31, 2023

\*Chart is not drawn to scale

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

## Key Business Strategies

### LEVERAGE POLICY

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

### LIQUIDITY MANAGEMENT

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

### ACQUISITION STRATEGY

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

### DISTRIBUTION FRAMEWORK

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

### TRANSPARENT REPORTING

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

## Risk Management and Mitigation

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

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

### a. Delay in collection

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

### b. Inability to offset cost increases

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

### c. Unforeseen changes in regulatory environment

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

### d. Force majeure

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

## Internal Control Systems

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

The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of internal control systems and suggests improvements to further strengthen them.

## Insurance

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

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

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

### Outlook

Over the last six years, IndiGrid's underlying performance has been robust, and it remains well capitalised (post Rights and Public NCD Issue) to grow faster than ever before. Backed by KKR and its investment expertise, we intend to keep the momentum of growing the underlying portfolio as well as enhancing unitholder returns. On the operational front, we continue to make investments in industry-leading technology initiatives to catapult IndiGrid's digital asset management, predictive analytics and emergency preparedness and become self-reliant in project management, going forward, to bring in the operational efficiencies and synergies. IndiGrid's main objective is to continue to ensure a positive impact on India's power connectivity by providing reliable

power, while delivering superior risk-adjusted total returns to its unitholders. The management has guided for an increased distribution to the tune of INR 13.80 per unit for FY2023-24, and we are confident of successfully meeting the guidance

### Cautionary Statement

This document contains statements about expected future events, financial and operating results of IndiGrid, which are forward-looking. By their nature, forward-looking statements require IndiGrid to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of IndiGrid's Annual Report 2022-23.



●●  
**ESG AT INDIGRID**

At IndiGrid, our philosophy of business is deeply intertwined with the principles of sustainable development. We have committed ourselves to the vision of 'Zero Harm' to the Environment, People, and Communities. Our ESG strategy is deeply integrated in our daily operations, ensuring alignment with our environmental, social, and governance commitments across all office and site locations.





**ENVIRONMENT**

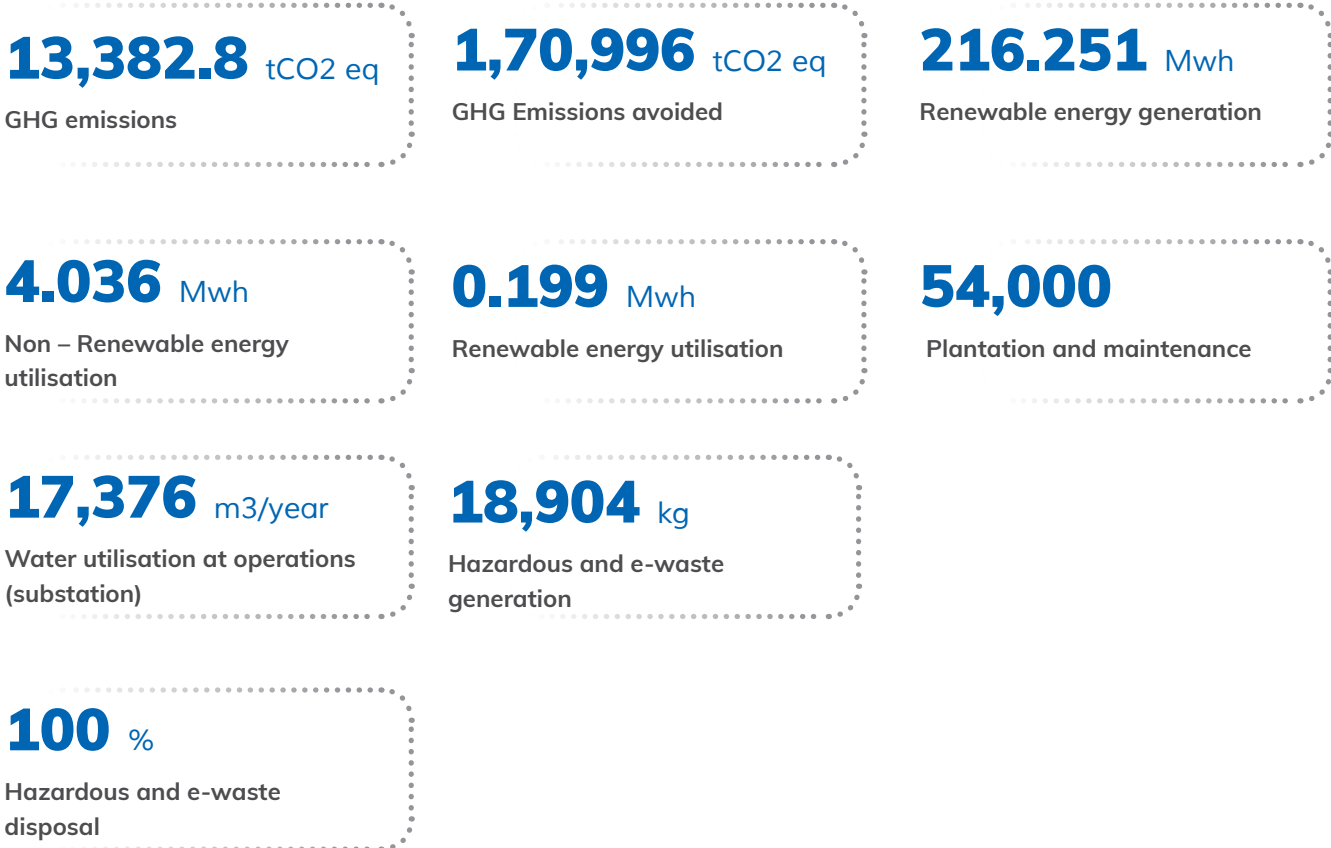
IndiGrid is constantly making efforts to create a balance between Operational Excellence and Environmental Stewardship. We continuously strive to make a positive impact on the environment via monitoring and assessment, and undertaking initiatives aimed at impacting our key focus areas.

**Our Policies**

**ESMS Policy:** Environment and Social Management System Policy (ESMS) document is the parent document encloses all the guidelines necessary to establish ESG systems at IndiGrid.



**Key Performance Indicators (FY2022-23)**



## Our Initiatives

### Emissions and Energy management

We consciously monitor all our operations with their corresponding energy consumption and emissions patterns to identify Initiatives which can help us improve our performance.

#### 1. Installation of Solar Panels

Installed solar panels coupled with Battery Energy Storage Systems across our Bhopal and Dhule substation with generation capacity of 453.6Kwh. Generation through these installations is utilised for meeting the substations' auxiliary power consumption requirements.

#### 2. Increasing Energy efficiency

- 4 Old Air Conditioning units with R22 gas (ozone-depleting substance) replaced with new Air Conditioning units with R32 gas leading to multifold benefit of – increasing power output by 20% and reducing the global warming impact of the units by 2/3rd (global warming potential of R32 is 1/3rd of R22).



- Replaced 400W and 150W High-Pressure Sodium Vapour (HPSV) lamps with 350W Flood Lights and 70W Street Lights respectively. These lights consume low energy while providing superior levels of illumination.

### Water Management

As the global population increases, and resource-intensive economic development continues, the global state of water resources and infrastructure are failing to meet accelerating demand. Climate change is making water scarcity worse. We at IndiGrid believe that constant monitoring is key to judiciously manage our water consumption and identify initiatives to reduce it going forward.

#### 1. Water monitoring systems

Across our offices and sites, we consume water either received through municipal supply or extracted ground water. While the former source is judiciously tracked by the suppliers, for tracking our ground water consumption we have installed water flow meters across 100% of our sites.

In the fiscal FY2022-23, we installed flowmeters at our substations across our assets – Bhopal Dhule Transmission Company Limited (BDTCL) and Jhajjar KT Transco Private Limited (JKTPL) – to achieve 100% coverage.

For the year, our ground water consumption across all site locations stood at 17,376 cubic meters.

#### 2. Water conservation Initiatives

To conserve water across sites, during FY2022-23, we developed a rooftop rainwater harvesting structure at our Bhopal substation of the BDTCL asset. This structure has an annual capacity of 328 cubic meters. We plan to install similar structures across our other locations to augment our water conservation efforts.

### Waste management

It is our constant endeavour at IndiGrid that we adhere to all the prescribed standards of waste disposal while working towards better management and monitoring of waste generation and segregation. We try to streamline all our waste management efforts to achieve maximum efficiency in our generation and disposal processes.

#### 1. Waste segregation and monitoring

We monitor our waste across the following 3 categories:



We have developed and institutionalised robust waste management systems to monitor the generation and disposal of waste properly.

#### 2. Proper waste disposal

IndiGrid has tied up with certified hazardous waste and e-waste handlers for proper disposal of waste generated across our sites and offices.

## Biodiversity management

All IndiGrid's assets are based in remote locations where they interact with the native flora and fauna on a daily basis. Hence it is critical that we are contributing positively to the biodiversity quotient across our sites.

### 1. Environmental Social Due Diligence (ESDD)

IndiGrid undertook an environmental and social due diligence exercise across 10 selected assets to develop a gap analysis and identify variances between our set ESMS standards and the on-ground environmental and social performance of these assets.

The outcome report of ESDD serves as a guideline for us for developing an E&S action plan that outlines the activities required to meet ESMS compliance standards.

### 2. Critical Habitat Assessment (CHA)

We undertook Critical Habitat Assessment (CHA) across 6 of our major assets to determine if any of our assets are located around a habitat of significance for any endemic, congregatory or migratory species, threatened or unique ecosystems, and key evolutionary processes. None of our assets were found to be located near any of the above-mentioned categories of species, ecosystems and/or processes.

Going forward, we plan to undertake similar assessments for our other assets to ensure awareness and corrective actions wherever necessary.

### 3. Biodiversity Action Planning Assessment (BAP)

IndiGrid is in process of completing Biodiversity Action Planning assessment for 5 of our major assets to identify and prepare an action plan to conserve the biodiversity and natural habitats around these assets.



### 4. Plantation

#### (i) Miyawaki forestation

We planted 50,000 saplings using the well-known Miyawaki technique at our JKTP asset. The benefits of the Miyawaki forestation technique are many-fold. It not only emphasises on a completely chemical fertilizer free forest that sustains itself and supports local biodiversity, but also has at least 30 times carbon-dioxide absorption capability compared to a conventional forest. IndiGrid has taken up the full responsibility of maintenance until the forest is self-sustaining.

#### (ii) Greening the workplace

We planted over 2,000 saplings across multiple site locations to improve our emission management efforts. Responsibility of maintenance of all these plantations also lies with IndiGrid and is being performed regularly.

#### (iii) Fruit Orchard

IndiGrid planted over 2,000 fruit bearing trees of various species at our JKTP asset across different locations. Additionally, we have implemented a drip irrigation system to consistently meet the moisture needs of these plants. We have tied up with an external maintenance partner to ensure required upkeep of the facility. Yields from these orchards started from summers of 2023 and are available for the consumption of locals.





**SOCIAL**

IndiGrid cares about developing a meaningful and engaging environment for its employees, stakeholders, and the communities that it operates within, by building a 'ZERO HARM' culture. IndiGrid has a presence across the length and breadth of the country and with such great presence, we are mindful of the societal impact that we can bring through our initiatives.

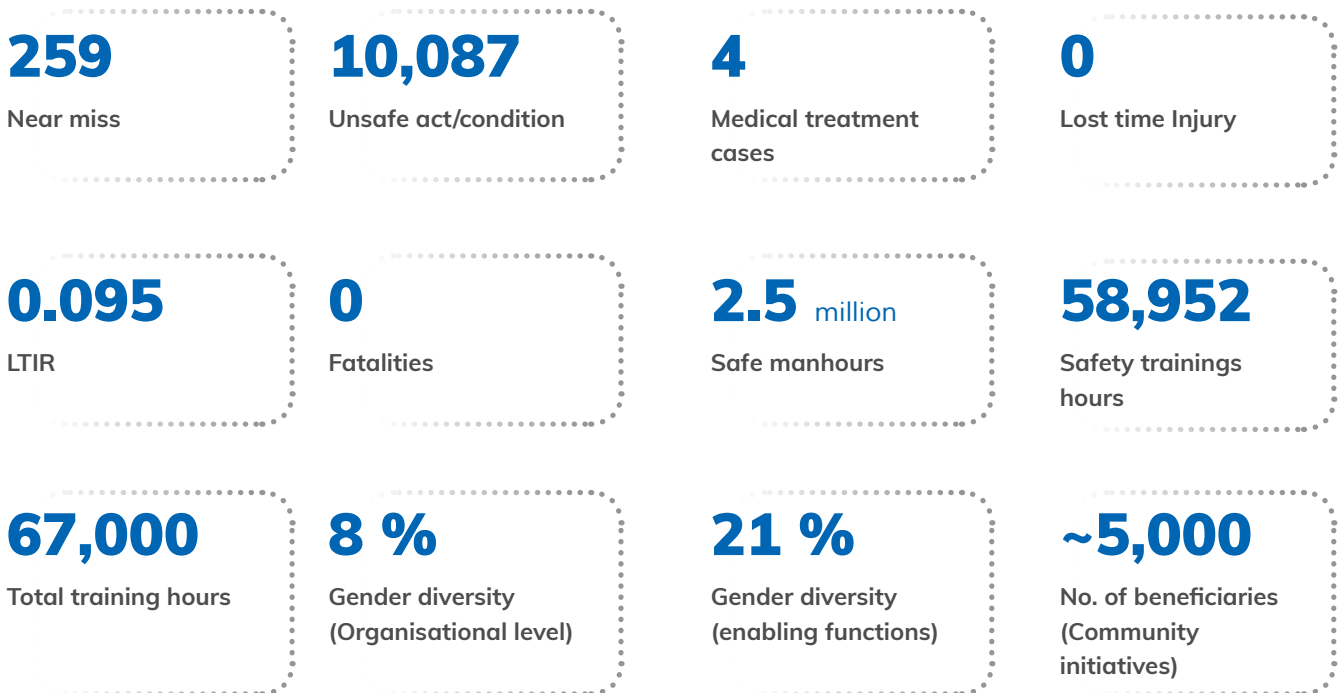
**Our Policies**

**HSE Policy:** Health Safety and Environment policy contains commitment towards adoption of best-in-class practices to make IndiGrid safe workplace for everyone.

**Diversity, Equity and Inclusion policy:** DE&I highlights our commitment for providing equal opportunities within the organisation and creating an inclusive work environment enabling us to attract, retain and engage with diverse talents.



**Key performance Indicators**





## Employee Health and Safety

We at IndiGrid operate with a 'Zero Harm' approach towards our people, environment, and communities that we function around. Our endeavour is to adopt the best-in-class practices and we advocate risk-based HSE culture across the organisation and for our stakeholders.

NOC Completed for sub stations:

**45 %**

Fire

**100%**

Building

**100%**

CGWA

**90%**

DG

### 1. Best-in-class practices across organisation

- a. **Policies and Processes:** Developed and rolled-out detailed HSE policy, framework, manual, and SOPs across all sites to ensure compliance to our health and safety standards.
- b. **Top-down drive:** Periodic review by company leadership of HSE performance metrics and planned improvements.
- c. **HSE checklist:** HSE checklist provided to all the assets to ensure easy adherence to safety standards.

### 2. Robust Hazard Identification and Risk mitigation

- a. Geography-based risk assessment to identify risks specific to varying climatic conditions and terrains unique to IndiGrid's different assets. The teams across assets then equipped with suitable tools and trainings to handle emergency conditions.
- b. Asset specific Emergency Preparedness and Response Plan (EPRP) plans developed.
- c. Snake bite protector and snake antivenom kit made available across substations.

Alcohol testing, vehicle compliance tracking, defensive driving training, and driver medical check-ups undertaken across assets to ensure road safety.



### 3. Culture of safety and wellbeing

- a. Trainings and awareness sessions organised to encourage employees to report incidents and near-miss.
- b. Tool-box talks at each site before initiation of activities.
- c. PPE standardisation across all assets.
- d. Tower Hook Safety harness & Rescue Kit across all sites.
- e. Regular internal inspections performed by regional managers and other senior members to ensure safe working environment.
- f. Expert led specialised trainings: height safety, electrical safety, fire safety.
- g. Acrophobia test before deploying any workforce at jobs requiring work at heights.
- h. In FY 2023, IndiGrid has deployed:

**57000+**

training manhours

**200+**

first aiders certified

**40 +**

defensive drivers certified

#### 4. Continuous improvement and sustenance

a. To improve the process of data collection, monitoring, and assessment IndiGrid has digitised its systems for:

- Incident reporting
- Concern reporting
- Audits and Surveys
- Scorecard generation
- Accident Investigation

Digitisation of EHS processes is expected to improve the efficiency, accuracy, tracking and implementation of better measure at IndiGrid.

#### Employee Well-being

Irrespective of the industry, effective management of a Company's Human Capital is crucial to its long-term success. At IndiGrid, we focus on people management to attract, retain and develop future leaders through widespread, targeted and individual interventions. We also strive to create a motivating and energising workplace for all employees to contribute towards their development and foster an environment of trust, openness and excellence.

##### 1. Ensuring Physical and Promoting Mental Well-being

- **Insurance:** 100% of our employees have term insurance and accidental coverage. 100% of our employees along with 5 of their respective dependents are covered under the Group Medclaim coverage.
- **Wellbeing Sessions:** Various sessions like pranic healing, mental wellness, women health and hygiene, maintaining cardiac health conducted regularly.

##### 2. Employee Engagement, Training and Upskilling

The need to engage our talent and grow them is one of the key drivers of our growth and also a way to address the risk of losing talent as part of addressing enterprise risk management (ERM). INDIGROW is our comprehensive engagement model to build our people capability and enhance employee experience. IndiGrow covers broadly 5 areas of intervention as mentioned below.

Onboard	IndiGrid Values: i-Care	Managerial Skills	Technical Skills	Grow Within
Pre-onboarding	Integrity	Curiosity	Operations Skills	GET SPARK Program
Mandatory Training	Collaboration	Result Orientation	Commercial Skills	Internal Jobs (IJP)
Safety Induction	Agility	Decision Making	Regulatory Skills	Job Rotations
Functional Induction	Reliability	Stakeholder Ecstasy	Finance Skills	Job Enrichment
Immersion Module	Excellence	Impact & Influence	Contracting Skills	Key Projects
		Leadership		

On a consistent basis, we continue to engage with specialised external trainers to provide multiple avenue of technical and managerial trainings to our employees:



- **Flexible work hours and Time-Off:** IndiGrid continues to operate in hybrid mode, at corporate offices, where our employees can work from home few days every week. We also provide flexible working hours and various categories of leaves (sick, maternity, paternity, bereavement etc.) for our employees to avail to ensure their physical and mental well-being.
- **Enabling easy access to health:** Digital application based employee wellness program has been deployed to support employees to setup doctors' appointments, receive tele consultation, get discounts on medical bills, and free OPD services for self. through our partner network. There is strong coverage with more than 60% employees using various services under the application
- **First-aid camps:** Two days first-aid camps were organised at various assets with sessions like performing CPR, first aid methodologies, responding to an emergency condition etc. which created 142 certified first-aiders across assets and offices.

- o >50% engineers participated in Tata Power Technical Program
- o ~60% technicians and fitters participated in power sector Skills Council Program

## Diversity, Equity and Inclusion

A workplace that appreciates and respects the diversity of its employees and promotes equity and inclusion irrespective of their varied views and backgrounds are more likely to earn deeper trust and more commitment from their employees. It is our constant endeavour at IndiGrid to uplift our work culture by engraining the spirit of inclusivity across levels.

### 1. Implementation of DE&I policy

IndiGrid rolled out its DE&I policy solidifying our commitment to create a diverse and inclusive workplace where everyone can fully participate and be valued for their distinctive skills and experiences.

The purpose of this policy is to ensure that all job applicants, employees (on-roll and off-roll) receive favourable treatment and are not unlawfully discriminated on grounds of gender, civil status, family status, sexual orientation, religion, age, disability, race, and others.

### 2. Gender diversity

Promoting gender diversity is a key objective for the senior management of IndiGrid and the HR team is constantly working towards launching policies and programs to encourage gender diversity. For example:

Employees receive higher referral benefits for referring female candidates



In leadership positions at IndiGrid, there is a gender diversity of

**27.3%**

## Community Engagement

IndiGrid works extensively with the local communities in and around our assets as we believe in driving building a symbiotic relationship to drive mutual growth. Our on-site teams spend time with the locals communities to identify their needs and areas of collaboration.

All of IndiGrid's Corporate Social Responsibility efforts are aligned under the following four themes:

- 

**Promoting Healthcare**
- 

**Promoting Education**
- 

**Rural Development**
- 

**Green Initiatives**

All our CSR efforts this year contributed to seven UN Sustainable Development Goals

 <p>2 ZERO HUNGER</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>4 QUALITY EDUCATION</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>
 <p>13 CLIMATE ACTION</p>		

## 1. Promoting Healthcare

IndiGrid provided infrastructural support to many hospitals across its assets to improve the quality of healthcare services for the communities.

- Setup an air conditioner and hot water geyser inside the labor room of the public health center at Lephripara near our OGPTL asset
- Provided ambulance for emergency purposes to the local healthcare centre at Rajouri
- Provided healthy mid-day meals to kids in Biwandi near our BDTCL asset
- Organised health check-up camps at various locations: Palwal, Jeerapur, and Garhiwazidpur



### Healthcare Beneficiaries

Communities living in more than

**5** villages

More than **500** people received medical support through camps.

Healthy mid-day meal for

**~550** children

## 2. Promoting Education

IndiGrid's CSR project – EduGrid – is aimed at promoting quality education and is focusses on

- (1) Improving the school infrastructure around various parts of Tripura
- (2) Upskilling teaching staff to improve learnings
- (3) Creating tools and solutions for multimodal support to teachers.

Some of the initiatives deployed by IndiGrid through EduGrid during the fiscal:

- Smart Classrooms set up in Sepahijala and West Tripura districts aided with digital infrastructure to improve learning experience for students
- Deployed Pragyan mobile application – a digital tool for supporting teachers with teaching ideas, worksheets, student facing videos etc. to upskill teachers and enhance teaching practices
- Workshops conducted for teachers for developing understanding of competency based teaching learning and assessment, introduction to Pragyan App and its usage, qualities of a facilitator, use of tech tools for teaching and learning process, session planning & designing etc

- Developed a repository of Student Videos in local tribal language of Kokborok in accordance with NEP 2020 to promote learning for tribal students



Other Initiatives:

- Provided infrastructural support to various schools around our assets in form of chair, desks, colour printers, fans etc
- Distributed stationary items like books, note-books, pen, pencil, schoolbags, crayons at various government schools

**100** Smart Classrooms setup

**98** participants from 8 districts joined in teacher training workshops



**3. Promoting Rural Development**

Working towards the development of rural infrastructure and to contribute to the growth of rural parts of country.

- Developed an approach road for farmers for their agricultural land which was otherwise obstructed by dam back water at Kadpa Galiveedu
- Distributed 100 pesticide sprayers at Tendukheda, to support farmers to protect their yield
- Installed 10 solar streetlights at Huzur & Rasla Khedi Village and renovated tehsil office at Dhule Songir, near our BDTCL asset

**4. Green Initiatives**

Undertaking green initiatives to contribute positively to the local environment near our assets:

- Distributed more than 1,000 jute bags in various villages at Punjab to reduce single-use plastic consumption.
- Distributed Iron tree guards at Dhule to promote plantation protection





## GOVERNANCE

Our values govern – doing the right thing, the right way. We are dedicated to the highest standards of personal and corporate conduct, and we align our architecture by embedding the principles of good governance in our business. We are also driven by nurturing an open and transparent culture at the core.

We are committed towards the adoption of best corporate governance practices that goes beyond compliance with the applicable laws and have been rated as one of the best Corporate Governance practices among our peer group.

### Our Policies/Codes

- Policy on Vendor Selection & Evaluation
- Policy on Material Subsidiaries
- Code of Ethical Business Conduct
- Borrowing Framework
- Borrowing Policy
- Distribution Policy
- Nomination and Remuneration Policy
- Policy for Determining Materiality of Information
- Policy on Appointment of Auditor and Valuer
- RPT Policy
- Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons
- Internal Audit Framework
- Framework on Succession Planning
- Auditor's Engagement Framework
- Investor Grievance Redressal Policy
- Document Archival Policy

### Key Focus Areas

Code of Conduct

Corporate Behaviour

Business Ethics



## Code of Ethical Business Conduct

The Code of Ethical Business Conduct ("Code of Conduct") is a reference document outlining the standard of conduct for India Grid Trust (IndiGrid), IndiGrid Investment Managers Limited (IIML), and affiliates of both these entities (together referred to as the 'Group') and for the directors, officers, employees, contractors, suppliers, or any other third-party intermediaries of the Group entities (together referred to as 'Associates'). The Code of Conduct provides a detailed roadmap and primary reference point for the Group and Associates, on questions pertaining to business ethics and integrity. It provides support for decision making on ethical questions faced from time to time. It protects the Group's reputation in case of a breach by an individual employee. It is defined by our core values and complements our policies and rules.

### Key aspects of Conduct

Following are few of the key aspects or areas covered under the Code of Conduct:

- Compliance with the Law
- Relationship with Customers, Business Partners, Competitors, Government & Regulator
- Anti-trust And Fair Competition Accounting and Payment Practices Gifts and Donations
- Fraud, Misconduct and Money Laundering
- Brand Use and Protecting Confidential Information Conflicts of Interest
- Insider Trading and Information Barriers Prevention of Sexual Harassment Environment, Health and Safety
- Use of social media Whistle-Blower Cases
- Anti-Corruption Compliance Policy

### Governance - Key actions & deliverables

- New Policy on Third-Party Business Partner Engagement Procedures has been rolled out
- Quarterly Declarations from all Function Heads for all material interactions with Government Officials/ Authorities, is being taken
- Training Module on Prevention of Sexual Harassment has been rolled out for all employees
- Training Modules on Code of Conduct (including Anti Bribery & Anti-corruption, and Insider Trading), Information Security, and Whistle Blower is targeted to be rolled out
- Training for (a) vendors on Code of Conduct, and (b) regional managers (in the form of a 'train the trainer' session), is targeted to be rolled out
- Monthly posts/communications on provision under Code of Conduct with respect to pre-approvals, expense disclosures & general guidelines for Gifts, Donations and Contributions, is shared with all employees
- Regular review of pre-approval requests sent to Compliance Officer for proposed expenses with respect to Government Officials & other external stakeholders, issuance of approvals & maintenance of register for such expenses, is undertaken









# CORPORATE GOVERNANCE

## YEAR IN REVIEW: FY 2022-23

<b>April</b> 2022	<b>Credit Rating Agencies (CRISIL &amp; ICRA) have re-affirmed their ratings (April 8, 2022)</b>
<b>May</b> 2022	<p><b>Mr. Harsh Shah has resigned as Chief Executive Officer and Whole-time Director with effect from June 30, 2022 and Mr. Jyoti Kumar Agarwal elevated to the new Chief Executive Officer and Whole-time Director of the Company in addition to CFO with effect from July 01, 2022 (May 6, 2022)</b></p> <p><b>Outcome of Board Meeting (May 20, 2022)</b></p> <ul style="list-style-type: none"> <li>• Approved Audited Standalone &amp; Consolidated Financial Information of India Grid Trust for the quarter and financial year ended on March 31, 2022 along with Audit reports.</li> <li>• Declared distribution of ₹ 3.1875 per unit comprising ₹ 2.5508 in the form of Interest, and ₹ 0.6367 per unit in the form of Principal payment for Q4 FY22.</li> <li>• Approved appointment of Ms. Divya Bedi Verma as the Chief Financial Officer of IIML with effect from July 1, 2022 in place of Mr. Jyoti Kumar Agarwal</li> <li>• Approved raising ₹ 7 Billion through various sources including term loans, non-convertible debentures and/ or any other mode</li> <li>• Approved appointment of Mr. Pradhan Dass as a Registered Valuer (IBBI registration number IBBI/RV/06/2022/14558) of IndiGrid subject to the approval of the Unitholders, to undertake all valuation related assignments which are required to be conducted by a Registered Valuer for the financial year 2022-23</li> </ul> <p><b>Published Valuation Report for the financial year ended March 31, 2022 (May 20, 2022)</b></p> <p><b>IndiGrid has received a disclosure from Mr. Harsh Shah regarding purchase of IndiGrid units (0.004%) (May 31, 2022)</b></p>
<b>June</b> 2022	<p><b>Issued Notice convening 5<sup>th</sup> Annual General Meeting (AGM) of India Grid Trust (June 28, 2022)</b></p> <p><b>Published Annual Report for the financial year 2021-22 (June 28, 2022)</b></p> <p><b>Advertisement published regarding 5<sup>th</sup> AGM of IndiGrid (June 29, 2022)</b></p>

## YEAR IN REVIEW: FY 2022-23 (Contd.)

<p><b>July</b> 2022</p>	<p><b>Outcome of Board Meeting (July 26, 2022)</b></p> <ul style="list-style-type: none"> <li>Approved Unaudited Standalone and Consolidated Financial Information of India Grid Trust for the quarter ended on June 30, 2022 along with Limited Review Reports.</li> <li>Declared distribution of ₹ 3.3 per unit comprising ₹ 3.0556 per unit in the form of interest and ₹ 0.2444 per unit in the form of Principal payment for Q1FY23.</li> <li>Noted resignation of Mr. Swapnil Patil as the Company Secretary of IIML and Compliance Officer of IndiGrid with effect from July 31, 2022 due to personal reasons.</li> <li>Approved appointment of Mr. Urmil Shah as the Company Secretary of IIML and also designated him as the Compliance Officer of IndiGrid with effect from August 01, 2022.</li> </ul> <p><b>Published Valuation Report for the quarter ended June 30, 2022 (July 26, 2022)</b></p> <p><b>Outcome of 5<sup>th</sup> AGM of IndiGrid held through video conferencing (July 26, 2022)</b></p> <ul style="list-style-type: none"> <li>Adopted audited standalone financial statements and audited consolidated financial statements of IndiGrid as at and for the financial year ended on March 31, 2022 together with the report of the auditors thereon for the financial year ended on March 31, 2022 and the report on performance of IndiGrid</li> <li>Adopted valuation report issued by Mr. S Sundararaman, independent valuer for the valuation of the special purpose vehicles as on March 31, 2022</li> <li>Appointed Mr. Pradhan Dass, Chartered Accountant, bearing IBBI registration number IBBI/RV/06/2022/14558 as the valuer of India Grid Trust</li> <li>Approved appointment of Mr. Jyoti Kumar Agarwal as a Chief Executive Officer and Whole-time Director of Investment Manager</li> </ul> <p><b>Signed share purchase agreement on July 30, 2022 for acquisition of 100% shareholding and economic interest, in one or more tranches, in Raichur Sholapur Transmission Company Private Limited from Patel Engineering Limited (owning 33.34% stake), Simplex Infrastructures Limited (owning 33.33% stake) and BS Limited (owning 33.33% stake) (July 30, 2022)</b></p>
<p><b>August</b> 2022</p>	<p><b>Mr. Jyoti Kumar Agarwal resigned as Chief Executive Officer and Whole-time Director of IndiGrid Investment Managers Limited ("the Company"), Investment Manager of India Grid Trust ("IndiGrid") effective September 30, 2022 due to personal reasons. (August 19, 2022)</b></p> <p><b>Mr. Harsh Shah was appointed as the Chief Executive Officer and Whole-time Director of IndiGrid Investment Managers Limited ("the Company"), Investment Manager of India Grid Trust ("IndiGrid"), with effect from August 30, 2022. (August 29, 2022)</b></p>
<p><b>October</b> 2022</p>	<p><b>Postal Ballot Notice sent to the Unitholders (October 28, 2022)</b></p> <p><b>Remote E-voting facility with respect to Postal Ballot started (October 29, 2022)</b></p>

<b>November</b> 2022	<p><b>Completed the acquisition of 100% of paid-up capital and management control of "Raichur Sholapur Transmission Company Private Limited (November 10, 2022)</b></p> <p><b>Outcome of Board Meeting (November 10, 2022)</b></p> <ul style="list-style-type: none"> <li>• Approved Un-audited standalone and consolidated financial results for quarter and half year ended on September 30, 2022 along with limited review reports.</li> <li>• Declared a distribution of INR 3.30 per unit comprising INR 3.1137 per unit in the form of Interest and INR 0.18630 per unit in the form of Principal payment.</li> <li>• Raising debt upto INR 1550 crores through various sources including term loans, nonconvertible debentures and/or any other mode as may be permitted under applicable law.</li> </ul> <p><b>Published Valuation Report the quarter ended September 30, 2022 (November 10, 2022)</b></p> <p><b>Published Half Yearly Report for the half year ended September 30, 2022 (November 14, 2022)</b></p> <p><b>Remote E-voting facility with respect to Postal Ballot ended (November 28, 2022)</b></p> <p><b>Result of the Postal Ballot announced (November 28, 2022)</b></p> <ul style="list-style-type: none"> <li>• Considered and approved appointment of Mr. Harsh Shah as a Chief Executive Officer and Whole-time Director of Investment Manager and related matter thereto</li> </ul> <p><b>Scrutinizer's Report on Postal Ballot published (November 28, 2022)</b></p>
<b>December</b> 2022	<p><b>IndiGrid signed framework agreement with GR Infraprojects Limited for acquisition of "Rajgarh Transmission Limited" upon its Commercial Operation Date. (December 21, 2022)</b></p> <p><b>Completion of tenure of Mr. Rahul Asthana as an Independent Director. (December 26, 2022)</b></p>
<b>January</b> 2023	<p><b>Ms. Divya Bedi Verma has resigned as Chief Financial Officer (CFO) of IndiGrid Investment Managers Limited (January 09, 2023)</b></p> <p><b>Signed share purchase agreement on January 21, 2023 for acquisition of 100% shareholding and economic interest, in one or more tranches, in Khargone Transmission Limited from Sterlite Power Transmission Limited. (January 22, 2023)</b></p> <p><b>Postal Ballot Notice sent to the Unitholders (January 24, 2023)</b></p> <p><b>Remote E-voting facility with respect to Postal Ballot started (January 25, 2023)</b></p> <p><b>Outcome of Board Meeting (January 25, 2023)</b></p> <ul style="list-style-type: none"> <li>• Approved Un-audited standalone and consolidated financial results for quarter ended on December 31, 2022 along with limited review reports.</li> <li>• Declared a distribution of INR 3.30 per unit comprising INR 2.8042 per unit in the form of Interest and INR 0.4958 per unit in the form of Principal payment.</li> <li>• Raising debt upto INR 3700 crores for refinancing opportunities through various sources including term loans, non-convertible debentures and/or any other mode as may be permitted under applicable law.</li> </ul> <p><b>Published Valuation Report the quarter ended December 31, 2022 (January 25, 2023)</b></p>
<b>February</b> 2023	<p><b>Remote E-voting facility with respect to Postal Ballot ended (February 23, 2023)</b></p> <p><b>Result of the Postal Ballot announced (February 24, 2023)</b></p> <ul style="list-style-type: none"> <li>• Approved proposed acquisition of Khargone Transmission Limited and matters related thereto</li> </ul> <p><b>Scrutinizer's Report on Postal Ballot published (February 24, 2023)</b></p>

## YEAR IN REVIEW: FY 2022-23 (Contd.)

<b>March</b> 2023	<b>Completed the acquisition of 49% of paid-up capital and management control of Khargone Transmission Limited from Sterlite Power Transmission Limited. (March 02, 2023)</b>
<b>April</b> 2023	<b>Credit Rating Agencies (ICRA and CRISIL) reaffirmed their ratings (April 17, 2023)</b> <b>Appointed Mr. Navin Sharma as the Chief Financial Officer w.e.f. April 19, 2023.</b> <b>India Ratings &amp; Research Private Limited reaffirmed its rating (April 26, 2023)</b>
<b>May</b> 2023	<p><b>Outcome of Board Meeting (May 12, 2023)</b></p> <ul style="list-style-type: none"> <li>• Approved audited standalone and consolidated financial information for the financial year ended on March 31, 2023 along with the audit reports.</li> <li>• Declared a distribution of INR 3.45 per unit comprising INR 2.5344 per unit in the form of Interest, INR 0.2848 per unit in the form of Dividend (wherein INR 0.0257 is taxable, and INR 0.2591 is non-taxable) and INR 0.5853 per unit in the form of Principal payment and INR 0.0455 per unit in the form of Other Income.</li> <li>• Proposed acquisition of 100% of units in Virescent Renewable Energy Trust and matters related thereto, subject to approval of the unitholders, approvals of relevant regulatory authorities and execution and closing of the related definitive agreements.</li> <li>• Raising debt upto INR 4,250 crores through various sources including term loans, non-convertible debentures and/or any other mode as may be permitted under applicable law.</li> <li>• An enabling resolution to raise capital upto an aggregate value not exceeding INR 1,500 crore, subject to receipt of necessary approvals from statutory, regulatory and other authorities as applicable, including but not limited to by way of issue of Units of IndiGrid to its eligible Unitholders on a right basis ('Rights Issue') or Preferential Issue or institutional placement and/or any other mode, in accordance with the applicable provisions of the InvIT Regulations and other applicable laws.</li> <li>• Amendment to the Investment Management Agreement in relation to IndiGrid Investment Managers Limited, subject to approval of the unitholders and execution of the definitive agreement.</li> <li>• De-classification of status of Sterlite Power Transmission Limited as a Sponsor subject to approval of Unitholders of IndiGrid and approvals of relevant regulatory authorities.</li> </ul> <p><b>Published Valuation Report for FY 2022-2023 (May 12, 2023).</b></p> <p><b>Executed unit purchase agreement(s) dated May 12, 2023 for acquisition of 100% of the units of Virescent Renewable Energy Trust ("VRET"), in one or more tranches, from the unitholders of VRET.</b></p> <p><b>Executed share purchase agreement(s) dated May 12, 2023, for acquisition of 100% of the equity shares of Virescent Infrastructure Investment Manager Private Limited ("Virescent IM") along with its wholly owned subsidiary, Virescent Renewable Energy Project Manager Private Limited ("Virescent PM"), in one or more tranches and from the shareholders of the Virescent IM.</b></p> <p><b>EGM Notice sent to the Unitholders (May 15, 2023)</b></p> <p><b>Credit Rating Agencies (ICRA, CRISIL and India Ratings) reaffirmed their ratings (May 24, 2023)</b></p> <p><b>IndiGrid has received a disclosure from Mr. Navin Sharma, the Chief Financial Officer of IndiGrid Investment Managers Limited (the Investment Manager of IndiGrid) regarding the purchase of IndiGrid units by his immediate relative (May 31, 2023)</b></p>

**June**  
2023**E-voting facility with respect to EGM started (June 03, 2023)****E-voting facility with respect to EGM ended (June 05, 2023)****Outcome of EGM of IndiGrid held through video conferencing (June 06, 2023)**

- Approved proposed acquisition of units of Virescent Renewable Energy Trust and matters related thereto
- Approved proposed acquisition of shares of Virescent Infrastructure Investment Manager Private Limited along with its wholly owned subsidiary, Virescent Renewable Energy Project Manager Private Limited and matters related thereto.
- Considered and approved amendment and/or restatement in the Investment Management Agreement
- Granted omnibus approval for Capital Raising
- Considered and approve de-classification of status of Sterlite Power Transmission Limited as a Sponsor

**IndiGrid has received a disclosure from Mr. Harsh Shah, the CEO & Whole-time Director of IndiGrid Investment Managers Limited (the Investment Manager of IndiGrid) regarding the purchase of IndiGrid units (June 12, 2023)****IndiGrid has received a disclosure from Mr. Navin Sharma, the Chief Financial Officer of IndiGrid Investment Managers Limited (the Investment Manager of IndiGrid) regarding the purchase of IndiGrid units (June 13, 2023)****IndiGrid has received a disclosure from Ms. Meghana Pandit, the Chief Investment Officer of IndiGrid Investment Managers Limited (the Investment Manager of IndiGrid) regarding the purchase of IndiGrid units (June 20, 2023)**

# CORPORATE GOVERNANCE REPORT



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

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

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

## IndiGrid has a three-tier governance structure:

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

## BOARD OF DIRECTORS

In order to maintain independence of the Investment Manager, IndiGrid Investment Managers Limited has a judicious combination of Executive Director, Non-Executive and Independent Directors ("the Board"). As on date, the Board comprised Six (6) directors including one (1) Whole-time Director, two (2) Non-Executive Director and three (3) Independent Directors. The Whole-time Director also serves as the Chief Executive Officer of the Investment Manager. The Chief Executive Officer takes a lead role in facilitating effective communication among Directors. The Chief Executive Officer is responsible for corporate strategy and all management matters. The Board composition is in conformity with the provisions of the SEBI InvIT Regulations and Companies Act, 2013. All Directors are astute professionals coming from varied backgrounds possessing rich experience and expertise. All the Directors attended majority of board and committee meetings held during the period under review. The detailed profile of all Directors can be viewed in this report and also on the IndiGrid's website at <https://www.indigrid.co.in/about-us/investment-manager/board-of-directors>.

### Composition of the Board of Directors of Investment Manager

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

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

### Board Committees

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

## INVESTMENT COMMITTEE

### Composition

The Investment Committee comprises of the board of directors of the Investment Manager. The Chairperson of the Committee is Independent Director. The company secretary of the Investment Manager act as the secretary to the Investment Committee. The composition and the Quorum of the Investment Committee is in compliance with the SEBI InvIT Regulations and SEBI LODR Regulations.

The composition of the Investment Committee is as follows:

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

### Terms of reference of the Investment Committee

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

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

### Meeting

Seven Investment Committee meetings were held during the year ended March 31, 2023, on April 05, 2022, May 20, 2022, June 22, 2022, October 03, 2022, November 10, 2022, January 25, 2023, and March 13, 2023. The necessary quorum was present for all the meetings.

## AUDIT COMMITTEE

### Composition

The Audit Committee comprises of the board of directors of the Investment Manager. The chairperson of the Audit Committee is independent director. All members of the Audit Committee are financially literate, and Chairperson of the Committee have accounting and related financial management expertise. The company secretary of the Investment Manager shall act as the secretary to the Audit Committee. The composition and the Quorum of the Audit



## CORPORATE GOVERNANCE REPORT (Contd.)

Committee is in compliance with the SEBI InvIT Regulations and SEBI LODR Regulations.

The composition of the Audit Committee is as follows:

Name of Committee Members	Category
Mr. Tarun Kataria	Chairperson
Mr. Ashok Sethi	Member
Ms. Jayashree Vaidhyanathan	Member
Ms. Ami Momaya	Member

**Terms of reference of the Audit Committee**

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

- Provide recommendations to the board of directors regarding any proposed distributions;
- Overseeing IndiGrid's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible
- Giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of IndiGrid and the audit fee, subject to the approval of the unitholders;
- Reviewing and monitoring the independence and performance of the statutory auditor of IndiGrid, and effectiveness of audit process;
- Approving payments to statutory auditors of IndiGrid for any other services rendered by such statutory auditors;
- Reviewing the annual financial statements and auditor's report thereon of IndiGrid, before submission to the board of directors for approval, with particular reference to
  - changes, if any, in accounting policies and practices and reasons for such change;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions; and
  - qualifications in the draft audit report;
- Reviewing, with the management, all periodic financial statements, including but not limited to half-yearly and annual financial statements of IndiGrid before submission to the board of directors for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue of units by IndiGrid (public issue, rights issue, preferential issue, etc.) and the statement of funds utilised for purposes other than those stated in the offer documents/ notice, and making appropriate recommendations to the board of directors for follow-up action;
- Approval or any subsequent modifications of transactions of IndiGrid with related parties including, reviewing agreements or transactions in this regard;
- Scrutinizing loans and investments of IndiGrid;
- Reviewing all valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;
- Evaluating financial controls and risk management systems of IndiGrid;
- Reviewing, with the management, the performance of statutory auditors of IndiGrid, and adequacy of the internal control systems, as necessary;
- Reviewing the adequacy of internal audit function if any of IndiGrid, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing the findings of any internal investigations in relation to IndiGrid, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board of directors;
- Reviewing the procedures put in place by the Investment Manager for managing any conflict that may arise between the interests of the unitholders, the parties to IndiGrid and the interests of the Investment Manager, including related party transactions, the indemnification of expenses or liabilities incurred by the Investment Manager, and the setting of fee or charges payable out of IndiGrid's assets;
- Discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/ valuation discussion to ascertain any area of concern;
- Reviewing and monitoring the independence and performance of the valuer of IndiGrid;
- Giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the valuer of IndiGrid;

## CORPORATE GOVERNANCE REPORT (Contd.)

20. Evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the SPVs to IndiGrid and payments to any creditors of IndiGrid or the SPVs, and recommending remedial measures;
21. Management's discussion and analysis of financial condition and results of operations;
22. Reviewing the statement of significant related party transactions, submitted by the management;
23. Reviewing the management letter/letters of internal control weaknesses issued by the statutory auditors; and
24. Formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.

### Meeting

Five Audit Committee meetings were held during the year ended March 31, 2023, on May 20, 2022, July 26, 2022, November 10, 2022, November 30, 2022, and January 25, 2023. The necessary quorum was present for all the meetings.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

### Composition

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

The Chairperson of the Committee is Independent Director. The company secretary of the Investment Manager act as the secretary to the Stakeholders' Relationship Committee. The composition and the Quorum of the Stakeholders Relationship Committee is in compliance with the SEBI InvIT Regulations and SEBI LODR Regulations. The composition of the Stakeholders' Relationship Committee is as follows:

Name of Committee Members	Category
Mr. Ashok Sethi	Chairperson
Ms. Jayashree Vaidhyanathan	Member
Ms. Ami Momaya	Member

### Terms of reference of the Stakeholders' relationship Committee

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

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

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

### Meeting

Four Stakeholders' Relationship Committee meetings were held during the year ended March 31, 2023, on May 20, 2022, July 26, 2022, November 10, 2022, and January 25, 2023. The necessary quorum was present for all the meetings.

## NOMINATION AND REMUNERATION COMMITTEE

### Composition

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

The chairperson of the committee is an Independent Director. The company secretary of the Investment Manager act as the secretary to the Committee. The composition and the Quorum of the Nomination & Remuneration Committee is in compliance with the SEBI InvIT Regulations and SEBI LODR Regulations. The composition of the Nomination and Remuneration Committee is as follows:

Name of Committee Members	Category
Ms. Jayashree Vaidhyanathan	Chairperson
Mr. Tarun Kataria	Member
Mr. Ashok Sethi	Member

### Terms of reference of the Nomination and Remuneration Committee

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

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Investment Manager a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (iii) Devising a policy on board diversity;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior

## CORPORATE GOVERNANCE REPORT (Contd.)

management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and evaluation of director's performance;

- (v) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (vi) Carrying out any other function as prescribed under applicable law;
- (vii) Endeavour to appoint new key employee to replace any resigning key employee within six months from the date of receipt of notice of resignation and recommend such appointment to the Board, if necessary; and
- (viii) Performing such other activities as may be delegated by the board of directors of the Investment Manager and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

**Meeting**

Five Nomination and Remuneration Committee meetings were held during the year ended March 31, 2023, on May 06, 2022, May 20, 2022, July 26, 2022, August 22, 2022, and January 04, 2023. The necessary quorum was present for all the meetings.

**ALLOTMENT COMMITTEE****Composition**

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

The composition of the Allotment Committee is as follows:

Name of Committee Members	Category
Mr. Ashok Sethi	Chairperson
Mr. Tarun Kataria	Member
Ms. Ami Momaya	Member
Mr. Harsh Shah	Member

**Terms of reference of the Allotment Committee**

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

1. To approve the terms of units, debentures and all types of permitted securities through preferential issue, private placement, rights issue, qualified institutional placements;
2. To approve issue, subscription, allotment of units, debentures and all types of permitted securities to eligible investors and/or identified investors
3. To approve opening of issue, terms of issue, floor price, issue price, application form, offer document/

placement document including its addendum/ corrigendum and all the matters related thereto;

4. To authorize officers, agents, consultants, banks, advisors or any related person to submit, file, re-submit, modify, sign, execute, process all types of documents and information including but not limited to application, letters, clarifications, undertaking, certification, declaration to obtain all the necessary approvals, consents, permits, license, registration from government, regulatory, semi-government, statutory and private authorities, institutions, bodies, organizations including but not limited to RBI, SEBI, Stock Exchange, depositories;
5. To authorize officers, agents, consultants, banks, advisors or any related person to do all such acts, deeds and matters as may be incidental or considered necessary for giving effect to the aforesaid resolution.

**Meeting**

During the financial year, approval of the Allotment Committee was sought through circular resolutions.

**RISK MANAGEMENT COMMITTEE****Composition**

The Risk Management Committee comprises of board of directors of the Investment Manager. The company secretary of the Investment Manager act as the secretary to the Committee. The composition and the Quorum of the Risk Management Committee is in compliance with the SEBI InvIT Regulations and SEBI LODR Regulations.

The composition of the Risk Management Committee is as follows:

Name of Committee Members	Category
Ms. Jayashree Vaidhyanathan	Chairperson
Mr. Tarun Kataria	Member
Mr. Ashok Sethi	Member
Ms. Ami Momaya	Member

**Terms of reference of the Risk Management Committee**

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

1. To identify, assess, mitigate and monitor the existing as well as potential risks to the Trust (including risks associated with cyber security and financial risk), to recommend the strategies to the Board to overcome them and review key leading indicators in this regard;
2. To periodically review and approve the Risk Management framework including the risk management processes and practices of the Trust;
3. To evaluate significant risk exposures of the Trust and assess management's actions to mitigate the exposures in a timely manner;
4. To develop and implement action plans to mitigate the risks;

## CORPORATE GOVERNANCE REPORT (Contd.)

5. To coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities  
(e.g. internal or external audit issue relating to risk management policy or practice);
6. To oversee at such intervals as may be necessary, the adequacy of Trust's resources to perform its risk management responsibilities and achieve its objectives;
7. To review and periodically assess the Trust's performance against the identified risks of the Company;

### Meeting

Two Risk Management Committee meetings were held during the year ended March 31, 2023, on July 26, 2022, and January 25, 2023. The necessary quorum was present for all the meetings.

### Attendance for Board & Committee Meetings held during FY 2023

Name of Director	Board Meeting (Attended/ Entitled)	ACM (Attended/ Entitled)	NRC (Attended/ Entitled)	ICM (Attended/ Entitled)	SRC (Attended/ Entitled)	RMC (Attended/ Entitled)	BCM (Attended/ Entitled)
Mr. Tarun Kataria	8/8	5/5	5/5	7/7	3/3	2/2	1/1
Mr. Ashok Sethi	8/8	5/5	4/5	7/7	4/4	2/2	-
Mr. Rahul Asthana	7/7	4/4	4/4	5/5	3/3	1/1	1/1
Ms. Jaya Vaidhyanathan	7/8	4/5	-	-	4/4	1/1	-
Mr. Hardik Shah	6/8	2/4	4/5	5/7	1/3	0/1	1/1
Ms. Ami Momaya	6/8	3/5	3/5	4/7	2/4	1/2	1/1
Mr. Harsh Shah	3/4	-	-	-	-	-	1/1
Mr. Jyoti Kumar Agarwal	1/4	-	-	-	-	-	-

#### Notes:

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

Mr. Harsh Shah has resigned as CEO & Whole-time Director with effect from June 30, 2022 and was appointed with effect from August 30, 2022.

Mr. Jyoti Kumar Agarwal appointed as CEO & Whole-time Director with effect from July 01, 2022 and resigned with effect from September 30, 2022.

Mr. Rahul Asthana ceased to be the Director with effect from December 25, 2022 pursuant to the completion of two terms.

### INFORMATION SUPPLIED TO THE BOARD

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

#### Secretarial Audit

As per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") M/s SARK & Associates LLP Practicing Company Secretaries has conducted Secretarial Audit of IndiGrid for the financial year ended March 31, 2023 and the same is annexed as Annexure-1 and there are no

qualifications, observations or adverse remarks mentioned in the said Report.

The Annual Secretarial Compliance Report for the financial year 2022-23 has also been submitted to the Stock Exchanges within the stipulated timeline.

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

#### Compliance Certificate

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

## CORPORATE GOVERNANCE REPORT (Contd.)

ended on March 31, 2023, was circulated to the Board of Investment Manager.

**Investor Complaints**

The status of complaints is reported to the Board on a quarterly basis. During the period, the investor complaints

received by the Company were general in nature, which were resolved within prescribed timelines. Details of Unitholders' complaints on quarterly basis are also submitted to the Trustee, stock exchanges and published on IndiGrid's website.

Details of investor complaints received and redressed during the period ended on March 31, 2023 are as follows:

Details of Investor Complaints	Number of complaints during the quarter ended June 30, 2022	Number of complaints during the quarter ended September 30, 2022	Number of complaints during the quarter ended December 31, 2022	Number of complaints during the quarter ended March 31, 2023
Number of investor complaints pending at the beginning of the quarter	0	0	0	0
Number of investor complaints received during the quarter	80	285	78	80
Number of investor complaints disposed off during the quarter	80	285	78	80
Number of investor complaints pending at the end of the quarter	0	0	0	0

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

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

**Borrowing Policy**

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

**Policy on Appointment of Auditor and Valuer**

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

**Policy on Related Party Transactions**

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

**Distribution Policy**

The Investment Manager has adopted the Distribution Policy to ensure proper, accurate and timely distribution to the unitholders of IndiGrid. The Distributable Income of

IndiGrid is calculated in accordance with the Distribution Policy, SEBI InvIT Regulations and any circular, notification or guidance issued thereunder.

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

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

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

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

**Document Archival Policy**

The Investment Manager has adopted the Document Archival Policy to provide a comprehensive policy on the preservation and conservation of the records and documents of IndiGrid. The Document Archival Policy

## CORPORATE GOVERNANCE REPORT (Contd.)

aims at identifying, classifying, storing, securing, retrieving, tracking and destroying or permanently preserving records.

### **Nomination and Remuneration Policy**

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

### **Whistle Blower Policy / Vigil Mechanism**

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

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

During the year under review, IndiGrid received three complaints under Whistle Blower Policy of IndiGrid. These complaints were reviewed by the Steering Committee and necessary steps were undertaken basis outcome of investigation of complaints received including separation.

### **Conflict of Interest Policy**

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

### **Policy on Material Subsidiaries**

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

### **Investor Grievance Redressal Policy**

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

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

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention,

Prohibition & Redressal) Act, 2013 read with Rules thereunder, the Investment Manager has not received any complaint of sexual harassment during the period under review.

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

### **SEBI Complaints Redressal System (SCORES)**

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

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

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

### **Green initiative**

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

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

### **Amendments to Material Contracts**

During the year under review, at the time of acquisition of assets and from time to time, IndiGrid has executed (i) Deed of Accession to the Investment Management Agreement (IMA) and Project Implementation and Management Agreement (PIMA); and (ii) amendments to Facility Agreements.

### **SIGNIFICANT AND MATERIAL ORDERS**

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

There are adequate systems and processes in the IndiGrid commensurate with the size and operations of the IndiGrid to monitor and ensure compliance with applicable laws,

## CORPORATE GOVERNANCE REPORT (Contd.)

rules, regulations and guidelines. During the period under review, no penalty has been imposed by any stock exchange or SEBI, nor has there been any instance of non-compliance with any legal requirements, or on matters having material impact on the operations of IndiGrid.

For the year ended March 31, 2023, IndiGrid have complied with the provisions of the Trust Deed, InvIT Regulations, applicable provisions of LODR and Corporate Governance norms.

**Publications**

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

**Postal Ballot**

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

**Communication to the Unitholders**

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

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

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

IndiGrid has complied with all the applicable corporate governance requirements under the Listing Regulations and has endeavoured to comply with corporate governance

requirement specified in Regulation 16 to 27 of Listing Regulations for High Value Debt Listed Entity.

**Awareness Sessions/ Workshops on Governance practices**

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

**Statutory Auditors**

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

**Internal Auditors**

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

The Board of Investment Manager in its meeting held on May 12, 2023 appointed M/s BDO India LLP (LLP Identification No. AAB-7880) as the Internal Auditors of IndiGrid for the financial year 2023-2024.

**BOARD MEMBER EVALUATION**

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

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

- The ability to contribute to and monitor IndiGrid's corporate governance practices
- The ability to contribute by introducing international best practices to address business challenges and risks
- Active participation in long-term strategic planning

## CORPORATE GOVERNANCE REPORT (Contd.)

- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings

The evaluation process focused on Board dynamics, softer aspects, committee effectiveness and information flow to the Board or its committees, among other matters. The methodology included techniques such as questionnaires, one on-one discussions, etc. The recommendations were discussed with the Board and individual feedback was provided. The aspects of succession planning and committee composition were also considered. The Board evaluation process was completed during fiscal 2023.

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

### **SUCCESSION PLANNING**

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

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

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

### **SELECTION OF DIRECTORS**

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

decision. In case of Non-Executive Directors, the matter is also recommended to the Unitholders for their approval in accordance with Listing Regulations.

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

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

### **FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS**

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

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

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

### **EXECUTIVE LEADERSHIP COMPENSATION**

Investment Manager's executive compensation programs encourage reward for performance. A significant portion of the executives' total rewards are tied to the delivery of long-term corporate performance goals, in order to align with the interest of the stakeholders.

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



## CORPORATE GOVERNANCE REPORT (Contd.)

**INDEPENDENT DIRECTORS' COMPENSATION**

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

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

- The attendance of a particular independent director
- The independent director(s) have complied with the code of conduct for independent directors as provided

under Schedule IV of the Companies Act, 2013 ("Code of Conduct")

- Quality of contributions to the Board deliberations
- Strategic perspectives or inputs regarding future growth of Investment Manager, IndiGrid and its performance
- Providing perspectives and feedback going beyond information provided by the management
- Commitment to unitholders and other Stakeholders interests

The amount paid/ payable including sitting fees to all independent directors for the year ended on March 31, 2023 is ₹ 15.58 Million. (₹ 6 Million to Mr. Tarun Kataria, ₹ 2.58 Million to Mr. Rahul Asthana (proportionate basis till the date of his cessation), ₹ 3.5 million each to Mr. Ashok Sethi and Ms. Jayashree Vaidhyanathan)

Additionally, independent directors are also reimbursed for expenses incurred in the performance of their official duties.

**Remuneration paid to Key Managerial Personnel during Financial Year 2022-23**

(In ₹ Million)

Name	Designation	Fixed Salary	Performance Linked Incentives	Retiral benefits	Long-Term Incentives	Total Remuneration FY 2021-22
Mr. Harsh Shah	CEO & Whole-time Director	30.83	8.64	4.17	10.49	54.13
Mr. Jyoti Kumar Agarwal	CEO & Whole-time Director	12.34	4.73	1.00	6.04	24.10
Ms. Divya Bedi Verma	Chief Financial Officer	6.47	2.92	1.49	3.02	13.90
Mr. Swapnil Patil	Company Secretary & Compliance Officer	2.11	1.34	0.91	1.21	5.57
Mr. Urmil Shah	Company Secretary & Compliance Officer	2.68	0.00	0.10	0.00	2.78

**Notes:**

- Mr. Harsh Shah resigned from the position of CEO & Whole-time Director w.e.f. June 30, 2022 and was appointed on August 30, 2022.
- Mr. Jyoti Kumar Agarwal served as the CFO till June 30, 2022 and was appointed as the CEO & Whole-time Director w.e.f. July 01, 2022 and resigned w.e.f. September 30, 2022.
- Ms. Divya Bedi Verma was appointed as the CFO w.e.f. July 01, 2022 and resigned w.e.f. February 15, 2023.
- Mr. Swapnil Patil resigned from the position of Company Secretary & Compliance Officer w.e.f. July 31, 2022 and Mr. Urmil Shah appointed as Company Secretary & Compliance Officer w.e.f. August 01, 2022.
- Fixed salary constitutes base salary, statutory bonus and all other allowances
- Performance linked incentive and long-term incentive showed above is for the FY 2021-22 paid in FY 2022-23 in May 2022
- Performance linked incentive and long-term incentive to KMPs for FY 2022-23, constitutes around 30%-40% of total remuneration and shall be paid in FY 2023-24.

**Details of IndiGrid Units considered for Long Term Incentive Plan (LTIP) as on May 31, 2023**

Name	Designation	No. of Units considered for LTIP
Mr. Harsh Shah	CEO & Whole-time Director	344828
Mr. Urmil Shah	Company Secretary & Compliance Officer	5103

## GENERAL UNITHOLDER INFORMATION

### 1) Financial Year

IndiGrid follows April-March as the financial year. To consider and approve the quarterly financial results for FY 2022-23, the meetings of the Board were held on the following dates/ months:

First Quarter Ended Results	July 26, 2022
Second Quarter and Half Year Ended Results	November 10, 2022
Third Quarter	January 25, 2023
Fourth Quarter and Full Year Ended Results	May 12, 2023

### 2) Distribution

The details of Distribution declared by IndiGrid during FY 2022-23 are as follows

Date of Board Meeting	Type of Distribution	Distribution per unit	Record Date
May 20, 2022	Interest and Principal Repayment	₹ 3.1875	May 26, 2022
July 26, 2022	Interest and Principal Repayment	₹ 3.3000	August 01, 2022
November 10, 2022	Interest and Principal Repayment	₹ 3.3000	November 16, 2022
January 25, 2023	Interest and Principal Repayment	₹ 3.3000	January 31, 2023

### 3) Top 10 Unitholders (excluding sponsor) as on March 31, 2023

S. No.	Name	Total No. of Units held	As a percentage
1	Government of Singapore	140,181,111	20.02
2	Larsen and Toubro Limited	39,016,446	5.57
3	Schroder Asian Asset Income Fund	21,725,482	3.10
4	Schroder Asian Income	21,041,270	3.01
5	Tata Aig General Insurance Company Limited	13,319,133	1.90
6	Reliance Nippon Life Insurance Co Limited	12,568,689	1.80
7	Utilico Emerging Markets Trust Plc	11,400,000	1.63
8	L&T Employees Welfare Foundation Private Limited	4,911,739	0.70
9	Max Life Insurance Co Limited A/C Participating Fund	4,711,461	0.67
10	Aditya Birla Sun Life Insurance Company Limited	3,420,711	0.49

### 4) Unitholding of Directors & Key Managerial Personnel of Investment Manager as on March 31, 2023

S. No.	Name of Directors and KMPs	Number of Units held
1	Harsh Dinesh Shah	38,608

## CORPORATE GOVERNANCE REPORT (Contd.)

## 5) Unit Holding Pattern Report as on March 31, 2023

Category	Category of Unit holder	No. of Units Held	As a % of Total Outstanding Units	No. of units mandatorily held		Number of units pledged or otherwise encumbered	
				No. of units	As a % of total units held	No. of units	As a % of total units held
<b>(A)</b>	<b>Individuals / HUF Central/State Govt. Financial Institutions/Banks Any Other (specify)</b>						
<b>(1)</b>	<b>Indian</b>		0.00	-	0.00	-	0.00
(a)	Individuals / HUF		0.00	-	0.00	-	0.00
(b)	Central/State Govt.		0.00	-	0.00	-	0.00
(c)	Financial Institutions/Banks		0.00	-	0.00	-	0.00
(d)	Any Other (specify)		0.00	-	0.00	-	0.00
	STERLITE POWER TRANSMISSION LIMITED	-	0.00	-	0.00	-	0.00
	<b>Sub- Total (A) (1)</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals (Non Resident Indians / Foreign Individuals)		0.00	-	0.00	-	0.00
(b)	Foreign government		0.00	-	0.00	-	0.00
(c)	Institutions		0.00	-	0.00	-	0.00
(d)	Foreign Portfolio Investors	165,901,932	23.69	-	0.00	-	0.00
(e)	Any Other (specify)		0.00	-	0.00	-	0.00
	<b>Sub- Total (A) (2)</b>	<b>165,901,932</b>	<b>23.69</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>
	<b>Total unit holding of Sponsor &amp; Sponsor Group (A) = (A)(1)+(A)(2)</b>	<b>165,901,932</b>	<b>23.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(B)</b>	<b>Public Holding</b>						
<b>(1)</b>	<b>Institutions</b>						
(a)	Mutual Funds	2,102,502	0.30				
(b)	Financial Institutions/Banks	539,477	0.08				
(c)	Central/State Govt.		0.00				
(d)	Venture Capital Funds		0.00				
(e)	Insurance Companies	46,179,647	6.60				
(f)	Provident/pension funds	2,992,710	0.43				
(g)	Foreign Portfolio Investors	206,671,071	29.52				
(h)	Foreign Venture Capital investors		0.00				
(i)	Any Other (specify)						
	Alternative Investment Fund	122,472	0.02				
	<b>Sub- Total (B) (1)</b>	<b>258,607,879</b>	<b>36.93</b>				
<b>(2)</b>	<b>Non-Institutions</b>						
(a)	Central Government/State Governments(s)/ President of India	-	-				
(b)	Individuals	159,428,604	22.77				
(c)	NBFCs registered with RBI	955,533	0.14				
(d)	Any Other (specify)						
	TRUSTS	899,069	0.13				
	NON RESIDENT INDIANS	7,190,088	1.03				
	CLEARING MEMBERS	69,180	0.01				
	BODIES CORPORATES	107,126,200	15.30				
	<b>Sub- Total (B) (2)</b>	<b>275,668,674</b>	<b>39.37</b>				
	<b>Total Public Unit holding (B) = (B)(1)+(B)(2)</b>	<b>534,276,553</b>	<b>76.31</b>				
	<b>Total Units Outstanding (C) = (A) + (B)</b>	<b>700,178,485</b>	<b>100.00</b>				

6) Listing Details

Name and address of the Stock exchange	Security Type	Scrip Code/Symbol	ISIN code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Units	540565	INE219X23014
	NCD (privately placed)	958219	INE219X07017
	NCD (privately placed)	958599	INE219X07025
	NCD (privately placed)	958915	INE219X07058
	NCD (privately placed)	959596	INE219X07090
	NCD (privately placed)	959985	INE219X07108
	NCD (privately placed)	960229	INE219X07116
	NCD (privately placed)	960381	INE219X07124
	NCD (privately placed)	960382	INE219X07132
	NCD (privately placed)	973269	INE219X07298
	NCD (privately placed)	973450	INE219X07306
	NCD (privately placed)	973766	INE219X07330
	NCD (privately placed)	974071	INE219X07348
	NCD (privately placed)	974781	INE219X07371
	NCD (privately placed)	974631	INE219X07355
	NCD (privately placed)	974630	INE219X07363
	NCD (public)	937519	INE219X07173
		937521	INE219X07181
		937523	INE219X07199
		937525	INE219X07207
	937527	INE219X07215	
	937529	INE219X07223	
	937531	INE219X07231	
	937533	INE219X07249	
	937535	INE219X07256	
	937537	INE219X07264	
	937539	INE219X07272	
	937541	INE219X07280	
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Units	INDIGRID	INE219X23014
	NCD(Public)	INDIGRID/NA	INE219X07173
		INDIGRID/NB	INE219X07181
		INDIGRID/NC	INE219X07199
		INDIGRID/ND	INE219X07207
		INDIGRID/NE	INE219X07215
		INDIGRID/NF	INE219X07223
		INDIGRID/NG	INE219X07231
		INDIGRID/NH	INE219X07249
		INDIGRID/NI	INE219X07256
		INDIGRID/NJ	INE219X07264
		INDIGRID/NK	INE219X07272
	INDIGRID/NL	INE219X07280	

## CORPORATE GOVERNANCE REPORT (Contd.)

**7) Address for Correspondence including Investors Grievances****Principal Place of Business and Contact Details of the Trust:****India Grid Trust**

SEBI Reg. No.-IN/InvIT/16-17/0005  
 Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098  
 Company Secretary & Compliance Officer:  
 Mr. Urmil Shah  
 Tel: 022 6924 1311  
 E-mail: complianceofficer@indigrid.com  
 Website: <http://www.indigrid.co.in>

**Registered Office and Contact Details of the Investment Manager:**

IndiGrid Investment Managers Limited  
 CIN: U28113MH2010PLC308857  
 Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098  
 Tel: 022 6924 1311  
 Email: complianceofficer@indigrid.com  
 Contact Person: Mr. Urmil Shah

**Registered Office and Contact Details of RTA**

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

**Investor Relations**

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

## General Disclosures

- Regulatory - Except otherwise specified, during the period under review, there were no regulatory changes that has impacted or may impact cash flows of the underlying projects.
- Material Contracts - Except otherwise specified, during the period under review, there were no changes in material contracts or any new risk in performance of any contract pertaining to the India Grid Trust.
- Legal Proceedings - Except otherwise specified in this report or its Annexures, during the period under review, there were no legal proceedings which may have significant bearing on the activities or revenues or cash flows of the India Grid Trust.
- Material Information and Events - Except otherwise specified or disclosed to the Exchange from time to time, during the period under review, there were no material changes, events or material and price sensitive information to be disclosed for India Grid Trust.
- Material Litigation - Except otherwise specified in this report or its annexures, there are no material litigation and actions by regulatory authorities, in each case against IndiGrid, the Sponsor(s) the Investment Manager, the Project Manager, or any of their Associates and the Trustee that are currently pending. For material litigation, 5% of the consolidated revenue and/or its impact on IndiGrid's operation has been considered as the materiality threshold.
- Issue and Buyback of Units  
 This is to confirm that, during the period under review, there was no issue and buy back of units by India Grid Trust.
- The financial information of Investment Manager is not disclosed because there is no material erosion in the net worth as compared to the net worth as per the last audited financial statements.
- Approval of the Board of Directors of the Investment Manager for declassification of the Sterlite Power Transmission Limited as a Sponsor of IndiGrid was received on May 12, 2023 and approval of the unitholders of IndiGrid was received on June 6, 2023.

## SUMMARY OF INDEPENDENT VALUATION

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

### VALUATION APPROACH

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

### Valuation Summary

The independent valuation of the assets as of March 31, 2023 is summarized below:

	March 31, 2023		September 30, 2022		March 31, 2022		September 30, 2021		March 31, 2021		September 30, 2020	
	Enterprise Value (INR Billion)	WACC (%)	Enterprise value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)
BDTCL	19.44	8.17%	19.78	8.00%	19.98	7.90%	20.21	7.92%	20.40	7.95%	19.12	8.39%
JTCL	16.23	8.29%	16.39	8.10%	16.23	8.10%	16.28	8.16%	16.02	8.19%	15.06	8.61%
MTL	5.90	7.92%	6.00	7.70%	5.98	7.70%	5.95	7.70%	5.9	7.73%	5.76	8.13%
RTCL	4.34	7.77%	4.40	7.60%	4.37	7.60%	4.21	7.61%	4.2	7.64%	4.15	8.04%
PKTCL	6.76	7.77%	6.78	7.60%	6.8	7.60%	6.82	7.61%	6.83	7.64%	6.7	8.04%
PTCL	2.60	7.82%	2.61	7.70%	2.61	7.70%	2.38	7.65%	2.37	7.69%	2.46	8.09%
NRSS	44.53	7.70%	45.34	7.60%	45.73	7.60%	46.60	7.54%	46.81	7.57%	45.36	7.97%
OGPTL	14.53	7.90%	14.62	7.80%	16.67	7.70%	14.90	7.68%	14.79	7.72%	14.64	8.12%
ENICL*	11.60	8.31%	11.62	8.1% to 11.9%	11.8	8.1% to 11.6%	12.11	8.05%	11.96	8.09% to 11.28%	11.44	8.37% to 11.17%
GPTL	12.00	7.85%	12.29	7.70%	12.36	7.70%	12.12	7.58%	12.22	7.67%	11.41	8.01%
JKTP	3.13	7.74%	3.11	7.60%	3.17	7.60%	2.98	7.52%	3.03	7.60%	2.88	8.43%
PrKTCL**	7.28	8.03%	7.31	7.90%	7.19	7.90%	8.15	7.82%	8.56	8.23%		
NER-II	53.08	7.79%	53.96	7.60%	53.29	7.60%	53.73	7.53%	52.36	7.61%		
IG - Solar I	3.23	8.24%	3.31	8.00%	3.38	7.90%	3.60	7.77%				
IG - Solar II	3.46	8.23%	3.60	7.90%	3.67	7.80%	3.79	7.79%				
Kallam***	0.81	NA	0.31	NA	0.21	NA						
RSTCPL	2.71	8.53%										
KhTL	16.36	7.95%										
<b>Total</b>	<b>227.99</b>		<b>211.41</b>		<b>211.45</b>		<b>213.83</b>		<b>205.46</b>		<b>139.01</b>	

### Note

\*Only in case of ENICL, independent valuer has considered separate WACC for explicit period and terminal period.

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

\*\*\*KTL project is currently under development. Hence due to the nascent stage of the project, independent valuer found it appropriate to consider the Net Asset Value method for arriving at the enterprise value of KTL.

Valuation report of IndiGrid assets as on March 31, 2023 issued by. The valuation report can also be viewed on the Company's website and can be accessed via the link <https://www.indigrid.co.in/wp-content/uploads/2022/07/Indigrid-Valuation-Report-Q4.pdf>

## UNIT PRICE PERFORMANCE

Units of IndiGrid were listed on June 06, 2017 on BSE and NSE. Unit price inched higher in FY2022-23, with total volume of trade at approximately 71.25 Million units. This translated to an average daily traded volume of approximately 0.28 Million units during the period. IndiGrid distributed ₹ 13.35 / unit for FY2022-23.

### Summary of Price and volume

Particulars	BSE	NSE
<b>Price Information (in ₹)</b>		
Unit Price at the beginning of the period (Close price of April 01, 2022)	149.00	149.38
Unit Price at the close of the period (Close price of March 31, 2023)	134.01	134.78
Highest Unit Price (NSE – May 04, 2022 & BSE – May 04, 2022)	153.88	153.90
Lowest Unit Price (NSE – March 13, 2023 & BSE – March 10, 2023)	128.00	127.99
<b>Volume Information</b>		
Average Daily Volume Traded during the period (in Thousands)	30.29	255.84
Total Average Daily Volume Traded (on both NSE & BSE) (in Thousands)	286.13	

### Summary of DPU

Period	DPU (₹/unit)
Q1 FY 2017-18	0.92
Q2 FY 2017-18	2.75
Q3 FY 2017-18	2.89
Q4 FY 2017-18	3.00
<b>FY 2017-18*</b>	<b>9.56</b>
<b>FY 2017-18 (annualised)</b>	<b>11.47</b>
Q1 FY 2018-19	3.00
Q2 FY 2018-19	3.00
Q3 FY 2018-19	3.00
Q4 FY 2018-19	3.00
<b>FY 2018-19</b>	<b>12.00</b>
Q1 FY 2019-20	3.00
Q2 FY 2019-20	3.00
Q3 FY 2019-20	3.00
Q4 FY 2019-20	3.00
<b>FY 2019-20</b>	<b>12.00</b>
Q1 FY 2020-21	3.00
Q2 FY 2020-21	3.00
Q3 FY 2020-21	3.10
Q4 FY 2020-21	3.10
<b>FY 2020-21</b>	<b>12.20</b>
Q1 FY 2021-22	3.1875
Q2 FY 2021-22	3.1875
Q3 FY 2021-22	3.1875
Q4 FY 2021-22	3.1875
<b>FY 2021-22</b>	<b>12.75</b>
Q1 FY 2022-23	3.3000
Q2 FY 2022-23	3.3000
Q3 FY 2022-23	3.3000
Q4 FY 2022-23	3.4500
<b>FY 2022-23</b>	<b>13.3500</b>

\* For an operational period of 10 months

# Annexure 1

## Secretarial Audit Report

For the Financial Year Ended March 31, 2023

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

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

Based on our verification of the entities' books, papers, minute books, forms and returns filed and other records maintained by the entities and also the information provided by the entities, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2023, the entities has complied with the statutory provisions listed hereunder and also the entities has followed proper processes and compliance-mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the entities for the financial year ended on March 31, 2023 according to the provisions of:

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



- (i) The Securities and Exchange Board of India (Infrastructure Investment Trusts, Regulations, 2014 read with circulars and guidelines issues thereunder ("InvIT Regulations").

We have also examined compliance with the applicable clauses of

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

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

We further report that:-

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the provisions of section 173 of the Act.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. The Listed entity has signed share purchase agreement for acquisition of 100% shareholding and economic interest , in one or more tranches, in Raichur Sholapur Transmission Company Private Limited.
6. The Listed entity has sought approval of Unitholders under Regulation 19(3) read with Regulation 22 of the InvIT Regulations to acquire 49% of paid-up capital of Khargone Transmission Limited, being a related entity in accordance with Regulation 2(1)(zv) of the InvIT Regulations.

**For & on behalf of SARK & Associates LLP**

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan

(Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175E000276691

May 09, 2023

Mumbai

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

**'Annexure A'**

To  
The Unit Holders,  
India Grid Trust

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

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

**For & on behalf of SARK & Associates LLP**

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan  
(Partner)  
FCS No. 4175, COP No. 8744  
UDIN: F004175E000276691

May 09, 2023  
Mumbai

# Annexure-2

## Secretarial Audit Report of Material Unlisted Subsidiaries

### SECRETARIAL AUDIT REPORT

#### FORM NO. MR-3

For the Financial Year Ended March 31, 2023

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

To

The Members

Bhopal Dhule Transmission Company Limited

(CIN: U40102MH2009PLC364260)

Unit No 101, First Floor, Windsor Village,

KoleKalyan Off CST Road, Vidyanagari Marg,

Santacruz (East), Mumbai-400098

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2023, the Company has complied with the statutory provisions listed hereunder and also the Company has followed proper Board-processes and compliance-mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

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

**OTHER ACT SPECIFICALLY APPLICABLE TO THE COMPANY:**

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

We have also examined compliance with the applicable clauses of

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

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

We further report that:-

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

**For & on behalf of SARK & Associates**

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan

(Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175E000276722

May 09, 2023

Mumbai

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

**'Annexure A'**

To  
The Members,  
Bhopal Dhule Transmission Company Limited

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

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

**For & on behalf of SARK & Associates**

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan  
(Partner)  
FCS No. 4175, COP No. 8744  
UDIN: F004175E000276722

May 09, 2023  
Mumbai

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

[Pursuant to Regulation 24A (1) of the SEBI (Listing Obligations and Disclosure Regulations) Regulations, 2015

To

The Members

NER II Transmission Limited

(CIN: U40106DL2015GOI279300)

A-52/6 G/F Ali Extn,

Badarpur,

New Delhi- 110044, India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2023, the Company has complied with the statutory provisions listed hereunder and also the Company has followed proper Board-processes and compliance-mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

**OTHER ACT SPECIFICALLY APPLICABLE TO THE COMPANY:**

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

We have also examined compliance with the applicable clauses of

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

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

We further report that:-

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

**For & on behalf of SARK & Associates**

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan

(Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175E000276755

May 09, 2023

Mumbai

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

**'Annexure A'**

To  
The Members,  
NER II Transmission Limited

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

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

**For & on behalf of SARK & Associates**

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan  
(Partner)  
FCS No. 4175, COP No. 8744  
UDIN: F004175E000276755

May 09, 2023  
Mumbai



**SECRETARIAL AUDIT REPORT****FORM NO. MR-3**

For the Financial Year Ended March 31, 2023

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

To

The Members

NRSS XXIX Transmission Limited

(CIN: U40106MH2013GOI359686)

Unit No 101, First Floor, Windsor,

Village Kole Kalyan Off CST Road,

Vidyanagari Marg, Santacruz (East), Mumbai-400098

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that, during the audit period for the financial year ended on March 31, 2023, the Company has complied with the statutory provisions listed hereunder and also the Company has followed proper Board-processes and compliance-mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

**OTHER ACT SPECIFICALLY APPLICABLE TO THE COMPANY:**

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

We have also examined compliance with the applicable clauses of

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

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

We further report that:-

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the provisions of section 173 of the Act.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. The Company is material subsidiary of M/s India Grid Trust (InvIT) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. The Company has spent ₹ 64 Lakh as CSR contribution.

**For & on behalf of SARK & Associates LLP**

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan

(Partner)

FCS No. 4175, COP No. 8744

UDIN: F004175E000276799

May 09, 2023

Mumbai

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

**'Annexure A'**

To  
The Members,  
NRSS XXIX Transmission Limited

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

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

**For & on behalf of SARK & Associates LLP**

(Company Secretaries)

(Peer Review Certificate No.: 1898/2022)

Raju Ananthanarayanan  
(Partner)  
FCS No. 4175, COP No. 8744  
UDIN: F004175E000276799

May 09, 2023  
Mumbai



# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of India Grid Trust Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of India Grid Trust ("the InvIT"), which comprise the Balance sheet as at March 31, 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. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment of investments in subsidiaries and loans given to subsidiaries</b></p> <p><i>(as described in notes 6,7,8 and 26 of the standalone financial statements)</i></p> <p>The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries both aggregating to INR 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.</p> <p>The subsidiaries are in the business of owning and maintaining transmission assets/ generation of solar power and have entered into Transmission Services Agreement ("TSA") with Long Term Transmission Customers ("LTTC") and Power Purchase Agreement ("PPA") with Solar Energy Corporation of India ("SECI").</p> <p>At each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries and loans given to subsidiaries. In case of existence of impairment indicators, the investment and loan balances are subjected to impairment test, where the fair value of the subsidiary is compared with the value of investments and loans given to such subsidiaries.</p> <p>The processes and methodologies for assessing and determining the fair value of the subsidiary is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license/ solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We obtained and read the valuation report of the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity.</li> <li>• We evaluated the independent valuation expert's methodology, assumptions and estimates used in the calculations.</li> <li>• We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders.</li> <li>• We tested completeness, arithmetical accuracy and validity of the data used in the calculations.</li> <li>• In performing the above procedures, we involved valuation specialists to perform an independent review of methodology and key assumptions used in the valuation.</li> <li>• We read and assessed the disclosures included in the notes to the standalone financial statements.</li> </ul>
<p><b>Classification of unit holders' funds as equity</b></p> <p><i>(as described in Note 26 of the standalone financial statements)</i></p> <p>The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circulars") issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements.</p> <p>Considering the judgment required for classification of unit holders' funds as equity and liability, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We read and assessed the disclosures included in the standalone financial statements for compliance with the relevant requirements of InvIT regulations.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b>Computation and disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations</b></p> <p><i>(as described in Note 26 of the standalone financial statements)</i></p> <p>The InvIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the InvIT.</p> <p>For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.</p> <p>The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license/ solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• We obtained and read the valuation report of the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity.</li> <li>• We evaluated independent valuation expert's methodology, assumptions and estimates used in the calculations.</li> <li>• We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders.</li> <li>• We tested completeness, arithmetical accuracy and validity of the data used in the calculations.</li> <li>• In performing the above procedures, we used valuation specialists to perform an independent review of methodology and key assumptions used in the valuation.</li> <li>• We read and assessed the disclosures included in the notes to the standalone financial statements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### OTHER INFORMATION

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

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

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

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

### RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Management of the Investment Manager ('the Management') is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at March 31, 2023, financial performance including other comprehensive income, cash flows 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



## INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

Based on our audit, we report that:

- 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;
- The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income are in agreement with the books of account;
- 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.
- 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

**per Huzefa Ginwala**

Partner

Membership Number: 111757

UDIN: 23111757BGYQJU3534

Place of Signature: Pune

Date: May 12, 2023

# Standalone Balance Sheet

as at March 31, 2023

(All amounts in INR Million unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
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	156,914.84	132,476.19
iii. Other financial assets	9	118.30	456.90
Other non-current assets	10	41.91	31.83
		<b>205,133.44</b>	<b>182,007.86</b>
<b>Current assets</b>			
Financial assets			
i. Investments	7	69.74	-
ii. Cash and cash equivalents	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	-
		<b>11,324.91</b>	<b>13,430.90</b>
<b>Total assets</b>		<b>216,458.35</b>	<b>195,438.76</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Unit capital	13	65,903.15	65,903.15
Other equity	14		
Retained earnings/ (accumulated deficit)		3,296.07	2,293.62
<b>Total unit holders' equity</b>		<b>69,199.22</b>	<b>68,196.77</b>
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	15	135,674.58	107,486.42
		<b>135,674.58</b>	<b>107,486.42</b>
<b>Current liabilities</b>			
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
		<b>11,584.55</b>	<b>19,755.57</b>
<b>Total liabilities</b>		<b>147,259.13</b>	<b>127,241.99</b>
<b>Total equity and liabilities</b>		<b>216,458.35</b>	<b>195,438.76</b>

Summary of significant accounting policies

2.2

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

As per our report of even date

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

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

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

**Harsh Shah**  
 CEO & Whole-time Director  
 DIN: 02496122

**Urmil Shah**  
 Company Secretary  
 Membership Number : A23423

**Navin Sharma**  
 Chief Financial Officer

 Place : Pune  
 Date : May 12, 2023

 Place : Mumbai  
 Date : May 12, 2023

 Place : Mumbai  
 Date : May 12, 2023

 Place : Mumbai  
 Date : May 12, 2023

## INDIA GRID TRUST

## Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in INR Million unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
<b>INCOME</b>			
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
<b>Total income (I)</b>		<b>22,288.75</b>	<b>20,488.86</b>
<b>EXPENSES</b>			
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
Audit Fees			
- Statutory audit fees		5.54	5.43
- Other services (including certification)		0.38	0.64
Other expenses	22	33.37	21.79
Depreciation and amortisation 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
<b>Total expenses (II)</b>		<b>12,090.75</b>	<b>11,256.64</b>
<b>Profit before tax (III=I-II)</b>		<b>10,198.00</b>	<b>9,232.22</b>
<b>Tax expense</b>			
Current tax	19	31.88	23.62
Deferred tax		-	-
Income tax for earlier years		0.08	-
<b>Tax expense (IV)</b>		<b>31.96</b>	<b>23.62</b>
<b>Profit for the year (III-IV)</b>		<b>10,166.04</b>	<b>9,208.60</b>
<b>Other comprehensive income</b>			
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		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>10,166.04</b>	<b>9,208.60</b>
<b>Earnings per unit</b>			
Basic and diluted (in INR)	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

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

Place : Pune  
Date : May 12, 2023

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

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122

Place : Mumbai  
Date : May 12, 2023

**Urmil Shah**  
Company Secretary  
Membership Number : A23423

Place : Mumbai  
Date : May 12, 2023

**Navin Sharma**  
Chief Financial Officer

Place : Mumbai  
Date : May 12, 2023

## Statement Of Changes In Unit Holders' Equity

for the year ended March 31, 2023

### A. UNIT CAPITAL

(All amounts in INR Million unless otherwise stated)

	Nos. in Million	INR in Million
<b>Balance as at April 01, 2021</b>	<b>583.49</b>	<b>53,145.69</b>
Units issued during the year (Refer note 13)	116.69	12,836.49
Issue expenses	-	(79.03)
<b>Balance as at March 31, 2022</b>	<b>700.18</b>	<b>65,903.15</b>
Units issued during the year (Refer note 13)	-	-
Issue expenses	-	-
<b>Balance as at March 31, 2023</b>	<b>700.18</b>	<b>65,903.15</b>

### B. OTHER EQUITY

(All amounts in INR Million unless otherwise stated)

	Retained earnings/ (Accumulated deficit)	Total other equity
<b>Balance as at April 01, 2021</b>	<b>1,951.03</b>	<b>1,951.03</b>
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)
<b>Balance as at March 31, 2022</b>	<b>2,293.62</b>	<b>2,293.62</b>
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)
<b>Balance as at March 31, 2023</b>	<b>3,296.07</b>	<b>3,296.07</b>

#### 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 March 31, 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)

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

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122

**Urmil Shah**  
Company Secretary  
Membership Number : A23423

**Navin Sharma**  
Chief Financial Officer

Place : Pune  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

## INDIA GRID TRUST

## Statement Of Cash Flow

for the year ended March 31, 2023

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>A. CASH FLOW (USED IN) OPERATING ACTIVITIES</b>		
<b>Net profit as per statement of profit and loss</b>	10,166.04	9,208.60
Adjustment for taxation	31.96	23.62
<b>Profit before tax</b>	<b>10,198.00</b>	<b>9,232.22</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation 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)
<b>Operating loss before working capital changes</b>	<b>(189.69)</b>	<b>(130.28)</b>
<b>Movements in working capital :</b>		
- 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)
<b>Changes in working capital</b>	<b>20.64</b>	<b>(373.19)</b>
<b>Cash (used in) operations</b>	<b>(169.05)</b>	<b>(503.47)</b>
Direct taxes paid (net of refunds)	(43.89)	(32.32)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(212.94)</b>	<b>(535.79)</b>
<b>B. CASH FLOW (USED IN) INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment (including capital work-in-progress)	(0.80)	(76.52)
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)
<b>Net cash flow (used in) investing activities (B)</b>	<b>(6,745.70)</b>	<b>(12,799.91)</b>
<b>C. CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>		
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)
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>1,061.00</b>	<b>14,277.47</b>
<b>Net change in cash and cash equivalents (A + B + C)</b>	<b>(5,897.64)</b>	<b>941.77</b>
<b>Cash and cash equivalents as at beginning of year (D)</b>	<b>7,846.97</b>	<b>6,905.20</b>
<b>Cash and cash equivalents as at the end of year (A + B + C + D)</b>	<b>1,949.33</b>	<b>7,846.97</b>

**INDIA GRID TRUST**
**Statement of Cash Flow  
for the year ended March 31, 2023 (Contd.)**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Components of cash and cash equivalents:</b>		
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	-	-
<b>Total cash and cash equivalents (refer note 11)</b>	<b>1,949.33</b>	<b>7,846.97</b>

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

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

(All amounts in INR Million unless otherwise stated)

Particulars	Long term borrowings (Including current maturities)
<b>April 01, 2021</b>	<b>106,333.30</b>
Cash flow	
- Interest	(9,503.03)
- Proceeds/(repayments)	19,887.25
Accrual	8,965.62
	<b>125,683.14</b>
Cash flow	
- Interest	(9,887.35)
- Proceeds/(repayments)	20,110.28
Accrual	10,009.57
	<b>145,915.64</b>

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

As per our report of even date

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

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

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

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122

**Urmil Shah**  
Company Secretary  
Membership Number : A23423

**Navin Sharma**  
Chief Financial Officer

 Place : Pune  
Date : May 12, 2023

 Place : Mumbai  
Date : May 12, 2023

 Place : Mumbai  
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 Place : Mumbai  
Date : May 12, 2023

## INDIA GRID TRUST

Notes to Standalone Financial Statements for the year ended March 31, 2023

**Disclosures Pursuant To SEBI Circulars**

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

**A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023		March 31, 2022	
	Book value	Fair value	Book value	Fair value
A. Assets	216,458.35	238,429.94	195,438.76	220,394.66
B. Liabilities (at book value)	147,259.13	147,259.13	127,241.99	127,241.99
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 MARCH 31, 2023**

(All amounts in INR Million unless otherwise stated)

Project	March 31, 2023	March 31, 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	-
<b>Subtotal</b>	<b>232,951.57</b>	<b>213,465.91</b>
Assets (in IndiGrid)	5,478.37	6,928.75
<b>Total assets</b>	<b>238,429.94</b>	<b>220,394.66</b>

\* The Trust has acquired Raichur Sholapur Transmission Company Private Limited with effect from November 09, 2022

# The Trust has acquired Khargone Transmission Limited with effect from March 02, 2023

**B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 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 recognised in total comprehensive income	(2,984.31)	(4,818.90)
<b>Total Return</b>	<b>7,181.73</b>	<b>4,389.70</b>

**Notes:**

- Fair value of assets as at March 31, 2023 and as at March 31, 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.
- Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 27A.

**INDIA GRID TRUST**

Notes to Standalone Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 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	-	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>19,914.56</b>	<b>21,462.83</b>
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)
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(10,866.44)</b>	<b>(12,039.68)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>9,048.12</b>	<b>9,423.15</b>



**INDIA GRID TRUST****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 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 ('KhTL')

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 May 12, 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 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.

### 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:

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

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

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

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

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

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.

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 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

**Trust as lessee**

The Trust applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Trust recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Trust recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

**Lease Liabilities**

At the commencement date of the lease, the Trust recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the payments of penalties for terminating the lease, if the lease term reflects the Trust exercising the option to terminate. Variable lease payments that

do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Trust uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease 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

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Trust bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Trust estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

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 to 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 recognised in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Trust does not have financial assets which are subsequently measured at FVTOCI.

#### Debt instrument at FVTPL

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

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

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

#### Equity investments

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



## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

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

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

**Derecognition**

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

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

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

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

**Impairment of financial assets**

Majority of the financial assets of the Trust which are not reflected at fair value pertain to 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 recognised in OCI. These gains/losses are not subsequently transferred to P&L. However, the Trust may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings. For more information refer Note 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 through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### **Reclassification of financial assets**

The 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

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the

change in business model. The Trust does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 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.

### NOTE 3: PROPERTY, PLANT AND EQUIPMENT (PPE)

(All amounts in INR Million unless otherwise stated)

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

### NOTE 4: INTANGIBLE ASSETS

(All amounts in INR Million unless otherwise stated)

Particulars	Intangible assets
<b>Gross block</b>	
<b>As at April 01, 2021</b>	-
Additions	77.12
Disposals	-
<b>As at March 31, 2022</b>	<b>77.12</b>
Additions	0.80
Disposals	-
<b>As at March 31, 2023</b>	<b>77.92</b>
<b>Amortisation</b>	
<b>As at April 01, 2021</b>	-
Charge for the year	1.38
Disposals	-
<b>As at March 31, 2022</b>	<b>1.38</b>
Charge for the year	11.88
Disposals	-
<b>As at March 31, 2023</b>	<b>13.26</b>
<b>Net Block</b>	
<b>As at March 31, 2022</b>	<b>75.74</b>
<b>As at March 31, 2023</b>	<b>64.66</b>

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

**NOTE 5: CAPITAL WORK-IN-PROGRESS (CWIP)**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Opening balance	-	1.89
Additions	-	-
Transfer / capitalised / disposed	-	(1.89)
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 6: INVESTMENTS IN SUBSIDIARIES**

(All amounts in INR Million unless otherwise stated)

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

\* 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.

(All amounts in INR Million unless otherwise stated)

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

**Details of the subsidiaries are as follows:**

(All amounts in INR Million unless otherwise stated)

Name of subsidiary	Country of incorporation	Ownership interest %	
		March 31, 2023	March 31, 2022
<b>Directly held by the Trust:</b>			
Indigrd Limited ("IGL")	India	100%	100%
Indigrd 1 Limited ("IGL1") ^^	India	100%	100%
Indigrd 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") <sup>1</sup>	India	49%	49%
Jhajjar KT Transco Private Limited ("JKTPL")	India	100%	100%
Parbati Koldam Transmission Company Limited ("PrKTCL") <sup>2</sup>	India	74%	74%
NER II Transmission Limited ("NER") <sup>3</sup>	India	49%	49%
IndiGrid Solar-I (AP) Private Limited ("ISPL-I") <sup>4</sup>	India	100%	100%
IndiGrid Solar-II (AP) Private Limited ("ISPL-II") <sup>4</sup>	India	100%	100%
Raichur Sholapur Transmission Company Private Limited ("RSTCPL")	India	100%	0%
Khargone Transmission Limited ("KhTL") <sup>5</sup>	India	49%	0%
<b>Indirectly held by the Trust (through subsidiaries):</b>			
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") <sup>5</sup>	India	100%	100%

1. The Trust acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from August 28, 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

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

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

- 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").
- The letter of intent for development of Kallam Transmission Limited (KTL) is awarded to consortium of IGL1 and IGL2 ("IndiGrid Consortium") by the

REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) on November 30, 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid Consortium acquired the project on December 28, 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on September 2023."

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

**NOTE 7: INVESTMENTS**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
<b>Non-convertible debentures (unquoted) (at amortised cost)</b>		
IndiGrid Limited ("IGL")	3,071.84	6,915.54
(665.82 Million (March 31, 2022: 665.82 Million) 0.01% Non-convertible debentures of INR 10 each)#		
Less: Provision for impairment (Refer Note 26)	-	(684.17)
<b>Total</b>	<b>3,071.84</b>	<b>6,231.37</b>
<b>Current</b>		
<b>Unquoted mutual funds (valued at fair value through profit or loss)</b>		
<b>Aggregate book and market value of unquoted investments</b>		
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	-
<b>Total</b>	<b>69.74</b>	<b>-</b>

# Non Convertible debenture (NCD) of Face value of INR 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, INR 4,119.87 Million has been re-classified as equity contribution in subsidiary disclosed under investment in subsidiary.

**NOTE 8: LOANS (UNSECURED, CONSIDERED GOOD)**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Non-current</b>		
Loan to subsidiaries (refer note 28)*	156,914.84	132,476.19
<b>Total</b>	<b>156,914.84</b>	<b>132,476.19</b>

(All amounts in INR Million unless otherwise stated)

Details of loan to subsidiaries	Rate of Interest	Secured/unsecured	March 31, 2023	March 31, 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
Indigrd Limited	15.00%	Unsecured	827.72	583.23
Indigrd 1 Limited	15.75%	Unsecured	0.02	93.03
Indigrd 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	-
<b>Total</b>			<b>156,914.84</b>	<b>132,476.19</b>

\* 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.

**NOTE 9: OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD) (CARRIED AT AMORTISED COST)**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
Security deposits	38.90	38.90
Other bank balances (refer note 12)#	79.40	418.00
<b>Total</b>	<b>118.30</b>	<b>456.90</b>
<b>Current</b>		
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
<b>Total</b>	<b>6,190.18</b>	<b>3,261.35</b>

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



INDIA GRID TRUST  
Notes to Standalone Financial Statements for the year ended March 31, 2023

**NOTE 10: OTHER ASSETS (UNSECURED, CONSIDERED GOOD)**

(All amounts in INR Million unless otherwise stated)

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

**NOTE 11: CASH AND CASH EQUIVALENTS (CARRIED AT AMORTISED COST)**

(All amounts in INR Million unless otherwise stated)

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

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, INR 13.04 Million (March 31, 2022: INR 11.38 Million) pertains to unclaimed distribution to unitholders.

**NOTE 12: OTHER BANK BALANCES**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
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)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
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
<b>Total</b>	<b>3,110.76</b>	<b>2,322.58</b>

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

**NOTE 13: UNIT CAPITAL**
**a. Reconciliation of the units outstanding at the beginning and at the end of the reporting period**

(All amounts in INR Million unless otherwise stated)

	Number of units (In Million)	Amount (INR in Million)
<b>As at April 01, 2021</b>	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)
<b>As at March 31, 2022</b>	<b>700.18</b>	<b>65,903.15</b>
Issued during the year	-	-
<b>As at March 31, 2023</b>	<b>700.18</b>	<b>65,903.15</b>

**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 INR 110.00 per unit (the "issue price"), aggregating to INR 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 April 06, 2021 and closed on April 13, 2021, which was extended to April 16, 2021. The Allotment Committee of the Board of Directors of IndiGrid Investment Managers Limited ('Investment Manager'), considered and approved allotment of 116,695,404 rights units to the eligible unitholders of IndiGrid on April 22, 2021.
- ii) Issue expenses of INR 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 % Units in the Trust**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023		March 31, 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.

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

**NOTE 14: OTHER EQUITY**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Retained earnings/ (Accumulated deficit)</b>		
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)
<b>Closing balance</b>	<b>3,296.07</b>	<b>2,293.62</b>

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

**NOTE 15: LONG TERM BORROWINGS (CARRIED AT AMORTISED COST)**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Debentures</b>		
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
	<b>53,607.39</b>	<b>46,110.93</b>
<b>Term loans</b>		
Indian rupee loan from banks (secured) (refer note B and (ii) below)	82,067.19	61,375.49
	<b>82,067.19</b>	<b>61,375.49</b>
<b>Total non-current borrowings</b>	<b>135,674.58</b>	<b>107,486.42</b>
<b>Current maturities</b>		
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
<b>Total current borrowings</b>	<b>9,256.73</b>	<b>17,215.53</b>
The above amount includes :		
Secured borrowings	144,931.31	124,701.95
Unsecured borrowings	-	-
<b>Total short term borrowings</b>	<b>144,931.31</b>	<b>124,701.95</b>

(i) The above items represent new secured non-convertible debentures that have been issued by the Trust during the year ended March 31, 2023.

(ii) During the year ended March 31, 2023 the Trust has taken new Indian rupee loan from banks of INR 22,700 Million (March 31, 2022: INR 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

**INDIA GRID TRUST**
**Notes to Standalone Financial Statements for the year ended March 31, 2023**

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.

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 :

(All amounts in INR Million unless otherwise stated)

<b>Rate of Interest</b>	<b>Repayment Commencement Date</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29 &amp; onward</b>
3,000 9.10% Non-convertible debentures of INR 10,00,000 each	July 29, 2024	-	3,000.00	-	-	-	-
50,000 7.85% Non-convertible debentures of INR 100,000 each	February 28, 2028	-	-	-	-	5,000.00	-
4,000 8.50% Non-convertible debentures of INR 10,00,000 each	March 01, 2024	4,000.00	-	-	-	-	-
2,500 7.00% Non-convertible debentures of INR 10,00,000 each	June 28, 2024	-	2,500.00	-	-	-	-
2,500 7.53% Non-convertible debentures of INR 10,00,000 each	August 05, 2025	-	-	2,500.00	-	-	-
1,500 7.25% Non-convertible debentures of INR 10,00,000 each	June 27, 2025	-	-	1,500.00	-	-	-
1,000 7.40% Non-convertible debentures of INR 10,00,000 each	December 26, 2025	-	-	1,000.00	-	-	-
2,500 8.60% Non-convertible debentures of INR 10,00,000 each	August 31, 2028	-	-	-	-	-	2,500.00
50,000 7.917% Non-convertible debentures of INR 100,000 each	February 28, 2031	-	-	-	-	-	5,000.00
2,500 8.40% Non-convertible debentures of INR 10,00,000 each	June 14, 2023	2,500.00	-	-	-	-	-
1,000 8.40% Non-convertible debentures of INR 10,00,000 each	June 16, 2023	1,000.00	-	-	-	-	-
4,000 7.32% Non-convertible debentures of INR 10,00,000 each	June 27, 2031	-	-	-	-	-	4,000.00
8,500 6.72% Non-convertible debentures of INR 10,00,000 each	September 14, 2026	-	-	-	8,500.00	-	-
4,000 6.52% Non-convertible debentures of INR 10,00,000 each	April 07, 2025	-	-	4,000.00	-	-	-
4,350 7.11% Non-convertible debentures of INR 10,00,000 each	February 14, 2029	-	-	-	-	-	4,350.00

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

## Public NCD

Rate of Interest	Repayment Commencement Date	FY 2024-25	FY 2026-27	FY 2028-29	FY 2031-32
6.65% Category I & II	May 06, 2024	0.01	-	-	-
6.75% Category III & IV	May 06, 2024	101.82	-	-	-
7.45% Category I & II	May 06, 2026	-	859.85	-	-
7.6% Category III & IV	May 06, 2026	-	964.74	-	-
7.7% Category I & II	May 06, 2028	-	-	1,004.25	-
7.9% Category III & IV	May 06, 2028	-	-	409.09	-
7.49% Category I & II	May 06, 2028	-	-	4.72	-
7.69% Category III & IV	May 06, 2028	-	-	120.34	-
7.95% Category I & II	May 06, 2031	-	-	-	126.46
8.2% Category III & IV	May 06, 2031	-	-	-	5,991.84
7.72% Category I & II	May 06, 2031	-	-	-	4.72
7.97% Category III & IV	May 06, 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 March 31, 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)**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Trade Payables</b>		
- 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
<b>Total</b>	<b>75.41</b>	<b>55.87</b>

#### Ageing schedule as at March 31, 2023

	Outstanding for following periods from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro 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	-	-	-	-	-	-	-
<b>Total</b>	<b>46.06</b>	<b>25.37</b>	<b>3.30</b>	<b>0.47</b>	<b>0.21</b>	<b>-</b>	<b>75.41</b>

#### Ageing schedule as at March 31, 2022

	Outstanding for following periods from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro 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	-	-	-	-	-	-	-
<b>Total</b>	<b>34.08</b>	<b>-</b>	<b>21.49</b>	<b>0.30</b>	<b>-</b>	<b>-</b>	<b>55.87</b>

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.

#### NOTE 17: OTHER FINANCIAL LIABILITIES (CARRIED AT AMORTISED COST)

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>CURRENT</b>		
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
<b>Total</b>	<b>2,238.26</b>	<b>2,483.37</b>

# 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.

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

**NOTE 18: OTHER CURRENT LIABILITIES**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Withholding Taxes (Tds) Payable	14.15	0.78
GST payable	-	0.02
<b>Total</b>	<b>14.15</b>	<b>0.80</b>

**NOTE 19: TAX EXPENSE**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
- Current tax	31.88	23.62
- Income tax for earlier years	0.08	-
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>31.96</b>	<b>23.62</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Accounting profit before income tax</b>	<b>10,198.00</b>	<b>9,232.22</b>
At India's statutory income tax rate of 42.74% (44651: 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
<b>Income tax expense reported in the statement of profit and loss</b>	<b>31.96</b>	<b>23.62</b>

**NOTE 20: REVENUE FROM OPERATIONS**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 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
<b>Total</b>	<b>21,807.67</b>	<b>20,025.39</b>

**NOTE 21: OTHER INCOME**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Processing fees on loan given to subsidiary (refer note 28)	-	18.85
Miscellaneous income	-	0.18
<b>Total</b>	<b>-</b>	<b>19.03</b>

**NOTE 22: OTHER EXPENSES**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 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
<b>Total</b>	<b>33.37</b>	<b>21.79</b>

#### NOTE 23: FINANCE COST

(All amounts in INR Million unless otherwise stated)

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

#### NOTE 24: DEPRECIATION AND AMORTISATION EXPENSE

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Depreciation of tangible assets	0.43	0.37
Amortisation of intangible assets	11.88	1.38
<b>Total</b>	<b>12.31</b>	<b>1.75</b>

#### 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

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Profit after tax for calculating basic and diluted EPU (INR 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
<b>Earnings Per Unit:</b>		
Basic and Diluted (INR/unit)	14.52	13.29

#### 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 October 20, 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



## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

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.

**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:

(All amounts in INR Million unless otherwise stated)

Particulars	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial assets at Amortised cost</b>				
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	156,914.84	132,476.19	156,914.84	132,476.19
Other financial assets	6,229.08	3,300.25	6,229.08	3,300.25
<b>Financial assets at Fair Value</b>				
Investments in mutual funds	69.74	-	69.74	-
<b>Total</b>	<b>171,424.99</b>	<b>152,595.36</b>	<b>171,424.99</b>	<b>152,595.36</b>
<b>Financial liabilities at amortised cost</b>				
Borrowings	144,931.31	124,701.95	144,931.31	124,701.95
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
<b>Total</b>	<b>147,244.98</b>	<b>127,241.19</b>	<b>147,244.98</b>	<b>127,241.19</b>

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 March 31, 2023 and March 31, 2022 are as shown below:

**Description of significant unobservable inputs to valuation:**

(All amounts in INR Million unless otherwise stated)

Significant unobservable inputs	Input for March 31, 2023	Input for March 31, 2022	Sensitivity of input to the fair value	Increase / (decrease) in fair value	
				March 31, 2023	March 31, 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(Exclable): 5.00% Expenses: 2.14% to 4.75%	Revenue(Exclable): 5.00% Expenses: 2.46% to 4.84%	+ 1%	(3,127.86)	(3,173.14)
			(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:

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023 and March 31, 2022:**

(All amounts in INR Million unless otherwise stated)

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets for which fair values are disclosed:</b>				
Investment in subsidiaries (including loan to subsidiaries)	March 31, 2023	-	-	226,879.67
	March 31, 2022	-	-	206,398.37
Investments in mutual funds	March 31, 2023	-	69.74	-
	March 31, 2022	-	-	-

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

**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)

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

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 July 13, 2021)  
 IndiGrid Solar-II (AP) Private Limited (ISPL2) (from July 13, 2021)  
 Kallam Transmission Limited (KTL) (from December 28, 2021)  
 Raichur Sholapur Transmission Company Private Limited (RSTCPL) (from November 09, 2022)  
 Khargone Transmission Limited (KhTL) (from March 02, 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. Limited - 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. Limited (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 Limited 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. Limited. - Promoter of IIML

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

Harsh Shah (CEO & Whole-time director) (till June 30, 2022 and re-joined from August 30, 2022)  
 Jyoti Kumar Agarwal (till September 30, 2022)  
 Tarun Kataria  
 Rahul Asthana (till December 25, 2022)  
 Ashok Sethi  
 Hardik Shah (from November 30, 2021)

Jayashree Vaidhyanthan (from November 30, 2021)

Ami Momaya (from January 27, 2022)

Pratik Agarwal (till January 14, 2022)

Sanjay Omprakash Nayar (till January 27, 2022)

**Directors of SPTL:**

Pravin Agarwal

Pratik Agarwal

A. R. Narayanaswamy

Zhao Haixia (till March 31, 2022)

Anoop Seth

Manish Agarwal (from December 17, 2021)

Arun Lalchand Todarwal (till July 24, 2021)

Kamaljeet Kaur (from June 29, 2022)

**Key Managerial Personnel of IIML:**

Harsh Shah (CEO & Whole-time director) (till June 30, 2022 and re-joined from August 30, 2022)

Navin Sharma (CFO) (from April 19, 2023)

Urmil Shah (Company Secretary) (from August 01, 2022)

Jyoti Kumar Agarwal (CFO) (till June 30, 2022) and (CEO & Whole-time director) (from July 01, 2022 till September 30, 2022)

Divya Bedi Verma (CFO) (from July 01, 2022 till February 15, 2023)

Swapnil Patil (Company Secretary) (till July 31, 2022)

**Directors of ATSL:**

Rajesh Kumar Dahiya

Ganesh Sankaran

Deepa Rath (from May 01, 2021)

Sanjay Sinha (till April 30, 2021)

**Directors of Esoteric II Pte. Limited.:**

Tang Jin Rong

Madhura Narawane (from January 26, 2022)

Velasco Azonos Cecilio Francisco (till January 26, 2022)

**Relative of directors mentioned above:**

Sonakshi Agarwal

Jyoti Agarwal

Sujata Asthana (till December 25, 2022)

Mala Todarwal (till July 24, 2021)

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

**(B) The transactions with related parties during the year are as follows:-**

(All amounts in INR Million unless otherwise stated)

Particulars	Relation	March 31, 2023	March 31, 2022
<b>1. Unsecured loans given to subsidiaries</b>			
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	-	7,662.38
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 (ISPL1)	Subsidiary	23.00	2,911.34
IndiGrid Solar-II (AP) Private Limited (ISPL2)	Subsidiary	29.05	2,856.51
Kallam Transmission Limited (KTL)	Subsidiary	720.00	183.60
Indigrid Limited (IGL)	Subsidiary	260.67	242.13
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 (KhTL)	Subsidiary	14,638.81	-
<b>2. Repayment of loan from subsidiaries</b>			
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 (ISPL1)	Subsidiary	236.12	70.00
IndiGrid Solar-II (AP) Private Limited (ISPL2)	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 (KhTL)	Subsidiary	4.15	-
<b>3. Purchase of loan of Khargone Transmission Limited</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	253.28	-

(All amounts in INR Million unless otherwise stated)

Particulars	Relation	March 31, 2023	March 31, 2022
<b>4. Interest income from subsidiaries</b>			
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 (ISPL1)	Subsidiary	533.42	395.64
IndiGrid Solar-II (AP) Private Limited (ISPL2)	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	93.12	91.22
Raichur Sholapur Transmission Company Private Limited (RSTCPL)	Subsidiary	114.46	-
Khargone Transmission Limited (KhTL)	Subsidiary	168.74	-
<b>5. Dividend income from subsidiaries</b>			
Parbati Koldam Transmission Company Limited (PrKTCL)	Subsidiary	201.90	282.66
Jhajjar Transco Private Limited (JKTPL)	Subsidiary	20.00	-
<b>6. Loan arrangement fees received from subsidiaries</b>			
Parbati Koldam Transmission Company Limited (PrKTCL)	Subsidiary	-	18.85
<b>7. Deposits Given</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	36.00
<b>8. Adjustment in consideration for equity shares of Indigrid 1 Limited on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	77.31	(0.58)
<b>9. Consideration for equity shares of Indigrid 2 Limited on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	18.53
<b>10. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	(4.46)
<b>11. Adjustment in consideration for equity shares of GPTL on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	3.84	(0.57)
<b>12. Purchase of equity shares of NER</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	5,179.33

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

(All amounts in INR Million unless otherwise stated)

Particulars	Relation	March 31, 2023	March 31, 2022
<b>13. Adjustment in consideration for equity shares of NER on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	255.87	10.58
<b>14. Purchase of equity shares of KhTL</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	135.13	-
<b>15. Investment in right issue of subsidiary</b>			
Indigrd 1 Limited (IGL1)	Subsidiary	258.59	-
<b>16. Rights Issue of unit capital</b>			
Esoteric II Pte. Limited	Sponsor/Entity with significant influence over the Trust	-	3,285.28
Sterlite Power Transmission Limited	Sponsor of IndiGrid	-	44.72
<b>17. Trustee fee</b>			
Axis Trustee Services Limited (ATSL)	Trustee	2.63	3.32
<b>18. Investment Management Fees</b>			
Indigrd Investment Managers Limited	Investment manager of IndiGrid	8.50	6.53
<b>19. Distribution to unit holders</b>			
Sterlite Power Transmission Limited	Sponsor of IndiGrid	-	14.09
Indigrd Investment Managers Limited	Investment manager of IndiGrid	7.25	6.55
Esoteric II Pte. Limited	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
<b>20. Deposit made to IT department on behalf of PKTCL &amp; NRSS</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	19.19	-

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

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Unsecured loan receivable from subsidiaries	156,914.84	132,476.19
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 October 20, 2016 are as follows:**

**FOR THE YEAR ENDED MARCH 31, 2023:**

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

(All amounts in INR Million unless otherwise stated)

Particulars	KhTL
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 Limited (KhTL):**

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

Considering the requirements under Ind AS 110, the Group has assessed whether it controls KhTL 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 KhTL in spite of the fact that it has acquired only 49% of the paid up capital of KhTL.

**FOR THE YEAR ENDED MARCH 31, 2022:**

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



## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

**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**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 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 (March 31, 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 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.

INDIA GRID TRUST  
Notes to Standalone Financial Statements for the year ended March 31, 2023

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

(All amounts in INR Million unless otherwise stated)

Particulars	% change in market value	March 31, 2023	March 31, 2022
		Effect on loss before tax	Effect on loss before tax
Mutual funds	0.5%	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.

contract, leading to a financial loss. The Trust is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at March 31, 2023 and March 31, 2022, the credit risk is considered low since substantial transactions of the Trust are with its subsidiaries.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Trust did not have any exposure in foreign currency as at March 31, 2023 and March 31, 2022.

**(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 programmes 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.

**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.

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:

At the reporting date, the exposure to equity investments in subsidiary at carrying value was INR 42,916.7 Million (March 31, 2022: INR 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

## INDIA GRID TRUST

## Notes to Standalone Financial Statements for the year ended March 31, 2023

(All amounts in INR Million unless otherwise stated)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>March 31, 2023</b>						
Borrowings	-	-	9,256.73	111,751.00	23,923.58	144,931.31
Trade payables	-	75.41	-	-	-	75.41
Other financial liabilities	-	997.37	1,240.89	-	-	2,238.26
<b>Total</b>	<b>-</b>	<b>1,072.78</b>	<b>10,497.62</b>	<b>111,751.00</b>	<b>23,923.58</b>	<b>147,244.98</b>

(All amounts in INR Million unless otherwise stated)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>March 31, 2022</b>						
Borrowings	-	14,292.58	2,925.95	39,209.31	68,274.11	124,701.95
Trade payables	-	55.87	-	-	-	55.87
Other financial liabilities	-	999.48	1,483.89	-	-	2,483.37
<b>Total</b>	<b>-</b>	<b>15,347.93</b>	<b>4,409.84</b>	<b>39,209.31</b>	<b>68,274.11</b>	<b>127,241.19</b>

**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.

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Borrowings	144,931.31	124,701.95
Less: Cash and cash equivalents	(1,949.33)	(7,846.97)
<b>Net debt (A)</b>	<b>142,981.98</b>	<b>116,854.98</b>
Unit capital	65,903.15	65,903.15
Other equity	3,296.07	2,293.62
<b>Total capital (B)</b>	<b>69,199.22</b>	<b>68,196.77</b>
<b>Capital and net debt ((C) = (A) + (B))</b>	<b>212,181.20</b>	<b>185,051.75</b>
<b>Gearing ratio (A)/(C)</b>	<b>67%</b>	<b>63%</b>

**Financial Covenants**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

**NOTE 35: SUBSEQUENT EVENT**

On May 12, 2023, the Board of directors of the Investment Manager approved a distribution of INR 3.45 per unit for the period January 01, 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

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

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

**Harsh Shah**  
CEO & Whole-time Director  
DIN: 02496122

**Urmil Shah**  
Company Secretary  
Membership Number : A23423

**Navin Sharma**  
Chief Financial Officer

Place : Pune  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

# 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b>Non applicability of Appendix D 'Service Concession Arrangements' of Ind AS 115 'Revenue from contracts with customers'</b> (as described in Note 28 of the consolidated financial statements)</p> <p>The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25/35 years. Generally, the subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff-based bidding process to Build, Own, Operate and Maintain ("BOOM")/ Build, Own and Operate ("BOO") the transmission infrastructure for a period of 25/35 years or have entered into Power Purchase Agreements ("PPA") with Solar Energy Corporation of India ("SECI"), a limited liability company owned 100% by the Government of India, for development of solar power project, generation and sale of solar power with a contractual period of 25 years at a fixed tariff.</p> <p>The Management of Investment Manager ("the management") is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee or solar power developer to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license or power purchase agreement as well as at the end of the license period or expiry date of power purchase agreement. In the view of management, generally the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission/solar infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D is not applicable to the Group for all transmission assets operating under BOOM/ BOO model and for Solar assets.</p> <p>Considering the judgement involved in determining the grantor's involvement and whether the grantor controls, through ownership, beneficial entitlement or otherwise, and any significant residual interest in the transmission/solar infrastructure at the end of the term of the arrangement, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We obtained and read the TSAs/ PPAs to understand roles and responsibilities of the grantor.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b>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)</b></p> <p><i>(as described in Note 28 of the consolidated financial statements)</i></p> <p>JKTPL acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years issued by Haryana Electricity Regulation Commission. JKTPL has entered into TSA with Haryana Vidyut Prasaran Nigam Limited through a tariff-based bidding process to Design, Build, Finance, Operate and Transfer ("DBFOT") the transmission infrastructure for a period of 25 years.</p> <p>The Group constructs transmission infrastructure and operates and maintains such infrastructure for a specified period of time. The infrastructure constructed by the Group is not recorded as property, plant and equipment of the Group because the TSA does not transfer to the concessionaire the right to control the use of public services infrastructure. The group only has the right to operate the infrastructure for the provision of public services on behalf of the grantor, as provided in the contract. Thus, under the terms of the TSA, the Group only acts as a service provider. Hence this arrangement is accounted for under Appendix D – 'Service Concession Arrangements' to Ind AS 115 – 'Revenue from contracts with customer'.</p> <p>The Group has classified the concession arrangements under financial asset model since the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the services.</p> <p>Accordingly, the above matter was determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We evaluated terms of the TSA to understand roles and responsibilities of the grantor.</li> <li>• We tested, on sample basis, the base data and supporting documents for basis of key assumptions and estimates used by the management.</li> <li>• 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.</li> <li>• 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.</li> <li>• We tested the arithmetical accuracy of the valuation models.</li> <li>• We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment of property, plant and equipment and service concession arrangements</b></p> <p><i>(as described in Note 3,7 and 28 of the consolidated financial statements)</i></p> <p>The Group owns and operates various power transmission and generation assets. The carrying value of the power transmission and generation assets as at March 31, 2023, included under property, plant and equipment and service concession arrangements is INR 180,623.56 million.</p> <p>In accordance with Ind AS 36 and Ind AS 109, at each reporting period end, management assesses the existence of impairment indicators of property, plant and equipment and service concession arrangements. In case of existence of impairment indicators, property, plant and equipment and service concession arrangements balances are subjected to impairment test.</p> <p>The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license or solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We obtained and read the valuation report of the Group's independent valuation expert, and assessed the expert's competence, capability and objectivity.</li> <li>• We evaluated the independent valuation expert's methodology, assumptions and estimates used in the calculations.</li> <li>• We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders.</li> <li>• We tested completeness, arithmetical accuracy and validity of the data used in the calculations.</li> <li>• In performing the above procedures, we involved valuation specialists to perform an independent review of methodology and key assumptions used in the valuation.</li> <li>• We read and assessed the disclosures included in the notes to the consolidated financial statements</li> </ul>
<p><b>Classification of unit holders' funds as equity</b></p> <p><i>(as described in Note 28 of the consolidated financial statements)</i></p> <p>The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the InvIT to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 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.</p> <p>Considering the judgment required for classification of unit holders' funds as equity, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant requirements of InvIT regulations.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b>Acquisition of Transmission/ Solar Special Purpose Vehicles ("SPVs") classified as asset acquisitions</b></p> <p><i>(as described in Note 28 of the consolidated financial statements)</i></p> <p>The Group acquires operational transmission/ solar SPVs from the Sponsor or from third parties. The purchase consideration primarily pertains to the fair value of the transmission assets/ solar assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements/ Power Purchase Agreements (TSAs/PPAs) for 25/35 years. The only key activity for these SPVs is the maintenance of the transmission assets/ solar assets which is outsourced to third parties.</p> <p>Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS, including evaluation under the optional concentration test, and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management classified the acquisition of transmission/ solar SPVs as asset acquisition.</p> <p>Considering the management judgement involved in determining if the acquisition of transmission/ solar SPVs constitute business or asset, it is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We read the relevant guidance under Ind AS on determining if the acquired SPV constitutes a business.</li> <li>• We assessed the activities of the transmission/ solar SPVs.</li> <li>• We read and assessed the Group's accounting policy for recognition and classification on the acquisition of transmission/ solar SPVs.</li> <li>• 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.</li> <li>• We read and assessed the disclosures in the consolidated financial statements for compliance with the relevant accounting standards requirement.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p><b>Computation and disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations</b></p> <p><i>(as described in Note 28 of the consolidated financial statements)</i></p> <p>The Group is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the Group.</p> <p>For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.</p> <p>The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• We obtained and read the valuation report by the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity.</li> <li>• We evaluated independent valuation expert's methodology, assumptions and estimates used in the calculations.</li> <li>• We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs/ PPAs / tariff orders.</li> <li>• We tested completeness, arithmetical accuracy and validity of the data used in the calculations.</li> <li>• In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation.</li> <li>• We read and assessed the disclosures included in the notes to the consolidated financial statements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b>Classification of Khargone Transmission Limited ("KhTL") as a subsidiary</b> <i>(as described in Note 28 of the consolidated financial statements)</i></p> <p>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 ("KhTL") 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 KhTL. 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.</p> <p>Based on the contractual terms in the above agreement, the Group has following rights:</p> <ul style="list-style-type: none"> <li>• Right to nominate majority of directors on the Board of directors of KhTL;</li> <li>• Right to direct the Selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of KhTL;</li> <li>• Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in KhTL;</li> </ul> <p>Considering the requirements under Ind AS 110, the Group has assessed whether it controls KhTL on the basis of the above rights under the Agreement. Accordingly, the Group has consolidated KhTL as a 100% subsidiary from the date of acquisition.</p> <p>Considering the judgment required in assessing whether the Group controls KhTL, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We obtained and read the share purchase agreement with the selling shareholder for acquisition of equity stake in KhTL.</li> <li>• We obtained understanding of management's assessment of whether the Group controls KhTL.</li> <li>• We read and understood the Group's accounting policy for consolidation.</li> <li>• We discussed with management the contractual terms and rights available to the Group pursuant to the agreement.</li> <li>• We read and evaluated the requirements for consolidation of entity under Ind AS 110.</li> <li>• We read and assessed the disclosures included in the consolidated financial statements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### 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 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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information 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.

#### 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:

- 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;
- The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are in agreement with the books of account;
- 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.
- 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

#### per Huzefa Ginwala

Partner  
Membership Number: 111757  
UDIN: 23111757BGYQJV1243

Place of Signature: Pune  
Date: May 12, 2023

# Consolidated Balance Sheet

as at March 31, 2023

(All amounts in INR Million unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	177,840.92	167,849.54
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
<b>Financial assets</b>			
Other financial assets	7	2,673.94	3,289.66
Other non-current assets	8	1,026.52	639.81
		<b>182,894.54</b>	<b>172,345.89</b>
<b>Current assets</b>			
<b>Financial assets</b>			
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
		<b>19,229.28</b>	<b>23,224.46</b>
		<b>202,123.82</b>	<b>195,570.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Unit capital	12	65,903.15	65,903.15
Other equity	13	(16,326.20)	(11,720.89)
<b>Other reserves</b>			
Equity attributable to Non-controlling interests		827.89	796.58
		<b>50,404.84</b>	<b>54,978.84</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	14	135,674.58	111,311.50
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
		<b>137,049.11</b>	<b>112,682.36</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
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
		<b>14,669.87</b>	<b>27,909.15</b>
		<b>151,718.98</b>	<b>140,591.51</b>
		<b>202,123.82</b>	<b>195,570.35</b>

Summary of significant accounting policies

2.2

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

As per our report of even date

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

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

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

**Harsh Shah**  
 CEO & Whole-time Director  
 DIN: 02496122

**Urmil Shah**  
 Company Secretary  
 Membership Number : A23423

**Navin Sharma**  
 Chief Financial Officer

 Place : Pune  
 Date : May 12, 2023

 Place : Mumbai  
 Date : May 12, 2023

 Place : Mumbai  
 Date : May 12, 2023

 Place : Mumbai  
 Date : May 12, 2023

## INDIA GRID TRUST

**Consolidated Statement of Profit and Loss**

for the year ended March 31, 2023

(All amounts in INR Million unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
<b>INCOME</b>			
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
<b>Total income (I)</b>		<b>24,142.88</b>	<b>22,744.41</b>
<b>EXPENSES</b>			
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		1,304.86	1,163.12
Depreciation and amortisation expense		7,040.70	6,654.86
Finance costs		10,108.90	10,501.48
Impairment/ (reversal of impairment) of property, plant and equipment and service concession receivable		(120.14)	(54.97)
<b>Total expenses (II)</b>		<b>19,454.40</b>	<b>19,244.76</b>
Regulatory Deferral Income		0.90	6.93
<b>Profit before tax (III=I-II)</b>		<b>4,687.58</b>	<b>3,492.72</b>
<b>Tax expense</b>			
Current tax		119.78	43.66
Deferred tax		(91.25)	10.97
Income tax for earlier years		1.26	5.34
<b>Tax expense (IV)</b>		<b>29.79</b>	<b>59.97</b>
<b>Profit for the year (III-IV)</b>		<b>4,657.79</b>	<b>3,432.75</b>
<b>Other comprehensive income</b>			
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
<b>Other comprehensive income for the year</b>		<b>2.74</b>	<b>0.80</b>
<b>Total comprehensive income for the year</b>		<b>4,660.53</b>	<b>3,433.55</b>
<b>Profit for the year</b>		<b>4,657.79</b>	<b>3,432.75</b>
Attributable to:			
Unit holders		4,555.72	3,484.12
Non-controlling interests		102.07	(51.37)
<b>Other comprehensive income for the year</b>		<b>2.74</b>	<b>0.80</b>
Attributable to:			
Unit holders		2.56	0.46
Non-controlling interests		0.18	0.34
<b>Total comprehensive income for the year</b>		<b>4,660.53</b>	<b>3,433.55</b>
Attributable to:			
Unit holders		4,558.28	3,484.58
Non-controlling interests		102.25	(51.03)
<b>Earnings per unit</b>			
Basic and diluted (in INR)	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

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

Place : Pune  
Date : May 12, 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 : May 12, 2023

**Urmil Shah**  
Company Secretary  
Membership Number : A23423

Place : Mumbai  
Date : May 12, 2023

**Navin Sharma**  
Chief Financial Officer

Place : Mumbai  
Date : May 12, 2023

## Consolidated Statement Of Changes In Unit Holders' Equity

for the year ended March 31, 2023

### A. UNIT CAPITAL

(All amounts in INR Million unless otherwise stated)

	Nos. in Million	INR in Million
<b>Balance as at April 01, 2021</b>	<b>583.49</b>	<b>53,145.69</b>
Units issued during the year (Refer note 11)	116.69	12,836.49
Issue expenses	-	(79.03)
<b>Balance as at March 31, 2022</b>	<b>700.18</b>	<b>65,903.15</b>
Units issued during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>700.18</b>	<b>65,903.15</b>

### B. OTHER EQUITY

(All amounts in INR Million unless otherwise stated)

	Other comprehensive income	Retained earnings/ (Accumulated deficit)	Self Insurance Reserve	Total other equity
<b>As at April 01, 2021</b>	<b>2.68</b>	<b>(6,392.58)</b>	<b>68.13</b>	<b>(6,321.77)</b>
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)
<b>As at March 31, 2022</b>	<b>3.14</b>	<b>(11,724.03)</b>	<b>(0.00)</b>	<b>(11,720.89)</b>
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)
<b>As at March 31, 2023</b>	<b>5.70</b>	<b>(16,331.90)</b>	<b>(0.00)</b>	<b>(16,326.20)</b>

#### 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 March 31, 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)

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

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122

**Urmil Shah**  
Company Secretary  
Membership Number : A23423

**Navin Sharma**  
Chief Financial Officer

Place : Pune  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023



INDIA GRID TRUST

# Consolidated Statement Of Cash Flow

for the year ended March 31, 2023

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>A. CASH FLOW GENERATED FROM OPERATING ACTIVITIES</b>		
<b>Net profit as per statement of profit and loss</b>	<b>4,660.53</b>	<b>3,433.55</b>
Adjustment for taxation	29.79	59.97
<b>Profit before tax</b>	<b>4,690.32</b>	<b>3,493.52</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation 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)
<b>Operating profit before working capital changes</b>	<b>21,115.93</b>	<b>20,245.42</b>
<b>Movements in working capital :</b>		
- 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
<b>Changes in working capital</b>	<b>(269.79)</b>	<b>448.78</b>
<b>Cash generated from operations</b>	<b>20,846.14</b>	<b>20,694.20</b>
Direct taxes paid (net of refunds)	(490.08)	112.42
<b>Net cash flow generated from operating activities (A)</b>	<b>20,356.06</b>	<b>20,806.62</b>
<b>B. CASH FLOW (USED IN) INVESTING ACTIVITIES</b>		
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)
<b>Net cash flow (used in) investing activities (B)</b>	<b>(21,179.44)</b>	<b>(15,168.37)</b>
<b>C. CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>		
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)
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>(7,883.76)</b>	<b>(19,831.17)</b>
<b>Net change in cash and cash equivalents (A + B + C)</b>	<b>(8,707.14)</b>	<b>(14,192.92)</b>
<b>Cash and cash equivalents as at beginning of year (D)</b>	<b>11,873.37</b>	<b>26,066.29</b>
<b>Cash and cash equivalents as at the end of year (A + B + C + D)</b>	<b>3,166.23</b>	<b>11,873.37</b>

Introduction

Corporate Overview

Management Reports

Financial Statements

**INDIA GRID TRUST**
**Statement of Cash Flow  
for the year ended March 31, 2023 (Contd.)**

(All amounts in INR Million unless otherwise stated)

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

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

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

(All amounts in INR Million unless otherwise stated)

Particulars	Long term borrowings (Including current maturities)
<b>April 01, 2021</b>	<b>146,588.90</b>
Cash flow	
- Interest	(10,346.09)
- Proceeds/(repayments)	(12,286.69)
Foreign exchange loss on borrowing	(126.90)
Accrual	10,628.41
<b>March 31, 2022</b>	<b>134,457.63</b>
Cash flow	
- Interest	(10,048.99)
- Proceeds/(repayments)	11,398.10
Foreign exchange loss on borrowing	(53.23)
Accrual	10,162.13
<b>March 31, 2023</b>	<b>145,915.64</b>

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

As per our report of even date

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

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

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

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122

**Urmil Shah**  
Company Secretary  
Membership Number : A23423

**Navin Sharma**  
Chief Financial Officer

 Place : Pune  
Date : May 12, 2023

 Place : Mumbai  
Date : May 12, 2023

 Place : Mumbai  
Date : May 12, 2023

 Place : Mumbai  
Date : May 12, 2023

## INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

**Disclosures Pursuant To SEBI Circulars**

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

**A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023		March 31, 2022	
	Book value	Fair value	Book value	Fair value
A. Assets	202,123.82	244,705.79	195,570.35	232,813.33
B. Liabilities and Non-Controlling Interest (at book value)	152,546.87	152,546.87	141,388.09	141,388.09
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 March 31, 2023**

(All amounts in INR Million unless otherwise stated)

Project	March 31, 2023	March 31, 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 <sup>1</sup>	2,830.70	-
Khargone Transmission Limited <sup>2</sup>	16,773.05	-
<b>Sub-total</b>	<b>238,505.62</b>	<b>220,967.60</b>
Assets (in IndiGrid and intermediate holding companies)	6,200.17	11,845.73
<b>Total assets</b>	<b>244,705.79</b>	<b>232,813.33</b>

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

**B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 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 recognised in total comprehensive income	5,339.00	411.27
<b>Total Return</b>	<b>9,999.53</b>	<b>3,844.82</b>

**Notes:**

- Fair value of assets as at March 31, 2023 and as at March 31, 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.
- Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 29A.

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 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	-	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>19,914.56</b>	<b>21,462.83</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i and ii)	(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)
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(10,866.44)</b>	<b>(12,039.68)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>9,048.12</b>	<b>9,423.15</b>

**B) Statement of Net Distributable Cash Flows (NDCFs) of underlying Holdcos and SPVs**
**(i) IndiGrid Limited (IGL) (Holdco)**

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(338.72)</b>	<b>(960.78)</b>
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	-	-

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
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;	(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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>305.45</b>	<b>718.72</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>(33.27)</b>	<b>(242.06)</b>

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(728.48)</b>	<b>(157.55)</b>
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)	-	-

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortisation of Upfront fees	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	-	-
<b>Total Adjustments (B)</b>	<b>3,049.61</b>	<b>1,689.04</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>2,321.13</b>	<b>1,531.49</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(2,133.24)</b>	<b>(1,815.28)</b>
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;	-	-

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>3,511.44</b>	<b>3,228.49</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>1,378.20</b>	<b>1,413.21</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(174.14)</b>	<b>(177.74)</b>
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)	-	-

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>693.28</b>	<b>704.08</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>519.14</b>	<b>526.34</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>13.49</b>	<b>20.22</b>
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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>341.35</b>	<b>406.40</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>354.84</b>	<b>426.62</b>

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



## INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

## (vi) Purulia &amp; Kharagpur Transmission Company Limited (PKTCL) (SPV)

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>22.15</b>	<b>47.46</b>
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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>660.60</b>	<b>683.05</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>682.75</b>	<b>730.51</b>

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

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(83.72)</b>	<b>(115.32)</b>
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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>354.69</b>	<b>399.41</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>270.97</b>	<b>284.09</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(37.50)</b>	<b>(18.78)</b>
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;	-	-

## INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	-	(0.35)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>27.24</b>	<b>1.77</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>(10.26)</b>	<b>(17.01)</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>273.11</b>	<b>102.42</b>
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)	-	-

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
-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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>4,490.54</b>	<b>4,830.76</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>4,763.65</b>	<b>4,933.18</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(96.30)</b>	<b>(99.13)</b>
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)	-	-

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>92.66</b>	<b>91.37</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>(3.64)</b>	<b>(7.76)</b>

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(522.85)</b>	<b>(439.85)</b>
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)	-	-
Amortisation 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	-	-
<b>Total Adjustments (B)</b>	<b>2,006.50</b>	<b>1,864.26</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>1,483.65</b>	<b>1,424.41</b>

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

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(436.68)</b>	<b>(466.85)</b>
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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>1,747.39</b>	<b>1,897.23</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>1,310.71</b>	<b>1,430.38</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(507.30)</b>	<b>(414.53)</b>
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;	-	-

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
-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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>1,744.88</b>	<b>1,683.99</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>1,237.58</b>	<b>1,269.46</b>

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

**(xiv) Jhajar KT Transco Private Limited (JKTPL) (SPV)**

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(2.21)</b>	<b>10.23</b>
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 value;	-	-

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
-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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>314.47</b>	<b>391.73</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>312.26</b>	<b>401.96</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>258.10</b>	<b>75.19</b>
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)	-	-
Amortisation of Upfront fees	-	23.22



**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
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)
<b>Total Adjustments (B)</b>	<b>503.89</b>	<b>500.46</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>761.98</b>	<b>575.65</b>

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(1,375.14)</b>	<b>(1,258.63)</b>
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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>4,985.74</b>	<b>4,691.86</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>3,610.60</b>	<b>3,433.23</b>

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

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	July 13, 2021* to March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(144.26)</b>	<b>(262.81)</b>
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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>690.64</b>	<b>567.46</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>546.38</b>	<b>304.65</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

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

(All amounts in INR Million unless otherwise stated)

Description	Year ended March 31, 2023 (Audited)	July 13, 2021* to March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(143.15)</b>	<b>(242.16)</b>
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)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>733.93</b>	<b>536.52</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>590.78</b>	<b>294.36</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

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

(All amounts in INR Million unless otherwise stated)

Description	December 28, 2021* to March 31, 2022 (Audited)	December 28, 2021* to March 31, 2022 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	-	-
Add: Depreciation, impairment and amortisation	-	-
Add/Less: Decrease/(increase) in working capital	-	-
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	-	-
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortisation of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	-	-
<b>Net Distributable Cash Flows (C) = (A+B)</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.

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

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

(All amounts in INR Million unless otherwise stated)

Description	November 09, 2022. to March 31, 2023 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(13.41)</b>
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)	-
Amortisation of Upfront fees	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>102.47</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>89.06</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Disclosures Pursuant To SEBI Circulars

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

**(xxi) Khargone Transmission Limited (KhTL) (SPV)**

(All amounts in INR Million unless otherwise stated)

Description	March 02, 2023 * to March 31, 2023
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(80.16)</b>
	-
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)	-
Amortisation of Upfront fees	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>272.22</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>192.06</b>

\* Being the date of acquisition by IndiGrid.

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

## INDIA GRID TRUST

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 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 ('KhTL')

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 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 recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.



## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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 accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.3 Summary of significant accounting policies

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

#### a) Acquisition of Transmission and Solar SPVs classified as asset acquisitions

The Group acquires operational transmission and Solar Project SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission and Solar assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35/25 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.

**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

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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.

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 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.

**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

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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
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**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.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Group as lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**I) Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU

exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously 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.



## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**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 recognised in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain

or loss are recognised in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have any financial assets which are subsequently measured at FVTOCI.

**Debt instrument at FVTPL**

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

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

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

**Equity investments**

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

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

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

**Derecognition**

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

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

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

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.

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

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some

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

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

#### Reclassification of financial assets

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

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

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

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 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.

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

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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.

**NOTE 3: PROPERTY, PLANT AND EQUIPMENT (PPE)**

(All amounts in INR Million unless otherwise stated)

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
<b>Gross block</b>														
<b>As at April 01, 2021</b>	773.45	89.86	1.94	222.51	30,538.50	142,516.13	6.58	11.14	8.64	13.03	4.24	-	5.57	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)
<b>As at March 31, 2022</b>	792.56	89.86	1.94	222.51	30,642.90	147,039.99	81.73	69.00	24.53	44.98	6.36	5,895.99	5.57	184,917.92
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)	(0.06)	-	-	-	(0.19)
<b>As at March 31, 2023</b>	922.09	89.86	5.64	222.51	30,650.70	163,738.19	86.59	72.61	27.68	49.57	13.72	5,895.99	5.57	201,780.73
<b>Depreciation</b>														
<b>As at April 01, 2021</b>	-	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
<b>As at March 31, 2022</b>	-	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)
<b>As at March 31, 2023</b>	-	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
<b>Net Block</b>														
<b>As at March 31, 2022</b>	792.56	72.88	1.80	186.64	27,907.08	133,061.56	77.63	58.29	19.70	32.63	3.57	5,632.67	2.52	167,849.54
<b>As at March 31, 2023</b>	922.09	69.38	5.42	174.88	27,004.88	144,176.13	76.37	42.71	18.71	26.33	8.41	5,313.08	2.52	177,840.92

**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.

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**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.

(All amounts in INR Million unless otherwise stated)

Particulars	Right-of-use asset	Lease Liabilities
<b>As at April 01, 2021</b>	<b>39.27</b>	<b>50.54</b>
Additions	3.88	-
Depreciation expense	(10.64)	-
Interest expense	-	4.28
Cash outflow for lease	-	(13.20)
<b>As at March 31, 2022</b>	<b>32.51</b>	<b>41.62</b>
Additions	88.10	87.76
Depreciation expense	(10.73)	-
Interest expense	-	3.98
Cash outflow for lease	-	(15.03)
<b>As at March 31, 2023</b>	<b>109.88</b>	<b>118.33</b>

**NOTE 4: INTANGIBLE ASSETS**

(All amounts in INR Million unless otherwise stated)

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

**NOTE 5: CAPITAL WORK-IN-PROGRESS (CWIP)**

(All amounts in INR Million unless otherwise stated)

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

CWIP Ageing Schedule as at March 31, 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	-	-	-	-	-
<b>Total</b>	<b>746.06</b>	<b>34.74</b>	<b>0.36</b>	<b>0.97</b>	<b>782.13</b>

CWIP Ageing Schedule as at March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	35.09	0.36	-	0.97	36.42
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>35.09</b>	<b>0.36</b>	<b>-</b>	<b>0.97</b>	<b>36.42</b>

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

#### NOTE 6: INVESTMENTS

(All amounts in INR Million unless otherwise stated)

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



## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**NOTE 7: OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD) (CARRIED AT AMORTISED COST)**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
Service Concession Receivable	2,628.27	2,787.29
Less : Provision for expected credit loss	(182.63)	(182.63)
	<b>2,445.64</b>	<b>2,604.66</b>
VGF Receivable <sup>^</sup>	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
<b>Total</b>	<b>2,673.94</b>	<b>3,289.66</b>
<b>Current</b>		
Contract assets - unbilled revenue*	2,817.85	1,958.43
Service Concession Receivable	337.00	344.10
VGF Receivable <sup>^</sup>	-	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
<b>Total</b>	<b>3,339.58</b>	<b>2,675.69</b>

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

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

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

**NOTE 8: OTHER ASSETS (UNSECURED, CONSIDERED GOOD)**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
Capital advances (unsecured, considered good)	259.08	268.04
Less: Provision for doubtful advances	(10.83)	(10.83)
	<b>248.25</b>	<b>257.21</b>
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
<b>Total</b>	<b>1,026.52</b>	<b>639.81</b>
<b>Current</b>		
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
<b>Total</b>	<b>210.30</b>	<b>157.65</b>

**NOTE 9: TRADE RECEIVABLES (CARRIED AT AMORTISED COST)**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
Trade receivables	4,186.29	3,904.23
Less: Allowance for doubtful debts	(6.08)	(6.08)
<b>Total</b>	<b>4,180.21</b>	<b>3,898.15</b>
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	-	-

(All amounts in INR Million unless otherwise stated)

Ageing schedule as at March 31, 2023	Outstanding for following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
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
<b>Total</b>	<b>-</b>	<b>2,861.34</b>	<b>90.57</b>	<b>245.68</b>	<b>149.12</b>	<b>839.59</b>	<b>4,186.29</b>

(All amounts in INR Million unless otherwise stated)

Ageing schedule as at March 31, 2022	Outstanding for following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
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	-	-	-	-	-	-	-

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR Million unless otherwise stated)

Ageing schedule as at March 31, 2022	Outstanding for following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade Receivables - credit impaired	-	-	-	-	-	6.08	6.08
<b>Total</b>	<b>-</b>	<b>2,736.84</b>	<b>77.59</b>	<b>250.21</b>	<b>833.51</b>	<b>6.08</b>	<b>3,904.23</b>

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 INR 710.61 Million (March 31, 2022 - INR 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 coercive 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.

**NOTE 10: CASH AND CASH EQUIVALENTS (CARRIED AT AMORTISED COST)**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 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	-
<b>Total</b>	<b>3,166.23</b>	<b>11,873.37</b>

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, INR 13.04 Million (March 31, 2022: INR 11.38 Million) pertains to unclaimed distribution to unitholders.

**NOTE 11: OTHER BANK BALANCES**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
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)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
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
<b>Total</b>	<b>3,870.50</b>	<b>3,167.87</b>

# Details of lien marked deposits:

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

**NOTE 12: UNIT CAPITAL**
**a. Reconciliation of the units outstanding at the beginning and at the end of the reporting period**

(All amounts in INR Million unless otherwise stated)

	Number of units (In Million)	Amount (INR in Million)
<b>As at April 01, 2021</b>	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)
<b>As at March 31, 2022</b>	<b>700.18</b>	<b>65,903.15</b>
Issued during the year	-	-
<b>As at March 31, 2023</b>	<b>700.18</b>	<b>65,903.15</b>

**Note:**

- (i) During the previous year ended March 31, 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 INR 110.00 per unit (the "issue price"), aggregating to INR 12,836.49 Million to the eligible unitholders (as defined in the Letter of Offer) on a rights basis in the ratio of one lot for every five lots (each lot comprising 1,701 units) held by them on the record date, being March 30, 2021. The 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 April 22, 2021.
- (ii) Issue expenses of INR 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 % Units in the Trust**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023		March 31, 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**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Retained earnings/ (Accumulated deficit)</b>		
Balance as per last financial statements	(11,724.03)	(6,392.58)

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
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
<b>Closing balance</b>	<b>(16,331.90)</b>	<b>(11,724.03)</b>
<b>Other Comprehensive Income (OCI)</b>		
Balance as per last financial statements	3.14	2.68
Movement in OCI (net) during the year	2.56	0.46
<b>Closing balance</b>	<b>5.70</b>	<b>3.14</b>
<b>Self Insurance Reserve</b>		
Balance as per last financial statements	-	68.13
Less: Transferred to retained earnings	-	(50.42)
Less: Transferred to non controlling interest	-	(17.71)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(16,326.20)</b>	<b>(11,720.89)</b>

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

**NOTE 14: LONG TERM BORROWINGS (CARRIED AT AMORTISED COST)**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
<b>Debentures</b>		
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
	<b>53,607.39</b>	<b>48,100.13</b>
<b>Term loans</b>		
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
	<b>82,067.19</b>	<b>63,211.37</b>
<b>Total</b>	<b>135,674.58</b>	<b>111,311.50</b>
<b>Current borrowings</b>		
<b>Current maturities of long term borrowings</b>		
7.85% Non-convertible debentures (secured)	-	6,560.00
9.57% Non-convertible Debentures of INR 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	-

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
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
<b>Total</b>	<b>9,256.73</b>	<b>22,036.95</b>
<b>The above amount includes :</b>		
Secured borrowings	144,931.31	133,348.46
Unsecured borrowings	-	-
<b>Total long term borrowings</b>	<b>144,931.31</b>	<b>133,348.46</b>

(i) The above items represent new secured non-convertible debentures that have been issued by the Trust during the year ended March 31, 2023.

(ii) During the year ended March 31, 2023 the Trust has taken new Indian rupee loan from banks of INR 22,700 Million (March 31, 2022: INR 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 pledge of 73% over the equity share capital of PrKTCL.
- (iv) Exclusive charge on the ISRA/DSRA accounts created for respective facility.

**(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.

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 :

(All amounts in INR Million unless otherwise stated)

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 INR 10,00,000 each	July 29, 2024	-	3,000.00	-	-	-	-
50,000 7.85% Non-convertible debentures of INR 100,000 each	February 28, 2028	-	-	-	-	5,000.00	-
4,000 8.50% Non-convertible debentures of INR 10,00,000 each	March 01, 2024	4,000.00	-	-	-	-	-
2,500 7.00% Non-convertible debentures of INR 10,00,000 each	June 28, 2024	-	2,500.00	-	-	-	-

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR Million unless otherwise stated)

Rate of Interest	Repayment Commencement Date	2023-2024	2024-2025	2025-2026	2026-2027	2027-28	2028-2029 & onward
2,500 7.53% Non-convertible debentures of INR 10,00,000 each	August 05, 2025	-	-	2,500.00	-	-	-
1,500 7.25% Non-convertible debentures of INR 10,00,000 each	June 27, 2025	-	-	1,500.00	-	-	-
1,000 7.40% Non-convertible debentures of INR 10,00,000 each	December 26, 2025	-	-	1,000.00	-	-	-
2,500 8.60% Non-convertible debentures of INR 10,00,000 each	August 31, 2028	-	-	-	-	-	2,500.00
50,000 7.917% Non-convertible debentures of INR 100,000 each	February 28, 2031	-	-	-	-	-	5,000.00
2,500 8.40% Non-convertible debentures of INR 10,00,000 each	June 14, 2023	2,500.00	-	-	-	-	-
1,000 8.40% Non-convertible debentures of INR 10,00,000 each	June 16, 2023	1,000.00	-	-	-	-	-
4,000 7.32% Non-convertible debentures of INR 10,00,000 each	June 27, 2031	-	-	-	-	-	4,000.00
8,500 6.72% Non-convertible debentures of INR 10,00,000 each	September 14, 2026	-	-	-	8,500.00	-	-
4,000 6.52% Non-convertible debentures of INR 10,00,000 each	April 07, 2025	-	-	4,000.00	-	-	-
4,350 7.11% Non-convertible debentures of INR 10,00,000 each	February 14, 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	May 06, 2024	0.01	-	-	-
6.75% Category III & IV	May 06, 2024	101.82	-	-	-
7.45% Category I & II	May 06, 2026	-	859.85	-	-
7.6% Category III & IV	May 06, 2026	-	964.74	-	-
7.7% Category I & II	May 06, 2028	-	-	1,004.25	-
7.9% Category III & IV	May 06, 2028	-	-	409.09	-
7.49% Category I & II	May 06, 2028	-	-	4.72	-
7.69% Category III & IV	May 06, 2028	-	-	120.34	-
7.95% Category I & II	May 06, 2031	-	-	-	126.46
8.2% Category III & IV	May 06, 2031	-	-	-	5,991.84
7.72% Category I & II	May 06, 2031	-	-	-	4.72
7.97% Category III & IV	May 06, 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 March 31, 2023, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

**NOTE 15: LEASES**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
Lease liabilities (refer note 36)	93.30	26.58
<b>Total</b>	<b>93.30</b>	<b>26.58</b>
<b>Current</b>		
Lease liabilities (refer note 36)	25.03	15.04
	<b>25.03</b>	<b>15.04</b>

**NOTE 16: TRADE PAYABLES (CARRIED AT AMORTISED COST)**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Trade payables</b>		
- 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
<b>Total</b>	<b>749.35</b>	<b>486.29</b>

**Ageing schedule as at March 31, 2023**

	Outstanding for following periods from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro 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	-	-	-	-	-	-	-
<b>Total</b>	<b>626.50</b>	<b>32.20</b>	<b>75.81</b>	<b>10.06</b>	<b>4.78</b>	<b>-</b>	<b>749.35</b>

**Ageing schedule as at March 31, 2022**

	Outstanding for following periods from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro 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	-	-	-	-	-	-	-



## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

	Outstanding for following periods from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>283.29</b>	<b>13.64</b>	<b>129.24</b>	<b>35.48</b>	<b>23.77</b>	<b>0.87</b>	<b>486.29</b>

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.

**NOTE 17: OTHER FINANCIAL LIABILITIES**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Non-Current</b>		
VGF liability	270.81	270.11
Others	40.77	16.30
<b>Total</b>	<b>311.58</b>	<b>286.41</b>
<b>Current</b>	58.06	143.62
<b>Derivative instruments at fair value</b>		
Foreign exchange forward contracts	-	6.19
Cross currency interest rate swap	-	7.04
	-	<b>13.23</b>
<b>Other financial liabilities at amortised cost</b>		
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	1,108.97
- 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
<b>Total</b>	<b>4,207.80</b>	<b>5,053.82</b>
	<b>4,207.80</b>	<b>5,067.05</b>

\* 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 includes INR 895.72 Million (March 31, 2022 INR 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**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Non current</b>		
Provision for gratuity (refer note 39)	6.14	4.07
Provision for leave benefit	5.32	4.36
<b>Total</b>	<b>11.46</b>	<b>8.43</b>

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Current</b>		
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
<b>Total</b>	<b>18.89</b>	<b>23.33</b>

**NOTE 19: OTHER CURRENT LIABILITIES**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Current</b>		
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
<b>Total</b>	<b>412.07</b>	<b>280.49</b>

**NOTE 20: DEFERRED TAX LIABILITY (NET)**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Deferred tax liability</b>		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	16,519.39	14,995.31
Service concession receivable : 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)
<b>Gross deferred tax liability (A)</b>	<b>16,102.46</b>	<b>14,946.44</b>
<b>Deferred tax asset</b>		
Financial assets	69.91	93.60
Tax Losses	15,074.36	13,803.40
<b>Gross deferred tax asset (B)</b>	<b>15,144.27</b>	<b>13,897.00</b>
<b>Net deferred tax liability (A-B)</b>	<b>958.19</b>	<b>1,049.44</b>

**Reconciliation of deferred tax liability**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Opening deferred tax liability, net</b>	<b>1,049.44</b>	<b>921.39</b>
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
<b>Closing deferred tax liability, net</b>	<b>958.19</b>	<b>1,049.44</b>

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
- Current tax	119.78	43.66
- Deferred tax	(91.25)	10.97
- Income tax for earlier years	1.26	5.34
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>29.79</b>	<b>59.97</b>

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Accounting profit before income tax</b>	4,687.58	3,492.72
At India's statutory income tax rate of 25.17% (March 31, 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
<b>At the effective income tax rate</b>	<b>29.79</b>	<b>59.97</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>29.79</b>	<b>59.97</b>

- As at March 31, 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.
- The Group has INR 11,120.52 Million (March 31, 2022: INR 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 INR 2,798.81 Million (March 31, 2022: INR 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****Note 21.1: Disaggregated revenue information**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
<b>Type of service</b>		
Power transmission services (refer note A below)	22,376.64	21,614.28
Revenue from sale of electricity (solar) (refer note B below)	941.48	607.55
<b>Total</b>	<b>23,318.12</b>	<b>22,221.83</b>

- (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 recognised corresponds directly with the value to the customer of the entity's performance completed to date.

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

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
Revenue as per contracted price	22,630.94	21,665.43
<b>Adjustments:</b>		
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)
<b>Total revenue from contracts with customers</b>	<b>23,318.12</b>	<b>22,221.83</b>

**Project wise break up of revenue from contracts with Customers**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 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	-
<b>Total revenue from contracts with customers</b>	<b>23,318.12</b>	<b>22,221.83</b>

- In the current financial year, The Trust has acquired Raichur Scholar Transmission Company Private Limited and Khargone Transmission Limited w.e.f. November 09, 2022 and March 02, 2023 respectively.
- In the previous year, the Trust has acquired IndiGrid Solar-I (AP) Private Limited and IndiGrid Solar-II (AP) Private Limited with effect from July 13, 2021. Amounts stated above pertain to post acquisition revenue.
- Jhajjar KT Transco Private Limited has entered into a transmission agreement with Haryana Vidyut Prasaran Nigam Limited (HVPNL) for obtaining exclusive right to construct, operate and maintain the transmission lines on design, build, finance, operate and transfer (DBFOT) basis for a specified period (concession period) commencing from the date of grant of the Transmission License and receive monthly determinable annuity payments. The agreement provides an option for extension of the concession period. Upon completion of concession period or on termination of agreement, transmission lines will vest with the grantor free and clear of all encumbrances. In terms of para 16 of Appendix D to IndAS 115, cost of construction of transmission lines has been recognised as a part of financial assets under the head service concession receivable. Annuity payments received under the agreement have been accounted as revenue from contracts with customers.
- 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 recognising the revenue basis the filed petition order for FY 2019-24 for FY 2022-23.

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**NOTE 22: OTHER INCOME**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 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
<b>Total</b>	<b>220.91</b>	<b>173.11</b>

**NOTE 23: EMPLOYEE BENEFIT EXPENSES**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 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
<b>Total</b>	<b>351.96</b>	<b>288.35</b>

**NOTE 24: OTHER EXPENSES**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 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
<b>Total</b>	<b>1,304.86</b>	<b>1,163.12</b>

**# For all SPV's except Parbati Koldam Company Transmission Limited**

Pursuant to the Amended and Restated Investment Management Agreement dated March 29, 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 March 02, 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.

**NOTE 25: FINANCE COST**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 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
<b>Total</b>	<b>10,108.90</b>	<b>10,501.48</b>

# Includes foreign exchange loss which is considered as adjustment to borrowing cost amounting to INR 53.23 Million (March 31, 2022: INR 126.93 Million)

**NOTE 26: DEPRECIATION AND AMORTISATION EXPENSE**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 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
<b>Total</b>	<b>7,040.70</b>	<b>6,654.86</b>

**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**

(All amounts in INR Million unless otherwise stated)

	March 31, 2023	March 31, 2022
Profit after tax for calculating basic and diluted EPU (INR 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
<b>Earnings Per Unit:</b>		
Basic and Diluted (INR/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

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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.

## iv. Consolidation of Khargone Transmission Limited ('KhTL') as a subsidiary

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

Considering the requirements under Ind AS 110, the Group has assessed whether it controls KhTL 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 KhTL in spite of the fact that it has acquired only 49% of the paid up capital of KhTL.

Accordingly, the Group has consolidated KhTL assuming 100% equity ownership and no non-controlling interest (NCI) has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognised as financial liability in the consolidated Ind AS financial statements."

**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 receivable.

The provision for impairment/(reversal) of impairment of property, plant & equipment and service concession receivable is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the property, plant & equipment and service concession receivable has been computed by external independent valuation experts based on value in use calculation for the underlying 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 INR 120.14 Million for the year ended March 31, 2023 (March 31, 2022 : net impairment reversal of INR 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.



## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**NOTE 29A: FAIR VALUE MEASUREMENTS**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(All amounts in INR Million unless otherwise stated)

Particulars	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial assets at amortised cost</b>				
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
<b>Financial assets at Fair Value</b>				
Investments in mutual funds	4,462.46	1,451.73	4,462.46	1,451.73
<b>Total</b>	<b>21,692.92</b>	<b>26,356.47</b>	<b>21,692.92</b>	<b>26,356.47</b>
<b>Financial liabilities at amortised cost</b>				
Borrowings	144,931.31	133,348.46	144,931.31	133,348.46
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
<b>Financial assets at Fair Value</b>				
Derivative instruments	-	13.23	-	13.23
<b>Total</b>	<b>150,318.37</b>	<b>139,229.83</b>	<b>150,318.37</b>	<b>139,229.83</b>

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 October 20, 2016 as a part of these financial statements- Refer Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value.

The inputs to the valuation models for computation of fair value of assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2023 and March 31, 2022 are as shown below:

**Description of significant unobservable inputs to valuation:**

(All amounts in INR Million unless otherwise stated)

Significant unobservable inputs	Input for March 31, 2023	Input for March 31, 2022	Sensitivity of input to the fair value	Increase /(decrease) in fair value	
				March 31, 2023	March 31, 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(Escalable): 5.00%	Revenue (Escalable):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 October 20, 2016 as a part of these financial statements- Refer Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value.

The 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 experts. On the basis of valuation exercise carried out, the below fair value numbers are determined for PPE and Service concession receivable.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023 and March 31, 2022:**

(All amounts in INR Million unless otherwise stated)

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets for which fair values are disclosed:</b>				
Property, plant and equipment and service concession receivable *	March 31, 2023	-	-	223,315.41
	March 31, 2022	-	-	208,073.78
Investments in mutual funds	March 31, 2023	-	4,462.46	-
	March 31, 2022	-	1,451.73	-
<b>Liabilities measured at fair value through profit and loss</b>				
Derivative instruments (Liability)	March 31, 2023	-	-	-
	March 31, 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.

**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. Limited - Sponsor
- 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. Limited (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 Limited 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. Limited. - Promoter of IIML

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

- Pravin Agarwal
- Pratik Agarwal
- A. R. Narayanaswamy

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Zhao Haixia (till March 31, 2022)

Anoop Seth

Manish Agarwal (from December 17, 2021)

Arun Lalchand Todarwal (till July 24, 2021)

Kamaljeet Kaur (from June 29, 2022)

**Directors of IIML:**

Harsh Shah (CEO & Whole-time director) (till June 30, 2022 and re-joined from August 30, 2022)

Jyoti Kumar Agarwal (till September 30, 2022)

Tarun Kataria

Rahul Asthana (till December 25, 2022)

Ashok Sethi

Hardik Shah (from November 30, 2021)

Jayashree Vaidhyanthan (from November 30, 2021)

Ami Momaya (from January 27, 2022)

Pratik Agarwal (till January 14, 2022)

Sanjay Omprakash Nayar (till January 27, 2022)

**Key Managerial Personnel of IIML:**

Harsh Shah (CEO & Whole-time director) (till June 30, 2022 and re-joined from August 30, 2022)

Navin Sharma (CFO) (from April 19, 2023)

Urmil Shah (Company Secretary) (from August 01, 2022)

Jyoti Kumar Agarwal (CFO) (till June 30, 2022) and (CEO & Whole-time director) (from July 01, 2022 till September 30, 2022)

Divya Bedi Verma (CFO) (from July 01, 2022 till February 15, 2023)

Swapnil Patil (Company Secretary) (till July 31, 2022)

**Directors of ATSL:**

Rajesh Kumar Dahiya

Ganesh Sankaran

Deepa Rath (from May 01, 2021)

Sanjay Sinha (till April 30, 2021)

**Directors of Esoteric II Pte. Limited.:**

Tang Jin Rong

Madhura Narawane (from January 26, 2022)

Velasco Azonos Cecilio Francisco (till January 26, 2022)

**Relative of directors mentioned above:**

Sonakshi Agarwal

Jyoti Agarwal

Sujata Asthana (till December 25, 2022)

Mala Todarwal (till July 24, 2021)

**(B) The transactions with related parties during the year are as follows:-**

(All amounts in INR Million unless otherwise stated)

Particulars	Relation	March 31, 2023	March 31, 2022
<b>1. Deposits Given</b>			
Sterlite Power Transmission Limited	Subsidiary	-	36.00
<b>2. Adjustment in consideration for equity shares of PKTCL on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	50.00
<b>3. Adjustment in consideration for equity shares of Indigrid 1 Limited on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	77.31	(0.58)
<b>4. Consideration for equity shares of Indigrid 2 Limited on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	18.53
<b>5. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	(4.46)

(All amounts in INR Million unless otherwise stated)

Particulars	Relation	March 31, 2023	March 31, 2022
<b>6. Adjustment in consideration for equity shares of GPTL on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	3.84	(0.57)
<b>7. Purchase of equity shares of NER</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	5,179.33
<b>8. Rights Issue of unit capital</b>			
Esoteric II Pte. Limited	Sponsor/Entity with significant influence over the Trust	-	3,285.28
Sterlite Power Transmission Limited	Sponsor of IndiGrid	-	44.72
<b>9. Distribution to unit holders</b>			
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. Limited	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
<b>10. Trustee fee</b>			
Axis Trustee Services Limited (ATSL)	Trustee	2.63	3.32
<b>11. Project management fees</b>			
Sterlite Power Transmission Limited	Project manager of IndiGrid	1.42	1.06
<b>12. Investment Management Fees</b>			
Indigrid Investment Managers Limited	Investment manager of IndiGrid	450.30	434.12
<b>13. Consideration for equity shares of NER on account of events mentioned in SPA</b>			
Sterlite Power Transmission Limited	Entity with significant influence	255.87	10.58
<b>14. Purchase of Project stores</b>			
Sterlite Power Transmission Limited	Project manager of IndiGrid	5.53	-
<b>15. Advance given for stores</b>			
Sterlite Power Transmission Limited	Project manager of IndiGrid	8.76	-
<b>16. Reimbursement of Expenses</b>			
Sterlite Power Transmission Limited	Project manager of IndiGrid	5.67	-
<b>17. Transfer of Employee related liability</b>			
Indigrid Investment Managers Limited	Investment manager of IndiGrid	1.26	-
<b>18. Amount recovered</b>			
Sterlite Power Transmission Limited	Project manager of IndiGrid	7.16	-
<b>19. Purchase of equity shares of KhTL</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	135.13	-

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in INR Million unless otherwise stated)

Particulars	Relation	March 31, 2023	March 31, 2022
<b>20. Purchase of loan of Khargone Transmission Limited</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	253.28	-
<b>21. Deposit made to IT department on behalf of PKTCL &amp; NRSS</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	19.19	-
<b>22. Insurance claim recovery for TATA Projects - NER</b>			
Sterlite Power Transmission Limited	Project manager of IndiGrid	3.92	-
<b>23. Deposits against revenue loss (NRSS)</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	34.63	-
<b>24. Directors sitting fees</b>			
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:-**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>1. Project Manager fees payable</b>		
Sterlite Power Transmission Limited	1.70	1.22
<b>2. Investment Manager fees payable</b>		
IndiGrid Investment Managers Limited (IIML)	99.34	96.75
<b>3. Payable towards project acquired</b>		
Sterlite Power Transmission Limited	1,291.19	1,108.97
<b>4. Management fees payable</b>		
Sterlite Power Transmission Limited	0.16	0.16
<b>5. Deposits given</b>		
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 October 20, 2016 are as follows:**

**FOR THE YEAR ENDED MARCH 31, 2023:****(A) Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations):**

(All amounts in INR Million unless otherwise stated)

Particulars	KhTL
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 Limited (KhTL):**

The Group acquired 49% of paid up equity capital of Khargone Transmission Limited ("KhTL") with effect from March 02, 2023 from Sterlite Power Transmission Limited (SPTL) (referred as "the seller") pursuant to Share Purchase Agreement dated January 21, 2023 ("SPA"). The Group has finalised purchase consideration for acquisition of entire

stake in KhTL and has entered into a binding agreement with the Seller to acquire remaining 51% paid up equity capital in KhTL 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 KhTL;
- Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of KhTL;
- Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in KhTL;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls KhTL 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 KhTL in spite of the fact that it has acquired only 49% of the paid up capital of KhTL. Further, based on the legal opinion KhTL is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invt Regulations.

**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 INR 1,340.03 Million (March 31, 2022 : INR 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 INR 4.43/kWh for a period of 25 years from the Commercial operation date to SECI.
- (f) The Group has entered into an Implementation and Support Agreement with Andhra Pradesh Solar Power Corporation Private Limited (APSPCL). Annual O&M charges are payable for the period of 25 years from the commercial operation date to APSPCL
- (g) The letter of intent for development of Kallam Transmission Limited (KTL) is awarded to consortium of IGL1 and IGL2 ("IndiGrid Consortium") by the REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) on November 30, 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid Consortium acquired the project on December 28, 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on 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.

(All amounts in INR Million unless otherwise stated)

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

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

- (b) Cross currency interest rate swap contracts outstanding as at year end to hedge against exposure to variable interest outflow on loans/foreign currency fluctuations:

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Currency type		US \$
No. of contracts	-	1
Amount (USD 'Million)	-	1.39
Period of Contract		March 31, 2021 to August 30, 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 March 31, 2023.

**NOTE 33: CONTINGENT LIABILITY**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 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
<b>Total</b>	<b>782.21</b>	<b>862.46</b>

- 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 INR 138.75 Million (March 31, 2022: INR 138.75 Million) pertains to Jabalpur Transmission Company Limited ('JTCL'), INR 165.80 Million (March 31, 2022: INR 165.80 Million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') and INR 13.30 Million (March 31, 2022: INR 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 INR 1.33 Million (March 31, 2022: INR 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 INR 113.41 Million (March 31, 2022: INR 113.41 Million) pertains to Jabalpur Transmission Company Limited ('JTCL') out of which INR 51.55 Million (March 31, 2022: INR 51.55 Million) is pending with the Chhattisgarh High Court, INR 40.50 Million (March 31, 2022: INR 40.50 Million) is pending with Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.) and INR 21.36 Million (March

31, 2022: INR 21.36 Million) the notice for assessment has been received in the month of October 2020 for which the Group has applied for a certified copy of the Assessment Order on October 29, 2020 and is still awaiting a copy of the same.

- B. Sales tax demand of INR 17.99 Million (March 31, 2022: INR 17.99 Million) for Indgrid Limited (IGL) pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms, INR 24.66 Million pertains to FY 2014-15 has been settled during the previous year; INR 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 INR 5.70 Million (March 31, 2023: INR 5.70 Million) for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to Jharkhand VAT Act, 2005. The Group has received the notice for assessment in the month of January 2020 and various submissions along with the requisite details and documents were made to the officer. The Group further applied for a certified copy of the Assessment Order on October 01, 2020 and is still awaiting a copy of the same.

- 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 INR NIL (March 31, 2022: INR 20.12 Million). It also includes an amount of INR 111.27 Million (March 31, 2022: INR 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 INR 212.67 Million (March 31, 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.

**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**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 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 (March 31, 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.



## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**NOTE 36: LEASES**

Indigrd 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:**

(All amounts in INR Million unless otherwise stated)

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

**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.

**(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

(All amounts in INR Million unless otherwise stated)

Particulars	% change in market value	March 31, 2023	March 31, 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 March 31, 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 March 31, 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 Jhajar 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 mechanism 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

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the balance sheet as at March 31, 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 programmes 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 Group's financial liabilities based on contractual undiscounted payments:

(All amounts in INR Million unless otherwise stated)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>March 31, 2023</b>						
Borrowings	-	-	9,256.73	111,751.00	23,923.58	144,931.31
Trade payables	-	749.35	-	-	-	749.35
Other financial liabilities	-	3,200.40	1,318.98	-	-	4,519.38
<b>Total</b>	<b>-</b>	<b>3,949.75</b>	<b>10,575.71</b>	<b>111,751.00</b>	<b>23,923.58</b>	<b>150,200.04</b>

(All amounts in INR Million unless otherwise stated)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>March 31, 2022</b>						
Borrowings	-	20,852.58	2,925.95	41,295.83	68,274.10	133,348.46
Trade payables	-	486.29	-	-	-	486.29
Other financial liabilities	-	3,767.79	1,559.21	-	-	5,327.00
Derivatives	-	13.23	-	-	-	13.23
<b>Total</b>	<b>-</b>	<b>25,119.89</b>	<b>4,485.16</b>	<b>41,295.83</b>	<b>68,274.10</b>	<b>139,174.98</b>

**NOTE 38: CAPITAL MANAGEMENT**

For the purpose of the Group'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.

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Borrowings	144,931.31	133,348.46
Less: Cash and cash equivalents	(3,166.23)	(11,873.37)
<b>Net debt (A)</b>	<b>141,765.08</b>	<b>121,475.09</b>

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Unit capital	65,903.15	65,903.15
Other equity	(16,326.20)	(11,720.89)
<b>Total capital (B)</b>	<b>49,576.95</b>	<b>54,182.26</b>
<b>Capital and net debt ((C) = (A) + (B))</b>	<b>191,342.03</b>	<b>175,657.35</b>
<b>Gearing ratio (A)/(C)</b>	<b>74%</b>	<b>69%</b>

### 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 March 31, 2023 and March 31, 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 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:

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 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	<b>2.57</b>
- Interest Cost on defined benefit obligation	0.31	0.13
- Past service cost	-	-
Benefit paid directly by the employer	(2.01)	<b>(0.15)</b>
Remeasurements during the period due to:		
Actuarial (gain)/loss due to change in demographic assumptions	-	<b>(0.04)</b>
Actuarial (gain)/loss due to change in financial assumptions	(0.11)	<b>(0.03)</b>
Actuarial (gain)/loss on obligation due to experience	(1.92)	<b>0.10</b>
<b>Present value of defined benefit obligation at the end of the year</b>	<b>6.87</b>	<b>4.54</b>

### Details of defined benefit obligation

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR in Million)
Present value of defined benefit obligation	6.87	4.54
Fair value of plan assets	-	-
<b>Benefit liability</b>	<b>6.87</b>	<b>4.54</b>

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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	-	-
<b>Net benefit expense</b>	<b>6.07</b>	<b>2.71</b>

**Net employee benefit expense recognised in the other Comprehensive income:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR in Million)
Actuarial (gain)/loss on obligation for the year	(2.02)	0.03
<b>Net (income)/expense for the year recognised in OCI</b>	<b>(2.02)</b>	<b>0.03</b>

**Amounts for the current and previous year are as follows:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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 quantitative sensitivity analysis for significant assumptions as at March 31, 2023 and March 31, 2022 is as shown below:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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
<b>Total expected payments</b>	<b>6.73</b>	<b>4.48</b>

**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:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>4.59</b>	<b>5.02</b>

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

**Details of defined benefit obligation**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR in Million)
Present value of defined benefit obligation	4.59	5.02
Fair value of plan assets	(12.72)	(11.90)
<b>Benefit recognised as advance gratuity</b>	<b>(8.13)</b>	<b>(6.88)</b>

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

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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	-	-
<b>Net benefit expense</b>	<b>0.79</b>	<b>0.82</b>

## INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**Net employee benefit expense recognised in the Other Comprehensive Income:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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	-	-
<b>Net (income)/expense for the year recognised in OCI</b>	<b>(0.71)</b>	<b>(1.44)</b>

**Changes in Fair Value of plan assets:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR in Million)
<b>Opening value of plan assets</b>	<b>11.90</b>	<b>11.24</b>
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)
<b>Closing Balance of Fair Value of Plan Assets</b>	<b>12.72</b>	<b>11.90</b>

**Amounts for the current and previous year are as follows:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR in Million)
Defined benefit obligation	4.59	5.02
Plan assets	(12.72)	(11.90)
<b>Surplus / (deficit)</b>	<b>8.13</b>	<b>6.88</b>

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

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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 quantitative sensitivity analysis for significant assumptions as at March 31, 2023 and March 31, 2022 is as shown below:**

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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:

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023 (INR in Million)	March 31, 2022 (INR 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
<b>Total expected payments</b>	<b>4.53</b>	<b>4.78</b>

#### NOTE 40: LONG TERM INCENTIVE PLAN

##### Long Term Incentive Plan 2021 and 2022

During the year ended March 31, 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 May 20, 2022 and approved by the Board at its meeting held on May 20, 2022. The Scheme is established with effect from April 01, 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.

(All amounts in INR Million unless otherwise stated)

Particulars	March 31, 2023	March 31, 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)
<b>Balance</b>	<b>14.72</b>	<b>19.47</b>
Provision for distribution	2.80	2.89
<b>Closing balance as at the end of the year</b>	<b>17.52</b>	<b>22.36</b>

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 May 20, 2022.

Vesting of Unit Linked Rights shall be subject to the conditions that the Grantee is:

- in continuous employment with the Company;
- is not serving any notice of resignation/ termination on the date of such Vesting (except in the case of (a) death; (b) Permanent Incapacity suffered by the Grantee; or (c) Retirement; and
- is not subject to any pending disciplinary proceeding.

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

\* Distribution pay-out is subject to actual declaration accumulated on units and approval of India Grid Trust."



## INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**NOTE 41: LIST OF SUBSIDIARIES WHICH ARE INCLUDED IN CONSOLIDATION AND INDIGRID'S EFFECTIVE HOLDING THEREIN ARE AS UNDER:**

(All amounts in INR Million unless otherwise stated)

Name of the Entity	Country of incorporation	Effective ownership as on March 31, 2023	Effective ownership as on March 31, 2022
<b>Directly held by the Trust:</b>			
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") <sup>1</sup>	India	49%	49%
Jhajjar KT Transco Private Limited ("JKTPL")	India	100%	100%
Parbati Koldam Transmission Company Limited ("PrKTCL") <sup>2</sup>	India	74%	74%
NER II Transmission Limited ("NER") <sup>3</sup>	India	49%	49%
IndiGrid Solar-I (AP) Private Limited ("ISPL1")	India	100%	100%
IndiGrid Solar-II (AP) Private Limited ("ISPL2")	India	100%	100%
<b>Indirectly held by the Trust (through subsidiaries):</b>			
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") <sup>4</sup>	India	100%	100%
Raichur Sholapur Transmission Company Private Limited ("RSTCPL") <sup>5</sup>	India	100%	0%
Khargone Transmission Limited ("KhTL") <sup>6</sup>	India	49%	0%

- The Group acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ("GPTL") with effect from August 28, 2020 from Sterlite Power Transmission Limited ("SPTL"), (referred as "the Seller") pursuant to Share Purchase Agreement dated August 28, 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.
- The Group acquired 74% of paid up equity capital of Parbati Koldam Transmission Company Limited ("PrKTCL") with effect from January 08, 2021 from Reliance Infrastructure Limited (referred as "the Seller") pursuant to Share Purchase Agreement dated November 28, 2020 ("SPA"). The balance 26% share in PrKTCL is held by PowerGrid Corporation of India Limited ("PGCIL").
- The Group acquired 49% of paid up equity capital of NER II Transmission Limited ("NER") with effect from March 25, 2021 from Sterlite Power Transmission Limited ("SPTL"), (referred as "the Seller") pursuant to Share Purchase Agreement dated March 05, 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.
- 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 November 30, 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid

Consortium acquired the project on December 28, 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on September 2023.

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

6. The Trust acquired 49% equity capital and management control of Khargone Transmission Limited ('KhTL') with effect from March 02, 2023 from Sterlite Power Transmission Limited dated pursuant to Share Purchase Agreement dated January 21, 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 KhTL, and have considered KhTL as a wholly owned subsidiary from March 02, 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:

(All amounts in INR Million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Regulatory Asset / (Liability)</b>		
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 deferral liability	0.16	1.21
<b>Total</b>	<b>(0.74)</b>	<b>(5.72)</b>
Less: Payable / (Recoverable) from beneficiaries	0.74	5.72
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liability</b>		
Opening Balance	649.64	656.57
Add: Deferred Tax Liability during the period / year	(0.90)	(6.93)
<b>Total</b>	<b>648.74</b>	<b>649.64</b>
Less: Recoverable from beneficiaries	(648.74)	(649.64)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

- (i) Determination of Transmission service charges (TSC) chargeable by PrKTCL to its consumers is governed by CERC Tariff Regulation, 2019, whereby CERC determines the Transmission service charges wherein PrKTCL earns assured return of 15.5% p.a. post tax on CERC approved equity in the business. The rate review on account of grossing up with the actual tax rate or "truing up" process during the tariff period is being conducted as per the principle stated in CERC Regulations to adjust the tariff rates downgrade or upgrade to ensure recovery of actual tax paid and assured return on equity.
- (ii) During the truing up process, revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled)

are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities which would be recovered / refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, PrKTCL also determines regulatory assets/regulatory liabilities in respect of each accounting period on self true up basis.

**Market Risk**

PrKTCL is in the business of developing the Transmission Line for supplying the electricity to beneficiary, therefore no demand risk anticipated because the License issued by the CERC for 25 years. The Project is constructed under Cost Plus Contract.

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**Regulatory Risk**

- (i) PrKTCL is Operating under Regulatory Environment governed by Central Electricity Regulatory Commission (CERC). Tariff is subject to Rate Regulated Activities.
- (ii) PrKTCL determine revenue gaps (i.e. surplus / shortfall in actual returns over returns entitled) in respect of their regulated operations as given in the Guidance Note on Rate Regulated Activities and based on the principles laid down under the relevant tariff regulations / tariff orders notified by the CERC and the actual or expected actions of the regulators under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the respective years for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments / accruals representing revenue gaps are carried forward as regulatory deferral account debit / credit balances which would be recovered / refunded through future billing based on future tariff determination by the regulators in accordance with the respective electricity regulations.
- (iii) The key risks and mitigating actions are also placed before the Audit Committee of PrKTCL. PrKTCL's risk management policies are established to identify and analyse the risks faced by PrKTCL, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and PrKTCL's activities.
- (iv) PrKTCL's risk for Regulatory Assets are monitored by the Regulatory Team under policies approved by the Board of Directors. The Team identifies, evaluates and protect risks in close cooperation with PrKTCL's operating units. The board provides principles for overall risk management, as well as policies covering specific areas.
- (v) Regulatory Assets recognised in the Books of Accounts of PrKTCL are subject to True up by CERC as per Regulation.

**Net tax recoverable from beneficiaries:**

1. In accordance with the CERC tariff regulation for determination of tariff, the income-tax paid is considered for tariff determination (truing up). Accordingly, PrKTCL has considered deferred tax liability as on March 31, 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 March 31, 2023 and reversed during the period ended March 31, 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 May 12, 2023, the Board of directors of the Investment Manager approved a distribution of INR 3.45 per unit for the period January 01, 2023 to March 31, 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.

## INDIA GRID TRUST

## Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

- (ii) The Group does not have any transactions with Companies struck off. 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).
- (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
- (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

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

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

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122

**Urmil Shah**  
Company Secretary  
Membership Number : A23423

**Navin Sharma**  
Chief Financial Officer

Place : Pune  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

# CORPORATE INFORMATION

## Board of Directors

Mr. Tarun Kataria - Independent Director  
 Mr. Ashok Sethi - Independent Director  
 Ms. Jayashree Vaidhyanathan- Independent Director  
 Mr. Hardik Shah- Non-Executive Director  
 Ms. Ami Momaya- Non-Executive Director  
 Mr. Harsh Shah - Chief Executive Officer & Whole-time-Director

## Management Team

Mr. Harsh Shah - Chief Executive Officer  
 Mr. Navin Sharma - Chief Financial Officer  
 Ms. Meghana Pandit - Chief Investment Officer  
 Mr. Satish Talmale - Chief Operating Officer  
 Mr. Kundan Kishore - Head – Human Resources  
 Mr. Urmil Shah - Company Secretary & Compliance Officer

## Investment Committee

Mr. Tarun Kataria - Chairperson  
 Mr. Ashok Sethi - Member  
 Mr. Hardik Shah- Member  
 Ms. Ami Momaya- Member

## Audit Committee

Mr. Tarun Kataria - Chairperson  
 Mr. Ashok Sethi - Member  
 Ms. Jayashree Vaidhyanathan- Member  
 Ms. Ami Momaya- Member

## Stakeholders' Relationship Committee

Mr. Ashok Sethi - Chairperson  
 Ms. Jayashree Vaidhyanathan- Member  
 Ms. Ami Momaya- Member

## Nomination and Remuneration Committee

Ms. Jayashree Vaidhyanathan - Chairperson  
 Mr. Tarun Kataria - Member  
 Mr. Ashok Sethi - Member

## Allotment Committee

Mr. Ashok Sethi - Chairperson  
 Mr. Tarun Kataria - Member  
 Ms. Ami Momaya - Member  
 Mr. Harsh Shah - Member

## Risk Management Committee

Ms. Jayashree Vaidhyanathan - Chairperson  
 Mr. Tarun Kataria - Member  
 Mr. Ashok Sethi - Member  
 Ms. Ami Momaya - Member

## Registered office of Investment Manager

### IndiGrid Investment Managers limited

Unit No. 101, First Floor, Windsor, Village KoleKalyan,  
 off CST Road, Vidyanagari Marg, Kalina, Santacruz (East),  
 Mumbai – 400 098, Maharashtra, India  
 Tel: +91 70284 93885  
 CIN: U28113MH2010PLC308857

## Principal Place of Business

### India Grid Trust

Unit No. 101, First Floor, Windsor, Village KoleKalyan,  
 off CST Road, Vidyanagari Marg, Kalina, Santacruz (East),  
 Mumbai – 400 098, Maharashtra, India  
 Tel: +91 70284 93885  
 E-mail: [complianceofficer@indigrid.co.in](mailto:complianceofficer@indigrid.co.in)  
 Website: <http://www.indigrid.co.in>  
 Tel: +91 70284 93885

## Registrar and Transfer Agent

### KFIN Technologies Limited

#### (Unit: India Grid Trust)

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial  
 District, Nanakramguda, Hyderabad - 500 032  
 E-mail: [support.indiagrid@kfintech.com](mailto:support.indiagrid@kfintech.com)  
 Tel: +91 40 3321 5205

## IndiGrid Trustee

### Axis Trustee Services Limited

2nd Floor, The Ruby, SW 29, Senapati Bapat Marg, Dadar West,  
 Mumbai 400 028  
 Tel: +912262300605  
 Fax : +912262300700  
 Email: [debenturetrustee@axistrustee.com](mailto:debenturetrustee@axistrustee.com)  
 Website: [www.axistrustee.com](http://www.axistrustee.com)

## Debenture Trustee

### IDBI Trusteeship Services Limited

Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort,  
 Mumbai – 400001  
 Tel: +912240807000  
 Fax: 66311776 / 40807080  
 E-mail: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)  
 Investor Grievance E-mail: [response@idbitrustee.com](mailto:response@idbitrustee.com)  
 Website: <http://www.idbitrustee.com>

## Investor Relations

### Ms. Meghana Pandit

E-mail Id: [investor.relations@indigrid.co.in](mailto:investor.relations@indigrid.co.in)

## Valuer

### Mr. Pradhan Priya Dass

No. 80, 5th Cross, MCECHS Layout, Dr Shivarama Karanth Nagar,  
 Bangalore-560077, Karnataka, India

## Auditor

### S R B C & Co LLP

C Wing, Ground Floor, Panchshil Tech Park  
 (Near Don Bosco School), Pune - 411 006, Maharashtra, India

## List of Bankers

IndusInd Bank  
 Federal Bank  
 Axis Bank  
 Union Bank of India  
 ICICI Bank  
 Bank of Maharashtra  
 HDFC Bank limited  
 The Hongkong and Shanghai Banking Corporation Limited, India  
 Bank of Maharashtra







### India Grid Trust

Unit No. 101, First Floor, Windsor, Village KoleKalyan,  
off CST Road, Vidyanagari Marg, Kalina,  
Santacruz (East), Mumbai – 400 098,  
Maharashtra, India

Compliance Officer: **Mr. Urmil Shah**

