Sterlite

STERLITE INVESTMENT MANAGERS LIMITED
Regd. Office: Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex, Bandra East, Mumbai. Maharashtra- 400051, India
CIN: U28113MH2010PLC30885

Date: April 24, 2019

B S E Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai — 400 001

National Stock Exchange of India Ltd
Exchange Plaza, C/1, Block G,
Bandra-Kurla Complex, Bandra (East),
Mumbai — 400 051

Security Code- 540565

Symbol- INDIGRID

Subject: Outcome of the Board Meeting held on April 24, 2019

Dear Sir/ Madam,

This is further to our intimation dated April 17, 2019, regarding the date of the Board Meeting for consideration of inter-alia, the audited financial information and financial results for the quarter and year ended on March 31, 2019.

This is to inform you that a Meeting of the Board of Directors of Sterlite Investment Managers Limited ("SIML") acting in the capacity of Investment Manager of India Grid Trust (IndiGrid) was held today, April 24, 2019 wherein the Board inter-alia considered and approved the following:

1. Audited standalone and consolidated financial information and financial results of IndiGrid comprising IndiGrid and its subsidiaries (together, 'the Group'), for the quarter and year ended on March 31, 2019.

   We are attaching herewith the audited standalone and consolidated financial information and financial results along with respective audit reports issued by Statutory Auditors for the financial year ended on March 31, 2019.

2. The Board declared a distribution of Rs. 3.00 per unit in the form of interest for the fourth quarter of financial year 2018-2019.

   The record date for this distribution will be April 30, 2019 and payment will be made on or before May 09, 2019.

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3. A Board meeting will be held on Tuesday, April 30, 2019 inter-alia to consider implications of the notification dated April 22, 2019 issued by the SEBI as well as the circular dated April 23, 2019 issued by the SEBI, and capital raising options by way of raising eligible securities through private placement of debt securities or units, or any other instruments or security including debentures (including secured, redeemable, listed), or by way of issue of units, or any preferential issue of units or through any other permissible mode and/or combination thereof as may be considered appropriate, in each case, in accordance with applicable laws, including SEBI regulations, guidelines and circulars, subject to such approvals as may be required including the approval of the unitholders at a general meeting and further subject to other statutory/regulatory approvals, as applicable.

Please refer Investors Presentation and Press Release which are uploaded on the website of stock exchange and IndiGrid.

The Board meeting Commenced at 12.30 p.m. and concluded at 09.45 p.m.

You are requested to take the same on record.

Thanking you,

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

Swapnil Patil
Company Secretary & Compliance Officer
ACS-24861

Copy to-

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

Sterlite

IndiGrid

For Immediate Release

IndiGrid meets FY19 distribution guidance, delivering another strong quarter

Key Highlights

- **5th consecutive distribution of INR 3.00 per unit; INR 12.00 per unit for FY 19**
- **INR 6,107 million (INR 21.56/unit) distributed to investors in 8 quarters since listing**
- **Q4 EBITDA of INR 1,508 million, up by 15% YoY on back of acquisitions and consistent operational performance**
- **Guidance set to INR 12.00 per unit for FY 20**

Mumbai, Wednesday, 24 April 2019: IndiGrid, India's first power sector Infrastructure Investment Trust ("InvIT"), announced its results for the quarter ended 31 March 2019. On the back of acquisitions and stable operational performance, IndiGrid reported a consolidated revenue of INR 1,705 million for the quarter, up 15% YoY. The consolidated EBITDA for the quarter was INR 1,508 million, up 15% YoY.

The Board of Sterlite Investment Managers Limited acting as the Investment Manager of IndiGrid approved DPU of INR 3.00 for Q4 FY19 payable as interest to unitholders. With this, IndiGrid has delivered its DPU guidance of INR 12.00 per unit for FY19.

Commenting on the second-year financial results and developments, Mr. Harsh Shah, Chief Executive Officer, IndiGrid, said "With yet another strong yearly performance, IndiGrid has achieved its distribution guidance of INR 12.00 per unit. Since listing, we have distributed INR 21.56 per unit totaling to INR 6,107 million of distribution. IndiGrid is committed to provide AAA rated stable yield to investors through quarterly distributions and growing it by acquiring more projects."

Meanwhile Crisil, ICRA and India Rating have re-affirmed IndiGrid with the "AAA" rating with the Stable Outlook for the long-term borrowing facilities.

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Sterlite IndiGrid

Highlights of Q4 and FY19 (in INR millions):

Period	Q4 FY19	Q4 FY18	FY19	FY18
Revenue	1,705	1,488	6,668	4,554
EBIDTA	1,508	1,316	6,036	4,151
Distribution	851	851	3,406	2,701

About IndiGrid:

IndiGrid [BSE: 540565 | NSE: INDIGRID] is the first Infrastructure Investment Trust ("InvIT") established to own power transmission assets in India. IndiGrid owns 16 independent revenue-generating elements, including 13 transmission lines of 3,360 ckms and 3 substations of 7,000 MVA capacity across 9 states in India.

For more details, please visit www.indigrid.co.in

Contacts:

Media: corpcomm@indigrid.co.in

Investor Relations: Investor.relations@indigrid.co.in

INDIA GRID TRUST
SEBI Registration Number: IN/InvIT/16-17/0005
AUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED MARCH 31, 2019
(All amounts in Rs. million unless otherwise stated)

Particulars	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
	(Audited - refer note 2)	(Unaudited)	(Audited - refer note 2)	(Audited)	(Audited)
I. INCOME					
Revenue from operations (refer notes 3 and 9)	2,863.72	2,661.35	2,117.33	5,525.07	3,239.50
Dividend income on investment in mutual funds	-	10.52	12.02	10.52	12.02
Interest income on investment in fixed deposits	12.34	4.38	0.50	16.72	0.52
Other income	0.23	-	-	0.23	-
Total income (I)	**2,876.29**	**2,676.25**	**2,129.85**	**5,552.54**	**3,252.04**
II. EXPENSES					
Legal and professional fees	66.11	8.88	16.28	74.99	20.28
Annual Listing Fee	-	3.80	-	3.80	-
Rating Fee	3.46	2.69	-	6.15	-
Valuation expenses	3.11	0.59	4.06	3.70	4.06
Trustee Fee	1.10	1.06	2.74	2.16	2.94
Payment to auditors					
- Statutory Audit	1.47	0.89	1.42	2.36	1.42
- Other services (including certification)	3.26	-	-	3.26	-
Other expenses	2.62	2.55	0.19	5.17	0.19
Impairment / (reversal) of investments in subsidiary (refer note 10)	(45.53)	2,362.37	496.03	2,316.84	496.03
Finance costs	579.10	436.35	102.18	1,015.45	102.18
Total expenses (II)	**614.70**	**2,819.18**	**622.90**	**3,433.88**	**627.10**
Profit/(loss) before tax (I-II)	**2,261.59**	**(142.93)**	**1,506.95**	**2,118.66**	**2,624.94**
Tax expense					
- Current tax	4.58	1.50	-	6.08	-
- Deferred tax	-	-		-	
- Income tax for earlier years	0.04	0.12	-	0.16	-
Profit/(loss) for the period/year	**2,256.97**	**(144.55)**	**1,506.95**	**2,112.42**	**2,624.94**
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
Total comprehensive income	**2,256.97**	**(144.55)**	**1,506.95**	**2,112.42**	**2,624.94**
Unit capital	28,380.00	28,380.00	28,380.00	28,380.00	28,380.00
Paid-up Debt Capital [Refer Note 4(a)]	16,795.46	12,443.43	9,941.47	16,795.46	9,941.47
Retained Earnings	(505.06)	(802.60)	774.01	(505.06)	774.01
Earnings per unit (Rs. per unit) (refer note A under Additional Disclosures)					
- Basic	7.95	(0.51)	5.31	7.44	9.25
- Diluted	7.85	(0.51)	5.20	7.30	9.05
Debt equity ratio [Refer Note 4(b)]	0.60	0.42	0.34	0.60	0.34
Debt service coverage ratio [Refer Note 4(c)]	4.25	5.39	17.86	4.74	26.90
Interest coverage ratio ([Refer Note 4(d)]	4.25	5.39	17.86	4.74	26.90
Asset cover ratio [Refer Note 4(e)]	6.30	15.53	-	6.30	-

NOTES:

1) The above audited standalone financial results for the half year ended March 31, 2019 have been reviewed and approved by the Board of Directors of Sterlite Investment Managers Limited ('Investment Manager') at its meeting held on April 24, 2019.

2) The audited standalone financial results comprises of the standalone Statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circular") of India Grid Trust ("IndiGrid") for the half year ended March 31, 2019 ("standalone financial results") being submitted by the Trust pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular. The half yearly standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to September 30, 2018, being the date of the end of the first half of the current financial year, which were subject to limited review. The standalone financial results for the half year ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the standalone financial results for the half year ended September 30, 2018, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular.
The half yearly standalone financial results for the half year ended March 31,2018 are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to September 30, 2017, being the date of the end of the first half of the previous financial year, which were subject to limited review.

3) IndiGrid acquired the entire equity share capital of Sterlite Grid 1 Limited (SGL1), which is the holding company of Bhopal Dhule Transmission Limited ('BDTCL') and Jabalpur Transmission Limited ('JTCL') from Sterlite Power Grid Ventures Limited ('SPGVL') on May 30, 2017. Accordingly SGL1, BDTCL and JTCL became wholly owned subsidiaries of IndiGrid with effect from May 30, 2017.
Further, IndiGrid through SGL1, acquired Purulia & Kharagpur Transmission Company Limited (PKTCL), RAPP Transmission Company Limited and Maheshwaram Transmission Company Limited from Sterlite Grid 2 Limited and Sterlite Grid 3 Limited (wholly owned subsidiaires of SPGVL) with effect from February 15, 2018.
During the current year, IndiGrid has acquired the entire equity share capital of Patran Transmission Company Limited (PTCL) with effect from August 30, 2018.
Consequent to the above, the figures for revenue from operations which comprise of interest income from subsidiaries included in the standalone financial results for various periods/years may not be comparable.

4) Formulae for computation of ratios are as follows:
(a) Paid up debt capital = Total borrowings as on reporting date
(b) Debt equity ratio = Total borrowings / Unitholders' Equity
(c) Debt Service Coverage Ratio* = Earnings before Interest and Tax/ (Interest Expense + Principal Repayments made during the year)
(d) Interest Service Coverage Ratio* = Earnings before Interest and Tax/ Interest Expense
(e) Asset cover ratio = (Total investments in subsidiaries + Loan to subisidiaries) / Liability in respect of Secured Non-convertible debentures at amortised cost under Ind-AS as at balance sheet date.
*Earnings before Interest and Tax excludes impairment/reversal of impairment of investments/loans to subsidiary and finance income on NCD issued by subsidiary on EIR basis.

5) Details of non-convertible debentures are as follows:

Particulars	Secured/Unsecured	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
8.60% Non convertible debentures	Secured	-	-	August 31, 2028	June 30, 2019
8.9922% Non convertible debentures	Secured	-	-	February 14, 2029	May 14, 2019

NCDs are secured by:

(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;

(ii) First pari-passu charge on Escrow account of the Trust

(iii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs;

(iv) Pledge over 51% of the share capital of specified SPVs.

The Trust is in process of creation of security charge on the above NCDs.

6) The trust retained its credit ratings of "CRISIL AAA/Stable" from CRISIL on 11 February 2019 and "IND AAA/Stable" from India Ratings on 27 February 2019

7) Pursuant to Share Purchase agreement/Shareholders' Agreement ('SPA') dated February 19, 2018, the Trust acquired Patran Transmission Company Limited (PTCL) from Techno Power Grid Company Limited and Techno Electric and Engineering Company Limited at a purchase consideration of Rs. 2,420.72 million with effect from August 30, 2018. The Trust holds 74% equity stake in PTCL and on the remaining 26%, the Trust has beneficial interest based on the various rights available to it under the SPA.

8) Bhopal Dhule Transmission Company Limited ('BDTCL'), subsidiary of the Trust, had filed petition dated October 15, 2016 with CERC for grant of incremental tariff to compensate for additional expenditure incurred on BDTCL project. Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended ("PIMA"), the Trust was required to issue additional units to Sterlite Power Grid Ventures Limited ("SPGVL") in case any additional tariff is approved by CERC. The units to be issued would be to the extent of 80% of the additional capital expenditure as approved by CERC in respect of the pending petition. Accordingly, the Trust had estimated and recorded an amount of Rs. 579.50 million in previous year towards the units issuable to SPGVL in accordance with PIMA as payable for asset acquisition.

During the year, CERC approved a part of the claim, for additional expenditure due to change in tax rates which resulted in increase in non esaclable tariff revenue by 0.69% however certain portion of the claim is still pending with CERC. The period for such one time payment to SPGVL in respect of the claim which is still pending with CERC expired on December 6, 2018 (being 18 months from the date of listing of IndiGrid). Accordingly, the Trust has reversed the liability Rs. 422.77 million with corresponding effect to investment in Sterlite Grid 1 Limited.

9) Revenue from operations comprise of interest income on NCDs/loans to subsidiaries and includes the interest on 0.01% Non Convertible Debentures (NCD's) issued by Sterlite Grid 1 LImited (wholly owned subsidiary of IndiGrid) which is the difference between market rate of interest and rate of interest on the NCD's (accounted for under EIR method).

10) The provision for impairment/reversal of impairment on investments in subsidiary is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiary has been computed based on value in use calculation for the underlying projects (based on discounted cash flow model).

11) The Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period January 1, 2019 to March 31, 2019 to be paid on or before 15 days from the date of declaration.

ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF ANNEXURE A TO THE SEBI CIRCULAR NO. CIR/IMD/DF/127/2016

A) Statement of Earnings per unit:

Basic EPU amounts are calculated by dividing the profit/loss for the period attributable to Unit holders by the weighted average number of units outstanding during the period.

Diluted EPU amounts are calculated by dividing the profit attributable to unit holders by the weighted average number of units outstanding during the period 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 the profit/loss and unit data used in the basic and diluted EPU computation

Particulars	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(loss) after tax for calculating basic and diluted EPU (Rs in million)	2,256.97	(144.55)	1,506.95	2,112.42	2,624.94
Weighted average number of units in calculating basic and diluted EPU (No. million)	283.80	283.80	283.80	283.80	283.80
Effect of dilution:					
Estimated units to be issued to Sponsor/Project manager*	3.75	6.37	6.14	5.40	6.14
Weighted average number of units in calculating basic and diluted EPU (No. million)	287.55	290.17	289.94	289.20	289.94
Earnings Per Unit					
Basic (Rupees/unit)	7.95	(0.51)	5.31	7.44	9.25
Diluted (Rupees/unit)	7.85	(0.51)	5.20	7.30	9.05

* units issuable pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, towards the additional transmission charges as approved by CERC for the additional expenditure incurred by BDTCL

B) Statement of Related Party Transactions:

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

A. Related parties where control exists

Subsidiaries

Sterlite Grid 1 Limited (SGL1)
Bhopal Dhule Transmission Company Limited (BDTCL)
Jabalpur Transmission Company Limited (JTCL)
RAPP Transmission Company Limited (RTCL)
Purulia & Kharagpur Transmission Company Limited (PKTCL)
Maheshwaram Transmission Limited (MTL)
Patran Transmission Company Limited (PTCL)

B. Other related parties under Ind AS-24 with whom transactions have taken place during the year
Entity with significant influence over the Trust
Sterlite Power Grid Ventures Limited (SPGVL)

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

A. Parties to IndiGrid
Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project Manager of IndiGrid
Sterlite Investment Managers Limited (SIML) - Investment Manager of IndiGrid
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

B. Promoters of the parties to IndiGrid specified in (A) above
Sterlite Power Transmission Limited - Promoter of SPGVL and SIML
Axis Bank Limited - Promoter of ATSL

C. Directors of the parties to IndiGrid specified in (A) above

(i) Directors of SPGVL:
Pravin Agarwal
Pratik Agarwal
A. R. Narayanaswamy
Avaantika Kakkar
Ved Mani Tiwari
Anand Agarwal (till 10.10.2017)
Udai Dhawan (till 22.01.2018)

(ii) Directors of SIML:
Pratik Agarwal
Kuldip Kumar Kaura
Tarun Kataria
Shashikant Bhojani
Rahul Asthana
Harsh Shah (from 15.01.2018)

(iii) Directors of ATSL:
Srinivasan Varadarajan (till 20.12.2018)
Ram Bharoseylal Vaish
Sidharth Rath (till 01.06.2018)
Rajaraman Viswanathan (till 10.10.2018)
Rajesh Kumar Dahiya (from 11.07.2018)
Raghuraman Mahalingam (till 30.09.2018)
Sanjay Sinha (from 10.10.2018)

III. **Transactions with related parties**

(Rs in million)

Sr. No.	Particulars	Relation	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
1	**Unsecured loans given to subsidiaries**						
	Jabalpur Transmission Company Limited	Subsidiary	4,249.99	71.38	-	4,321.37	13,767.85
	Bhopal Dhule Transmission Company Limited	Subsidiary	-	20.00	-	20.00	8,731.79
	RAPP Transmission Company Limited	Subsidiary	-	-	2,550.18	-	2,550.18
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	-	-	3,987.65	-	3,987.65
	Maheshwaram Transmission Limited	Subsidiary	40.00	-	3,740.15	40.00	3,740.15
	Patran Transmission Company Limited	Subsidiary	-	1,686.89	-	1,686.89	-
	Sterlite Grid 1 Limited	Subsidiary	252.80	-	-	252.80	-
2	**Interest income from subsidiaries**						
	Jabalpur Transmission Company Limited	Subsidiary	992.89	912.25	987.74	1,905.14	1,561.34
	Bhopal Dhule Transmission Company Limited	Subsidiary	647.72	650.55	650.41	1,298.27	1,014.26
	RAPP Transmission Company Limited	Subsidiary	190.17	191.72	47.16	381.89	47.16
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	298.26	299.89	73.74	598.15	73.74
	Maheshwaram Transmission Limited	Subsidiary	281.24	281.28	69.17	562.52	69.17
	Patran Transmission Company Limited	Subsidiary	118.56	21.41	-	139.97	-
	Sterlite Grid 1 Limited	Subsidiary	0.52	-	-	0.52	-
3	**Repayment of loan from subsidiaries**						
	Jabalpur Transmission Company Limited	Subsidiary	-	-	1,441.37	-	1,638.52
	Bhopal Dhule Transmission Company Limited	Subsidiary	-	-	77.80	-	91.81
	RAPP Transmission Company Limited	Subsidiary	201.60	-	0.94	201.60	0.94
	Patran Transmission Company Limited	Subsidiary	-	101.77	-	101.77	-
4	**Purchase of non convertible debentures of SGL1**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	-	-	-	5,880.36
5	**Purchase of equity shares of SGL1**						
	Sterlite Power Grid Ventures Limited**	Sponsor and Project Manager/Entity with significant influence	-	-	-	-	-
6	**Received towards indemnification of liabilities**						
	Sterlite Power Grid Ventures Limited ##	Sponsor and Project Manager/Entity with significant influence	53.47	-	-	53.47	-
7	**Subscription to optionally convertible redeemable preference shares**						
	Sterlite Grid 1 Limited	Subsidiary	-	-	1,001.97	-	1,001.97
8	**Amount paid against indemnification of dues**						
	Jabalpur Transmission Company Limited	Subsidiary	50.41	-	-	50.41	-
9	**Reimbursement of expenses paid**						
	Sterlite Investment Managers Limited	Investment Manager	-	-	11.56	-	15.56
	Jabalpur Transmission Company Limited	Subsidiary	-	0.32	-	0.32	-
	Bhopal Dhule Transmission Company Limited	Subsidiary	-	0.15	-	0.15	-
10	**Issue of unit capital**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	-	1,360.00	-	5,880.36
	Pravin Agarwal	Director of Sponsor	-	-	-	-	91.34
11	**Distribution to unit holders**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	356.38	352.82	331.89	709.20	373.47
	Pravin Agarwal	Director of Sponsor	6.12	5.48	5.15	11.60	5.99
	Harsh Shah	Director of Investment Manager	0.06	-	-	0.06	-
	Pratik Agarwal	Director of Sponsor and Investment Manager	-	1.22	-	1.22	-
12	**Advance given**						
	Sterlite Grid 1 Limited	Subsidiary	3.65	5.35	4.60	9.00	4.60
13	**Trustee Fee**						
	Axis Trustee Services Limited (ATSL)	Trustee	1.10	1.06	2.74	2.16	2.94

IV. Outstanding balances as at period end

(Rs in million)

Sr. No.	Particulars	Relation	As at September 30, 2018	As at March 31, 2019	As at March 31, 2018
1	**Unsecured loan receivable**				
	Jabalpur Transmission Company Limited	Subsidiary	12,200.70	16,450.70	12,129.32
	Bhopal Dhule Transmission Company Limited	Subsidiary	8,659.98	8,659.98	8,639.98
	RAPP Transmission Company Limited	Subsidiary	2,549.25	2,347.65	2,549.25
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	3,987.65	3,987.65	3,987.65
	Maheshwaram Transmission Limited	Subsidiary	3,740.15	3,780.15	3,740.15
	Patran Transmission Company Limited	Subsidiary	1,582.76	1,585.12	-
	Sterlite Grid 1 Limited	Subsidiary	-	252.80	-
2	**Interest receivable from subsidiaries**				
	Jabalpur Transmission Company Limited	Subsidiary	43.46	157.14	-
	Bhopal Dhule Transmission Company Limited	Subsidiary	166.30	195.67	-
	RAPP Transmission Company Limited	Subsidiary	22.97	1.06	-
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	38.98	36.46	6.80
	Maheshwaram Transmission Limited	Subsidiary	30.72	51.51	0.23
	Patran Transmission Company Limited	Subsidiary	-	3.66	-
	Sterlite Grid 1 Limited	Subsidiary	-	0.52	-
3	**Advance receivable in cash**				
	Sterlite Grid 1 Limited	Subsidiary	9.95	13.60	4.60
	Jabalpur Transmission Company Limited	Subsidiary	0.32	-	-
	Bhopal Dhule Transmission Company Limited	Subsidiary	0.15	-	-
4	**Non-Convertible Debentures of subsidiary (including accrued interest on EIR)**				
	Sterlite Grid 1 Limited	Subsidiary	6,115.34	6,449.71	5,811.09
5	**Investment in equity shares of subsidiary (excluding provision for impairment)**				
	Sterlite Grid 1 Limited#	Subsidiary	1,122.60	699.82	1,122.60
	Patran Transmission Company Limited	Subsidiary	733.84	-	-
6	**Optionally convertible redeemable preference shares (excluding provision for impairment)**				
	Sterlite Grid 1 Limited	Subsidiary	1,001.96	1,001.96	1,001.96
7	**Trustee fee**				
	Axis Trustee Services Limited (ATSL)	Trustee	1.06	-	0.54

** IndiGrid acquired NCDs and Equity Shares of SGL1 in exchange of its units amounting to Rs. 5,880.36 million. Since the nominal value of NCDs was Rs. 6,658.24 million. Hence the entire consideration was allocated to NCDs.

Includes amount of Rs. 525.10 million towards equity component of Non- Convertible Debentures issued by Sterlite Grid 1 Limited and Rs 597.50 million towards payable to SPGVL in respect of acquisition of BDTCL.

During the year, Sponsor has paid to IndiGrid towards deposits paid by IndiGrid's subsidiaries for tax litigations for which the Sponsor is liable.

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 financial year ended March 31, 2019: No acquisition of InvIT assets from related parties during the year

For the financial year ended March 31, 2018: Refer disclosures below:

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

(Rs in million)

Particulars	BDTCL	JTCL
<u>Enterprise value</u>		
- Base case (based on tariff as per TSA)	20,406	14,949
- Incremental revenue (based on additional tariff claimed under petition with CERC)	1,135	1,176
Total Enterprise value	**21,541**	**16,125**
<u>Method of valuation</u>	Discounted Cash Flow	
Discounting rate (WACC):		
- Base case (based on tariff as per TSA)	8.19%	8.14%
- Incremental revenue (based on additional tariff claimed under petition with CERC)	8.69%	8.64%

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

<u>Acquisition of BDTCL and JTCL (through acquisition of SGL1):</u>

Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended on April 25, 2017 ("PIMA") executed among SIML, ATSL, SPGVL, SGL1, BDTCL and JTCL, IndiGrid would issue additional units to SPGVL in the event CERC approves additional tariff for BDTCL and/or JTCL in respect of cost escalations in those projects for which petitions were filed with CERC. The units to be issued to SPGVL shall be equivalent to 80% of the Cost Escalation for each of BDTCL and JTCL as approved by CERC.

SPGVL will be entitled to additional units only if the cost escalation and the resultant revision in levelised transmission charges is received during the period commencing from the date of the PIMA and until the date which is 18 months of listing of units of IndiGrid (being the date of receipt of final listing and trading approvals for the units).

No external financing has been obtained for the acquisition of BDTCL and JTCL and no fees or commission were received/to be received by any associate of the related party in relation to the

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

(Rs in million)

Description	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows received from the Portfolio Assets in the form of interest	2,385.76	2,061.69	1,821.19	4,447.45	2,758.65
Cash flows received from the Portfolio Assets in the form of dividend	-	-	-	-	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	12.57	14.90	12.54	27.47	12.54
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid (refer note i)	201.60	101.77	124.71	303.37	335.88
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-	-	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-	-	-	-
Total cash inflow at the IndiGrid level (A)	**2,599.93**	**2,178.36**	**1,958.44**	**4,778.29**	**3,107.07**
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 ii)	(656.68)	(500.08)	(309.70)	(1,158.18)	(313.90)
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	(4.62)	(1.62)	-	(6.24)	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(261.80)	-	-	(261.80)	-
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-	-	-	-
Total cash outflows / retention at IndiGrid level (B)	**(923.10)**	**(501.70)**	**(309.70)**	**(1,426.22)**	**(313.90)**
Net Distributable Cash Flows (C) = (A+B)	**1,676.83**	**1,676.66**	**1,648.74**	**3,352.07**	**2,793.17**

Notes to the Statement of Net Distributable Cash Flows of IndiGrid

i. FY 17-18, excludes Rs. 1,395.39 million of debt repayment by JTCL to IndiGrid out of the proceeds of total external debt of Rs 4,230 million raised by JTCL during financial year 17-18

ii. Includes amount of Rs 45.13 million towards creation of interest service reserve account in respect of the external debt raised during the year

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Place: Mumbai
Date: April 24, 2019

INDIA GRID TRUST
SEBI Registration Number: IN/InvIT/16-17/0005
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR ENDED MARCH 31, 2019
(All amounts in Rs. million unless otherwise stated)

Particulars	Six months ended March 31, 2019 (Audited) (refer note-2(a))	Six months ended September 30, 2018 (Unaudited)	Six months ended March 31, 2018 (Audited) (refer note-2(b))	Year ended March 31, 2019 (Audited)	Year ended March 31, 2018 (Audited)
I. INCOME					
Revenue from contract with customers (refer note 6)	3,407.69	3,248.01	2,746.72	6,655.70	4,475.69
Dividend income on investment in mutual fund	19.71	28.93	35.55	48.64	49.94
Interest income on investment in fixed deposit	16.16	6.47	0.84	22.63	0.86
Other income (refer note 8)	7.23	4.85	10.35	12.08	78.51
Total income (I)	**3,450.79**	**3,288.26**	**2,793.46**	**6,739.05**	**4,605.00**
II. EXPENSES					
Transmission Infrastructure maintenance charges	89.39	86.18	64.17	175.57	107.58
Insurance expenses	39.82	47.81	39.49	87.00	65.92
Legal and professional fees	72.85	9.49	36.02	82.34	41.55
Rates and taxes	20.36	14.32	30.12	34.68	33.43
Investment Manager fees (refer note 10)	67.11	63.42	53.77	130.53	87.54
Project Manager fees (refer note 9)	19.95	19.59	16.14	39.54	26.44
Vehicle hire charges	3.88	3.38	2.24	7.26	5.20
Valuation expenses	3.11	0.59	4.06	3.70	4.06
Trustee fees	1.10	1.06	2.74	2.16	2.94
Payment to auditors (including for subsidiaries)			-		
- Statutory Audit	1.57	3.17	3.03	4.74	3.48
- Other services (including certification)	4.78	-	1.21	4.78	1.21
Other expenses	30.48	28.76	9.64	59.24	19.99
Depreciation expense	903.45	905.77	711.13	1,809.22	1,157.41
Impairment on Property plant and equipment (refer note 5)	64.75	392.21	-	456.96	-
Finance costs	1,232.91	1,062.92	512.25	2,295.83	1,012.57
Total expenses (II)	**2,555.51**	**2,638.67**	**1,486.01**	**5,193.55**	**2,569.32**
Profit before tax (I-II)	**895.28**	**649.59**	**1,307.45**	**1,545.50**	**2,035.68**
Tax expense:					
- Current tax	4.58	1.50	(8.21)	6.08	-
- Deferred tax	-	-	1.00	-	-
- Income tax for earlier years	0.02	0.26	(67.82)	0.28	(67.82)
	4.60	**1.76**	**(75.03)**	**6.36**	**(67.82)**
Profit for the period / year	**890.68**	**647.84**	**1,382.48**	**1,539.14**	**2,103.50**
Other Comprehensive Income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
Total Comprehensive income	**890.68**	**647.84**	**1,382.48**	**1,539.14**	**2,103.50**
Earnings per unit (Rs. per unit) (refer note E under Additional Disclosures)					
- Basic	3.14	2.28	4.87	5.42	7.41
- Diluted	3.10	2.23	4.77	5.32	7.25

NOTES:

1) The above audited consolidated financial results for the half year ended March 31, 2019 have been reviewed and approved by the Board of Directors of Sterlite Investment Managers Limited ('Investment Manager') at its meeting held on April 24, 2019.

2) (a) The audited consolidated financial results comprises the Consolidated Statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circular") for the half year ended March 31, 2019 of India Grid Trust ("IndiGrid") and its subsidiaries (together, 'the Group') ("Consolidated Financial Results"). The half yearly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to September 30, 2018, being the date of the end of the first half of the current financial year, which were subject to limited review. The consolidated financial results for the half year ended March 31, 2019 have been prepared on the basis of the consolidated financial results for the half year ended September 30, 2018, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular.

2) (b) The half yearly consolidated financial results for the half year ended March 31,2018 are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to September 30, 2017, being the date of the end of the first half of the previous financial year, which were subject to limited review.

3) The Group acquired the entire equity share capital of Sterlite Grid 1 Limited (SGL1), which is the holding company of Bhopal Dhule Transmission Limited ('BDTCL') and Jabalpur Transmission Limited ('JTCL') from Sterlite Power Grid Ventures Limited ('SPGVL') on May 30, 2017. Accordingly SGL1, BDTCL and JTCL became wholly owned subsidiaries of the Group with effect from May 30, 2017.

Further, the Group acquired Purulia & Kharagpur Transmission Company Limited (PKTCL), RAPP Transmission Company Limited and Maheshwaram Transmission Company Limited. (together referred as "the SPVs") from Sterlite Grid 2 Limited and Sterlite Grid 3 Limited (wholly owned subsidiaries of SPGVL) with effect from February 15, 2018.

During the current year, the Group has acquired Patran Transmission Company Limited (PTCL) with effect from August 30, 2018.

Consequent to the above, the figures included in the consolidated financial results for various periods/years may not be comparable.

4) Pursuant to Share Purchase agreement/Shareholders' Agreement ('SPA') dated February 19, 2018, the Trust acquired Patran Transmission Company Limited (PTCL), from Techno Power Grid Company Limited and Techno Electric and Engineering Company Limited at a purchase consideration of Rs. 2,420.72 million with effect from August 30, 2018. The Trust holds 74% equity stake in PTCL and on the remaining 26%, the Trust has beneficial interest based on the rights available to it under the share purchase agreement.

5) During the six months ended March 31, 2019 and year ended March 31, 2019, an amount of Rs. 64.76 million and an amount of Rs. 456.97 million respectively were recognised as impairment of property, plant and equipment which is included in the financial information for the six months ended and year ended March 31,2019. The recoverable amount of the property, plant and equipment has been computed based on value in use calculation for the underlying projects (based on discounted cash flow model).

6) Bhopal Dhule Transmission Company Limited ('BDTCL'), subsidiary of the Trust, had filed petition dated October 15, 2016 with CERC for grant of incremental tariff to compensate for additional expenditure incurred on BDTCL project. Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended ("PIMA"), the Trust was required to issue additional units to Sterlite Power Grid Ventures Limited ("SPGVL") in case any additional tariff is approved by CERC. The units to be issued would be to the extent of 80% of the additional capital expenditure as approved by CERC in respect of the pending petition. Accordingly, the Trust had estimated and recorded an amount of Rs. 579.50 million in previous year towards the units issuable to SPGVL in accordance with PIMA as payable for asset acquisition.

During the year, CERC approved a part of the claim, for additional expenditure due to change in tax rates of Rs. 195.19 million which resulted in increase in non esaclable tariff revenue by 0.69% however certain portion of the claim is still pending with CERC. The period for such one time payment to SPGVL in respect of the claim which is still pending with CERC expired on December 6, 2018 (being 18 months from the date of listing of IndiGrid). Accordingly, the Trust has reversed the liability of Rs. 422.77 million with corresponding effect to property, plant and equipment in the consolidated financial information for the six months and year ended March 31,2019. Pursuant to CERC order, BDTCL recognised incremental revenue on account of change in law in the current year.

7) CERC vide its order dated September 21, 2016 ('Order') confirmed that RAPP Transmission Company Limited ('RTCL'), subsidiary of the Trust, was eligible to receive certain transmission charges from the scheduled commercial operation date i.e. 01 March 2016 ('SCOD'). The aggrieved party filed an appeal with Appellate Tribunal for Electricity ('APTEL') against the Order. The amount of transmission charges involved is Rs. 221.70 million which were recognised as receivable in the financial statement of RTCL. Under the share purchase agreement dated February 14, 2018, in case there is any recovery on account of the above receivable on disposal of the appeal, the same shall be paid as additional consideration to Sterlite Grid 2 Limited (subsidiary of SPGVL). Accordingly, the management recognised a liability of Rs 221.70 million payable in respect of the above arrangement in earlier year.
During the year, APTEL disposed the appeal in favour of the Company vide its order dated January 18, 2019. As a result, RTCL has received an amount of Rs. 252.80 million towards transmission charges as per the APTEL order which has been paid as an additional consideration to Sterlite Grid 2 Limited pursuant to share purchase agreement dated February 14, 2018.

8) The other income for the year ended March 31, 2018 includes Rs 67.54 million towards reversal of provision made in the books of BDTCL and JTCL in the financial year ended March 31, 2017 for prepayment charges payable on long term borrowings since they were no longer payable.

9) Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, Project Manager is entitled to fees @ 10% of gross expenditure incurred by each SPV in relation to operation and maintenance costs per annum. There are no changes in the methodology of computation of fees paid to Project Manager.

10) Pursuant to the Investment Management Agreement dated November 10, 2016 as amended, Investment Manager is entitled to fees @ 1.75% of difference between revenue from operations and operating expenses (other than fees of the Investment Manager) of each SPV per annum. For this purpose, operating expenses would not include depreciation, finance costs and income tax expense. There are no changes in the methodology of computation of fees paid to Investment Manager.

11) The Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period January 1, 2019 to March 31, 2019 to be paid on or before 15 days from the date of declaration.

ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF ANNEXURE A TO THE SEBI CIRCULAR NO. CIR/IMD/DF/127/2016

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

(Rs in million)

Description	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows received from the Portfolio Assets in the form of interest	2,385.76	2,061.69	1,821.19	4,447.45	2,758.65
Cash flows received from the Portfolio Assets in the form of dividend	-	-	-	-	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	12.57	14.90	12.54	27.47	12.54
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid (refer note i)	201.60	101.77	124.71	303.37	335.88
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-	-	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-	-	-	-
Total cash inflow at the IndiGrid level (A)	2,599.93	2,178.36	1,958.44	4,778.29	3,107.07
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 ii)	(658.10)	(500.08)	(309.70)	(1,158.18)	(313.90)
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	(4.62)	(1.62)	-	(6.24)	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(261.80)	-	-	(261.80)	-
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-	-	-	-
Total cash outflows / retention at IndiGrid level (B)	(924.52)	(501.70)	(309.70)	(1,426.22)	(313.90)
Net Distributable Cash Flows (C) = (A+B)	1,675.41	1,676.66	1,648.74	3,352.07	2,793.17

Notes to the Statement of Net Distributable Cash Flows of IndiGrid

i. FY 17-18, excludes Rs. 1,395.39 million of debt repayment by JTCL to IndiGrid out of the proceeds of total external debt of Rs 4,230 million raised by JTCL during financial year 17-18

ii. Includes amount of Rs 45.13 million towards creation of interest service reserve account in respect of the external debt raised during the year

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

(i) Sterlite Grid 1 Limited (SGL1) (Holdco)

(Rs in million)

Description	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	May 30, 2017* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(232.84)	(221.67)	223.54	(454.51)	93.99
Add: Depreciation, impairment and amortisation	1.57	4.32	4.33	5.89	7.29
Add/Less: Decrease/(increase) in working capital	(152.44)	(3.11)	(5.02)	(155.55)	(10.10)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	334.89	304.25	280.65	639.14	473.60
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	-	-	-	-	-
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;	(97.37)	(88.60)	(97.11)	(185.97)	(163.99)
- Unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-	-	-	0.30
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-	-
Amortization of Upfront fees	-	-	-	-	-
Loss on account of MTM of F/W & ECB	-	-	-	-	-
Non Cash item - Reversal of impairment of investment in subsidiary	-	-	(429.22)	-	(429.22)
Non Cash item - Provision for TDS receivable	-	-	21.52	-	21.52
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-	-
Total Adjustments (B)	86.65	216.86	(224.85)	303.51	(100.60)
Net Distributable Cash Flows (C)=(A+B)	(146.19)	(4.81)	(1.31)	(151.00)	(6.61)

* Being the date of acquisition of SGL1 by IndiGrid.

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

(Rs in million)

Description	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	May 30, 2017* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(306.44)	(264.70)	(136.35)	(571.14)	(369.97)
Add: Depreciation, impairment and amortisation	353.23	355.25	357.57	708.48	593.20
Add/Less: Decrease/(increase) in working capital	48.37	(57.70)	55.43	(9.33)	86.72
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	647.72	650.55	650.40	1,298.27	1,014.26
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	(0.02)	(0.07)	(2.37)	(0.09)	(2.93)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items),	-	-	-	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-	-
-deferred tax;	-	-	-	-	-
-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;	-	-	-	-	-
Amortization of Upfront fees	4.37	-	-	4.37	-
Loss on account of MTM of F/W & ECB	125.66	(11.88)	(45.06)	113.78	51.34
Non Cash Income - Reversal of Prepayment penalty	-	-	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-	-
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	(314.19)	(307.91)	(70.52)	(622.10)	(143.66)
Total Adjustments (B)	**865.14**	**628.24**	**945.45**	**1,493.38**	**1,598.93**
Net Distributable Cash Flows (C)=(A+B)	**558.70**	**363.54**	**809.10**	**922.24**	**1,228.96**

* Being the date of acquisition of BDTCL by IndiGrid.

Note: During the year, an amount of Rs. 832.26 million (being at least 90%) has already been distributed to IndiGrid.

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

(Rs in million)

Description	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	May 30, 2017* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(578.48)	(569.10)	(56.57)	(1,147.58)	(21.60)
Add: Depreciation, impairment and amortisation	442.62	457.07	268.99	899.69	473.80
Add/Less: Decrease/(increase) in working capital	36.70	(131.92)	(51.59)	(95.22)	5.05
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	992.89	912.25	987.74	1,905.14	1,561.34
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	-	-	-	-	(9.23)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-	(4.39)
-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;	-	-	-	-	-
Amortization of Upfront fees	-	-	-	-	-
Loss on account of MTM of F/W & ECB	-	-	-	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-	-
Total Adjustments (B)	**1,472.21**	**1,237.40**	**1,205.14**	**2,709.61**	**2,026.57**
Net Distributable Cash Flows (C)=(A+B)	**893.73**	**668.30**	**1,148.57**	**1,562.03**	**2,004.97**

* Being the date of acquisition of JTCL by IndiGrid.

Note: During the year, an amount of Rs. 1,405.75 million (being at least 90%) has already been distributed to IndiGrid.

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

(Rs in million)

Description	Six months ended March 31, 2019	Six months ended September 30, 2018	Year ended March 31, 2019	February 15, 2018* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	**15.14**	**(22.43)**	**(7.29)**	**(20.96)**
Add: Depreciation, impairment and amortisation	42.71	42.96	85.67	10.26
Add/Less: Decrease/(increase) in working capital	233.02	(48.72)	184.30	16.98
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	190.18	191.72	381.90	47.16
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	-	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
-deferred tax;	-	-	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
Amortization of Upfront fees	-	-	-	-
Loss on account of MTM of F/W & ECB	-	-	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
Total Adjustments (B)	**465.91**	**185.96**	**651.87**	**74.40**
Net Distributable Cash Flows (C)=(A+B)	**481.05**	**163.53**	**644.58**	**53.44**

* Being the date of acquisition of RTCL by IndiGrid.

Note: During the year, an amount of Rs. 580.23 million (being at least 90%) has already been distributed to IndiGrid.

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

(Rs in million)

Description	Six months ended March 31, 2019	Six months ended September 30, 2018	Year ended March 31, 2019	February 15, 2018* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	**(14.90)**	**(21.57)**	**(36.47)**	**(34.28)**
Add: Depreciation, impairment and amortisation	71.26	71.65	142.91	17.11
Add/Less: Decrease/(increase) in working capital	12.95	(84.97)	(72.02)	36.84
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	298.26	299.89	598.15	73.74
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;	-	-	-	-
-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 interest free loan or other debentures;	-	-	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
Amortization of Upfront fees	-	-	-	-
Loss on account of MTM of F/W & ECB	-	-	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
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	-	-	-	(19.00)
Total Adjustments (B)	**382.47**	**286.57**	**669.04**	**108.69**
Net Distributable Cash Flows (C)=(A+B)	**367.57**	**265.00**	**632.57**	**74.41**

* Being the date of acquisition of PKTCL by IndiGrid.

Note: During the year, an amount of Rs. 569.31 million (being at least 90%) has already been distributed to IndiGrid.

(vi) Maheshwaram Transmission Limited (MTL)(SPV)

(Rs in million)

Description	Six months ended March 31, 2019	Six months ended September 30, 2018	Year ended March 31, 2019	February 15, 2018* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(81.80)	(73.42)	(155.22)	(19.28)
Add: Depreciation, impairment and amortisation	60.74	61.04	121.78	15.00
Add/Less: Decrease/(increase) in working capital	10.65	(25.77)	(15.12)	11.71
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	281.24	281.28	562.52	69.17
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	-	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
-deferred tax;	-	-	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
Amortization of Upfront fees	-	-	-	-
Loss on account of MTM of F/W & ECB	-	-	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
Total Adjustments (B)	**352.63**	**316.55**	**669.18**	**95.88**
Net Distributable Cash Flows (C)=(A+B)	**270.83**	**243.13**	**513.96**	**76.60**

* Being the date of acquisition of MTL by IndiGrid.

Note: During the year, an amount of Rs. 462.57 million (being at least 90%) has already been distributed to IndiGrid.

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

(Rs in million)

Description	Six months ended March 31, 2019	August 30, 2018* to September 30, 2018	August 30, 2018* to March 31, 2019
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(177.38)	(5.91)	(183.29)
Add: Depreciation, impairment and amortisation	181.25	3.11	184.36
Add/Less: Decrease/(increase) in working capital	(1.39)	6.94	5.55
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	118.56	21.41	139.97
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;	-	-	-
-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)	2.37	(2.37)	-
-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;	-	-	-
Amortization of Upfront fees	-	-	-
Loss on account of MTM of F/W & ECB	-	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-
Total Adjustments (B)	**300.79**	**29.09**	**329.88**
Net Distributable Cash Flows (C)=(A+B)	**123.41**	**23.18**	**146.59**

* Being the date of acquisition of PTCL by IndiGrid.

Note: During the year, an amount of Rs. 131.93 million (being at least 90%) has already been distributed to IndiGrid.

C) **Contingent liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018	As at September 30, 2018
- Entry tax demand* - VAT demand*	410.20 104.34	369.35 104.34	369.35 104.34
Total	**514.54**	**473.69**	**473.69**

* The total contingent liability is recoverable from SPGVL as per share purchase agreement.

Entry tax demand of Rs 165.80 million for Bhopal Dhule Transmission Company Limited (BDTCL) and Rs 138.70 million for Jabalpur Transmission Company Limited (JTCL) pertains to demands under the Entry tax act read with Madhya Pradesh Vat Act, 2002 for payment of entry tax upon completion of assessment by tax authorities for the year 2012-13, 2013-14, 2014-15 and 2015-16. BDTCL and JTCL have preferred an appeal against the demand before High Court, Jabalpur (Madhya Pradesh). Both the subsidiaries are contesting the demand and the management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the consolidated financial position and results of the operations. BDTCL and JTCL have deposited Rs. 58.37 million and Rs 49.12 million respectively with the tax authorities against the said demands to comply the order of hon'ble High court of Madhya Pradesh. The Hon'ble high court has accepted the plea of subsidiaries and has given stay on entire demand after deposit of specified amount till the disposal of case.

Entry tax demand of Rs 92.04 million for JTCL pertains to demand under Entry Tax Act read with Chhattisgarh Value Added Tax Act, 2005 for payment of entry tax upon completion of assessment by tax authorities for the year 2012-13, 2013-14 and 2014-15. JTCL has preferred an appeal against the demand before the Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.). The management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on consolidated financial position and results of the operations. JTCL has deposited Rs. 57.62 million with the tax authorities against the said demand as per the provision of Chhattisgarh Value Added Tax Act, 2005 for filing of

Entry tax demand of Rs 13.30 million for RAPP Transmission Company Limited ('RTCL') pertains to demands under the Entry tax act read with Madhya Pradesh Vat Act, 2002 for payment of entry tax upon completion of assessment by tax authorities for the year 2014-15 and year 2015-16. RTCL has appealed against the demand before High Court, Jabalpur (Madhya Pradesh). The management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for the tax demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the financial position and results of the operations of RTCL. RTCL has deposited Rs 4.70 million with the tax authorities against the said demands to comply the order of hon'ble High court of the Madhya Pradesh. The Hon'ble high court has accepted the plea of RTCL and has given stay on entire demand after deposit of specified amount till the disposal of case.

VAT demand of Rs 104.34 million for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to demand under Jharkhand Value Added Tax (Amendment) Act, 2005 for payment of VAT for the year 2015-16. The Group has preferred an appeal against the demand before Jharkhand High Court. The management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of the operations. PKTCL has deposited Rs 26.09 million with the tax authorities against the said demand.

D) **Statement of Commitments**

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.

E) **Statement of Earnings per unit:**

Basic EPU amounts are calculated by dividing the profit/loss 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/loss 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 the profit and unit data used in the basic and diluted EPU computation:

Particulars	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax for calculating basic and diluted EPU	890.68	647.84	1,382.48	1,539.14	2,103.50
Weighted average number of units in calculating basic EPU (No. million)	283.80	283.80	283.80	283.80	283.80
Effect of dilution:					
Estimated units to be issued to Sponsor/Project manager*	3.75	6.37	6.15	5.40	6.15
Weighted average number of units in calculating diluted EPU (no. million)	287.55	290.17	289.95	289.20	289.95
Earnings Per Unit					
Basic (Rupees/unit)	3.14	2.28	4.87	5.42	7.41
Diluted (Rupees/unit)	3.10	2.23	4.77	5.32	7.25

* units issuable pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, towards the additional transmission charges as approved by CERC for the additional expenditure incurred by BDTCL.

F) **Statement of Related Party Transactions:**

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

(a) **Entity with significant influence over the Trust**

Sterlite Power Grid Ventures Limited (SPGVL)

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

(a) **Parties to IndiGrid**

Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project Manager of IndiGrid
Sterlite Investment Managers Limited (SIML) - Investment Manager of IndiGrid

Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

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

Sterlite Power Transmission Limited- Promoter of SPGVL and SIML
Axis Trustee Limited- Promoter of ATSL

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

(i) **Directors of SPGVL:**

Pravin Agarwal
Pratik Agarwal
A. R. Narayanaswamy
Avaantika Kakkar
Ved Mani Tiwari
Anand Agarwal (till 10.10.2017)
Udai Dhawan (till 22.01.2018)

(ii) **Directors of SIML:**

Pratik Agarwal
Kuldip Kumar Kaura
Tarun Kataria
Shashikant Bhojani
Rahul Asthana
Harsh Shah (from 15.01.2018)

(iii) **Directors of ATSL:**

Srinivasan Varadarajan (till 20.12.2018)
Ram Bharoseylal Vaish
Sidharth Rath (till 01.06.2018)
Rajaraman Viswanathan (till 10.10.2018)
Rajesh Kumar Dahiya (from 11.07.2018)
Raghuraman Mahalingam (till 30.09.2018)
Sanjay Sinha (from 10.10.2018)

III. Transactions with related parties during the period

(Rs in million)

Sr. No.	Particulars	Relation	Six months ended March 31, 2019	Six months ended September 30, 2018	Six months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
1	**Purchase of non convertible debentures of SGL1**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	-	-	-	5,880.36
2	**Purchase of equity shares of SGL1**						
	Sterlite Power Grid Ventures Limited **	Sponsor and Project Manager/Entity with significant influence	-	-	-	-	-
3	**Received towards indemnification of liabilities**						
	Sterlite Power Grid Ventures Limited ##	Sponsor and Project Manager/Entity with significant influence	53.47	-	-	53.47	-
4	**Issue of unit capital**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	-	1,360.00	-	5,880.36
	Pravin Agarwal	Director of Sponsor	-	-	-	-	91.34
5	**Purchase of equity shares of RAPP Transmission Company Limited and Purulia & Kharagpur Transmission Company Limited**						
	Sterlite Grid 2 Limited #	Subsidiary of Sponsor	-	-	2,870.52	-	2,870.52
6	**Purchase of equity shares of Maheshwaram Transmission Limited**						
	Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	-	961.84	-	961.84
7	**Purchase of project asset in earlier years (refer note 7)**						
	Sterlite Grid 2 Limited #	Subsidiary of Sponsor	252.80	-	-	252.80	-
8	**Repayment of existing NCDs / loans in the SPVs acquired**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	-	-	-	7,121.03
	Sterlite Grid 2 Limited #	Subsidiary of Sponsor	-	-	732.09	-	732.09
	Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	-	849.02	-	849.02
9	**Project Manager Fees**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	19.95	19.59	16.14	39.54	26.44
10	**Investment Manager Fees**						
	Sterlite Investment Managers Limited	Investment Manager	67.11	63.42	53.77	130.53	87.54
11	**Distribution to unit holders**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	356.38	352.82	331.89	709.20	373.47
	Pravin Agarwal	Director of Sponsor	6.12	5.48	5.15	11.60	5.99
	Pratik Agarwal	Director of Sponsor and Investment Manager	-	1.22	-	1.22	-
	Harsh Shah	Director of Investment Manager	0.06	-	-	0.06	-
12	**Repayment of dues paid**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	-	296.75	-	397.80
	Sterlite Investment Managers Limited	Investment Manager	-	-	11.56	-	15.56
	Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	-	18.32	-	18.32
13	**Reimbursement of expenses received**						
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	-	-	-	17.01
14	**Purchase of project stores**						
	Sterlite Power Transmission Limited	Promoter of project manager and investment	7.91	-	-	7.91	-
15	**Sale of plant and machinery**						
	Sterlite Power Transmission Limited	Promoter of project manager and investment	9.44	-	-	9.44	-
16	**Trustee fee**						
	Axis Trustee Services Limited (ATSL)	Trustee	1.10	1.06	2.74	2.16	2.94

IV. **Outstanding balances**

(Rs in Millions)

Sr. No.	Particulars	Relation	As at September 30, 2018	As at March 31, 2019	As at March 31, 2018
1	**Project Manager fees payable**				
	Sterlite Power Grid Ventures Limited	Sponsor and Project manager	19.59	18.25	14.92
2	**Investment Manager fees payable**				
	Sterlite Investment Managers Limited	Investment manager	63.42	61.42	49.51
3	**Purchase of project stores**				
	Sterlite Power Transmission Limited	Promoter of project manager and investment manager	-	0.69	-
4	**Sale of plant and machinery**				
	Sterlite Power Transmission Limited	Promoter of project manager and investment manager	-	7.44	-
5	**Trustee fee**				
	Axis Trustee Services Limited (ATSL)	Trustee	1.06	-	0.54

** During financial year 2017-18, IndiGrid had acquired NCDs and Equity Shares of SGL1 in exchange of its units amounting to Rs. 5,880.36 million. Since the nominal value of NCDs was Rs. 6,658.24 million. Hence the entire consideration was allocated to NCDs.
# These transactions have been disclosed, since these are with wholly owned subsidiaries of sponsor.
During the year, Sponsor has paid to IndiGrid towards deposits paid by IndiGrid group for tax litigations for which the Sponsor is liable.

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 financial year ended March 31, 2019: No acquisition of InvIT assets from related parties during the year

For the financial year ended March 31, 2018: Refer disclosures below:

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

(Rs in million)

Particulars	BDTCL	JTCL	PKTCL	RTCL	MTL
Enterprise value					
- Base case (based on tariff as per TSA)	20,406	14,949	6,512	3,935	5,218
- Incremental revenue (based on additional tariff claimed under petition with CERC)	1,135	1,176	-	-	-
Total Enterprise value	**21,541**	**16,125**	**6,512**	**3,935**	**5,218**
Method of valuation	Discounted Cash Flow				
Discounting rate (WACC):					
- Base case (based on tariff as per TSA)	8.19%	8.14%	7.98%	8.05%	7.54%
- Incremental revenue (based on additional tariff claimed under petition with CERC)	8.69%	8.64%	-	-	-

(B) **Material conditions or obligations in relation to the transactions:**
Acquisition of BDTCL and JTCL (through acquisition of SGL1):

Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended on April 25, 2017 ("PIMA") executed among SIML, ATSL, SPGVL, SGL1, BDTCL and JTCL, IndiGrid would issue additional units to SPGVL in the event CERC approves additional tariff for BDTCL and/or JTCL in respect of cost escalations in those projects for which petitions were filed with CERC. The units to be issued to SPGVL shall be equivalent to 80% of the Cost Escalation for each of BDTCL and JTCL as approved by CERC.

SPGVL will be entitled to additional units only if the cost escalation and the resultant revision in levelised transmission charges is received during the period commencing from the date of the PIMA and until the date which is 18 months of listing of units of IndiGrid (being the date of receipt of final listing and trading approvals for the units).

No external financing has been obtained for the acquisition of BDTCL and JTCL and no fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of RTCL and MTL:
Pursuant to the share purchase agreements and shareholders' agreements dated February 14, 2018 ("the Agreements") executed with Sterlite Grid 2 Limited and Sterlite Grid 3 Limited ("the Selling shareholders") for acquisition of equity stake in RTCL, and MTL (together "the SPVs"), SGL1 acquired 49% of equity in the SPVs and for acquisition of the remaining 51% equity stake, SGL1 paid full consideration in advance on a non-refundable basis. The remaining stake will be acquired from the Selling Shareholders on expiry of the respective mandatory shareholding periods applicable for the SPVs. Under the Agreements, SGL1 has the following rights:

a. Right to nominate all directors on the Board of directors of the SPVs;
b. Right to direct the Selling Shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPVs;
c. Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPVs at later dates (on expiry of the respective mandatory shareholding periods);
d. Pledge on the remaining 51% equity stake in the SPVs;
e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in the SPVs.

The acquisition of RTCL, PKTCL and MTL was financed by long term debt raised at IndiGrid Level of Rs. 10,000 million (rate of interest - 8.25%) and short term debt at JTCL level of Rs 4,230 million (rate of interest - 8.50%). No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Place:
Date: April 24, 2019

INDIA GRID TRUST
BALANCE SHEET AS AT 31 MARCH 2019
(All amounts in Rs. million unless otherwise stated)

	Note	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
ASSETS			
Non-current assets			
Investment in subsidiaries	3	735.53	1,628.53
Financial assets			
i. Investments	4	5,338.62	5,811.09
ii. Loans	6	37,064.04	31,046.35
		43,138.19	38,485.97
Current assets			
Financial assets			
i. Cash and cash equivalents	5	1,290.23	1,184.25
ii. Other financial assets	7	462.06	12.69
Other current assets		-	0.02
		1,752.29	1,196.96
Total assets		44,890.48	39,682.93
EQUITY AND LIABILITIES			
Equity			
Unit capital	8	28,380.00	28,380.00
Other equity			
Retained earnings/(Accumulated deficit)		(519.17)	774.00
Total Unit holders' Equity		27,860.83	29,154.00
Non-Current liabilities			
Financial liabilities			
i. Borrowings	9	16,795.46	9,941.47
ii. Other financial liability	10	156.72	579.50
		16,952.18	10,520.97
Current liabilities			
Financial liabilities			
Others	10	74.96	5.61
Other current liabilities	11	2.44	2.35
Provisions	12	0.07	-
		77.47	7.96
Total equity and liabilities		44,890.48	39,682.93

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
Firm Registration No. 324982E/E300003
Chartered Accountants

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

per Amyn Jassani
Partner
Membership Number: 046447

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

Place: Mumbai
Date: 24 April 2019

INDIA GRID TRUST
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019
(All amounts in Rs. million unless otherwise stated)

	Note	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Income			
Revenue from operations	13	5,525.07	3,239.50
Dividend income on investment in mutual funds		10.52	12.02
Interest income on investment in fixed deposits		16.72	0.52
Other Income		0.23	-
Total income (I)		5,552.54	3,252.04
Expenses			
Legal and professional fees		74.99	20.28
Annual listing fee		3.80	-
Rating fee		6.15	-
Valuation expenses		3.70	4.06
Trustee fee		2.16	2.94
Payment to auditors			
- Statutory Audit		2.36	1.42
- Other services (including certification)		3.26	-
Other expenses		5.17	0.19
Finance costs	14	1,015.45	102.18
Impairment of investment in subsidiary	16	2,316.84	496.03
Total expenses (II)		3,433.88	627.10
Profit before tax (I-II)		2,118.66	2,624.94
Tax expense			
- Current tax		6.08	-
- Deferred tax		-	-
- Income tax for earlier years		0.16	-
Profit for the year		2,112.42	2,624.94
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Total comprehensive income		2,112.42	2,624.94
Earnings per unit (Computed on the basis of profit for the year (Rs.))			
Basic	15	7.44	9.25
Diluted		7.30	9.05
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
Firm Registration No. 324982E/E300003
Chartered Accountants

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

per Amyn Jassani
Partner
Membership Number: 046447

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

Place: Mumbai
Date: 24 April 2018

INDIA GRID TRUST
STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2019
(All amounts in Rs. million unless otherwise stated)

A. Unit capital

	Nos. in million	Rs. in million
As at April 01, 2017	-	-
Units issued during the year	283.80	28,380.00
Balance as at March 31, 2018	283.80	28,380.00
Units issued during the year	-	-
Balance as at March 31, 2019	283.80	28,380.00

B. Other equity

	Retained Earnings/(Accumulated deficit) (Rs. in million)
As at April 01, 2017	-
Profit for the year	2,624.94
Other comprehensive income	-
Less: Distribution during the year (refer note below)	(1,850.94)
As at 31 March 2018	774.00
Profit for the year	2,112.42
Other comprehensive income	-
Less: Distribution during the year (refer note below)	(3,405.59)
As at 31 March 2019	(519.17)

Note:
The distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2017-18 and does not include the distribution relating to the last quarter of FY 2018-19 which will be paid after March 31, 2019.

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

As per our report of even date

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

per Amyn Jassani
Partner
Membership Number: 046447

Place: Mumbai
Date: 24 April 2019

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

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2018

INDIA GRID TRUST
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019
(All amounts in Rs. million unless otherwise stated)

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
A. Cash flows from operating activities		
Net profit as per statement of profit and loss	2,112.42	2,624.94
Adjustment for taxation	6.24	-
Profit before tax	2,118.66	2,624.94
Non-cash adjustment to reconcile profit before tax to net cash flows		
Interest income on non convertible debentures	(638.62)	(473.82)
Impairment of investment in subsidiary	2,316.84	496.03
Interest income on loans given to subsidiaries	(4,886.45)	(2,765.68)
Interest expense and other bank charges on long term borrowings	1,015.45	102.18
Interest income on fixed deposits	(16.72)	(0.52)
Dividend income from mutual fund investments	(10.52)	(12.02)
Operating loss before working capital changes	(101.36)	(28.89)
Movements in working capital :		
(Increase)/decrease in other current financial assets	(7.96)	(6.03)
(Increase)/decrease in other current assets	0.02	(0.02)
Increase/(decrease) in other current financial liabilities	13.78	3.36
Increase/(decrease) in other current liabilities	0.09	2.35
Change in working capital	5.93	(0.34)
Cash used in operations	(95.43)	(29.23)
Direct taxes paid (net of refunds)	(6.17)	-
Net cash flow used in operating activities (A)	(101.60)	(29.23)
B. Cash flows from investing activities		
Purchase of optionally convertible preference shares of subsidiary	-	(1,001.96)
Purchase of equity shares of subsidiary	(735.53)	-
Loans given to subsidiaries	(6,321.06)	(32,777.63)
Loans repaid by subsidiaries	303.37	1,731.27
Interest income on loans given to subsidiaries	4,447.45	2,758.65
Interest income on fixed deposits	14.28	0.52
Dividend income from mutual fund investments	10.52	12.02
Net cash flow used in investing activities (B)	(2,280.98)	(29,277.13)
C. Cash flows from financing activities		
Proceeds from issue of unit capital	-	22,500.00
Proceeds of long term borrowings	6,850.00	10,000.00
Payment of upfront fees of long term borrowings	-	(58.53)
Payment of interest and other charges on long term borrowings	(961.57)	(99.92)
Payment of distributions to unitholders	(3,399.88)	(1,850.94)
Net cash flow from financing activities (C)	2,488.55	30,490.61
Net increase in cash and cash equivalents (A + B + C)	105.98	1,184.25
Cash and cash equivalents as at beginning of year	1,184.25	-
Cash and cash equivalents as at year end	1,290.23	1,184.25

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INDIA GRID TRUST
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Breakup of cash and cash equivalents-

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Balances with banks		
On current accounts^	6.78	758.24
Deposit with original maturity of less than 3 months	1,084.45	-
Cheques on hand	199.00	426.01
Total cash and cash equivalents (refer note 5)	1,290.23	1,184.25

^ Out of total amount, Rs. 5.75 million (March 31, 2018: Rs. 0.04 million) pertains to unclaimed dividend to unitholders.

Reconciliation between opening and closing balances for liabilities arising from financing activities

Particulars	Long term borrowings
01 April 2017	-
Cash flow	
- Interest	(158.45)
- Dividend	-
-Proceeds/ (repayments)	10,000.00
Accrual for the year	102.18
31 March 2018	9,943.73
Cash Flow	
-Interest	(961.57)
- Dividend	-
-Proceeds/ (repayments)	6,850.00
Accrual for the year	1,015.45
31 March 2019	16,847.61

Note:
The Trust issued its units in the previous year in exchange of the equity shares and non-convertible debentures of SGL1. The same has not been reflected in cash flow since it was a non-cash transaction.

Summary of significant accounting policies 2.2

As per our report of even date

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

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

per Amyn Jassani
Partner
Membership Number: 046447

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

Place: Mumbai
Date: 24 April 2019

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular 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)

A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT 31 MARCH 2019

(Rupees in millions)

Particulars	31 March 2019		31 March 2018	
	Book value	Fair value	Book value	Fair value
A. Assets*	44,890.48	45,008.33	39,682.94	39,682.94
B. Liabilities (at book value)	17,029.65	17,029.65	10,528.92	10,528.92
C. Net Assets (A-B)	27,860.83	27,978.68	29,154.02	29,154.02
D. Number of units	283.80	283.80	283.80	283.80
E. NAV (C/D)	98.17	98.59	102.73	102.73

* Total assets after provision for impairment on investment in subsidiary determined based on fair valuation.

Project wise breakup of fair value of assets as at: (refer Note 1) (Rs. in millions)

Project	31 March 2019
Sterlite Grid 1 Limited	41,259.92
Patran Transmission Company Limited*	2,442.23
Subtotal	43,702.15
Assets (in IndiGrid)	1,306.19
Total assets	45,008.34

* During the current year, the Trust has acquired Patran Transmission Company Limited (PTCL) with effect from August 30, 2018.

B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

Particulars	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Total Comprehensive Income (As per the Statement of Profit and Loss)	2,112.42	2,624.94
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income	117.85	-
Total Return	2,230.27	2,624.94

Notes:

1. During the year ended March 31, 2018, the Trust did not directly hold investments in the project SPVs. It held investment in SGL1 (which is the intermediate holding company) which in turn held investments in the project SPVs. Hence the break-up of fair values of the assets project wise has been given in the Consolidated Financial Statements of the Trust for March 31, 2018.

2. Fair value of assets as at March 31, 2019 and as at March 31, 2018 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.

3. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 17.

INDIA GRID TRUST
DISCLOSURE PURSUANT TO SEBI CIRCULARS
(SEBI Circular 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)

STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCFs)

(Rs in Millions)

Description	April 01, 2018 to March 31, 2019	April 01, 2017 to March 31, 2018
Cash flows received from the Portfolio Assets in the form of interest	4,447.45	2,758.65
Cash flows received from the Portfolio Assets in the form of dividend		-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	27.47	12.54
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid (refer note 1)	303.37	335.88
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law		-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently		-
Total cash inflow at the IndiGrid level (A)	4,778.29	3,107.07
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 2)	(1,158.18)	(313.90)
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	(6.24)	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(261.80)	-
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets		-
Total cash outflows / retention at IndiGrid level (B)	(1,426.22)	(313.90)
Net Distributable Cash Flows (C) = (A+B)	3,352.07	2,793.17

Notes to the Statement of Net Distributable Cash Flow:

1. In F.Y. 17-18, excludes Rs. 1,395.39 million of debt repayment by JTCL to IndiGrid out of the proceeds of total external debt of Rs 4,230 million raised by JTCL during the year.
2. Includes amount of Rs 45.13 million towards creation of interest service reserve account in respect of the external debt raised during the year

1. Trust information

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

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

As at March 31, 2019, IndiGrid has following project entities which are transmission infrastructure projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

1. Bhopal Dhule Transmission 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')

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

The address of the registered office of the Investment Manager is Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex, Bandra East Mumbai Maharashtra, India 400 051. The financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on April 24, 2019.

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, 2019, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Unit Holders' Equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2019 and 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 the following assets which have been measured at fair value:

- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

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

2.2 Summary of significant accounting policies

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

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

The Trust classifies all other liabilities as non-current.

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

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

b) Foreign currencies

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

Transactions and balances
Transactions in foreign currencies are initially recorded by the Trust at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) Fair value measurement

The Trust measures financial instruments such as mutual funds at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Trust.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trust determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In estimating the fair value of investments in subsidiaries, the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the external valuers to establish the appropriate valuation techniques and inputs to the model. The management in conjunction with the external valuers also compares the change in fair value with relevant external sources to determine whether the change is reasonable. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects.

At each reporting date, the management analyses the movement 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 18)
- Disclosures for valuation methods, significant estimates and assumptions (Note 17, 16)
- Financial instruments (including those carried at amortised cost) (Note 4,5,6,7,9)

d) Revenue Recognition

The specific recognition criteria described below must be met before revenue is recognised.

Interest income
For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Trust estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends
Income from dividend on investments is accrued in the year in which it is declared, whereby the Trust’s right to receive is established.

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 tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

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

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 taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added 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) 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.

g) Impairment of non-financial assets

The Trust assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Trust bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Trust estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

h) 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.

i) 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 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.

j) 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.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost
ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Trust. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to interest receivable and loans given to subsidiaries (Refer Note 6 and 7)

Debt instrument at FVTOCI
A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Trust does not have financial assets which are subsequently measured at FVTOCI.

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets
Majority of the financial assets of the Trust which are not reflected at fair value pertain to loans to subsidiaries and other receivables. Considering the nature of business, the Trust does not foresee any credit risk on its loans and other receivables which may cause an impairment. Majority of the other receivable pertain to receivable from subsidiary companies only. Also, the Trust does not have any history of impairment of other receivables.

For the financial assets which are reflected at fair value, no further impairment allowance is necessary as they reflect the fair value of the relevant financial asset itself.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Trust's financial liabilities include borrowings and related costs, trade and other payables and derivative financial instrument.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Trust that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Trust may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings. For more information refer Note 9.

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

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

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

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

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.

k) 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 Trust's cash management.

l) 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 equity.

m) 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.

2.3 Standards issued but not yet effective

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from the current accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Trust intends to adopt this standard, if applicable, when it becomes effective. As the Trust does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Financial Statements.

Note 3: Investments in subsidiaries

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Equity investments, at cost (unquoted)		
Sterlite Grid 1 Limited ("SGL1") #	699.82	1,122.60
[17.67 million (31 March 2018: 17.67 million) equity shares of Rs 10 each fully paid-up]		
Less: Provision for impairment (refer note 16)	(699.82)	(496.03)
	-	626.57
Patran Transmission Company Limited	735.53	-
50 million (31 March 2018: Nil) equity shares of Rs 10 each fully paid-up		
	735.53	626.57
Preference shares, at cost (unquoted)		
Sterlite Grid 1 Limited ("SGL1")		
[665.82 million (31 March 2018: 665.82 million) 0.01% Optionally convertible redeemable non cumulative preference shares ("OCRPS") of Rs. 10 each fully paid-up*]	1,001.96	1,001.96
Less: Provision for impairment (refer note 16)	(1,001.96)	-
	-	1,001.96
Total	735.53	1,628.53

Includes amount of Rs. 525.10 million (31 March 2018: Rs. 525.10 million) towards equity component of Non- Convertible Debentures issued by Sterlite Grid 1 Limited and Rs 156.72 million (31 March 2018: Rs. 579.50 million) towards payable to SPGVL in respect of acquisition of BDTCL. Refer note 4, 10 and 16 for details.

* The OCRPS are either convertible into equity shares of SGL1 in the ratio of 1:1 or redeemable solely at the option of SGL1 within a period of 7 years from the date of issue.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest %	
		31 March 2019	31 March 2018
Directly held by the Trust:			
Sterlite Grid 1 Limited ("SGL1")	India	100%	100%
Patran Transmission Company Limited ("PTCL")**	India	74%	-
Indirectly held by the Trust (through SGL1):			
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	74%	49%
Maheshwaram Transmission Limited ("MTL") *	India	49%	49%

* Pursuant to the share purchase agreement and shareholders' agreement dated February 14, 2018 executed for the acquisition of MTL, the Trust (through SGL1) owns voting and certain other rights in the remaining stake in these entities which effectively gives it the beneficial interest over the entire 100% stake.

** Pursuant to Share Purchase agreement/Shareholders' Agreement ('SPA') dated February 19,2018, the Trust acquired Patran Transmission Company Limited (PTCL) (referred as "the SPV"), from Techno Power Grid Company Limited and Techno Electric and Engineering Company Limited at a cost of Rs. 2,420.72 million based on the valuation report obtained by management with effect from August 30, 2018. The Trust holds 74% equity stake in the SPV and on the remaining 26%, the Trust has beneficial interest based on the rights available to it under the SPA.

Note 4: Non- Current investments

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Non-convertible debentures (unquoted) (at amortised cost)		
Sterlite Grid 1 Limited	6,449.71	5,811.09
(665.82 million (31 March 2018: 665.82 million) 0.01% Non-convertible debentures of Rs 10 each)#		
Less: Provision for impairment (refer note 16)	(1,111.09)	-
Total	5,338.62	5,811.09

Non Convertible debenture (NCD) of Face value of Rs.10 each are issued by Sterlite Grid 1 Limited. The NCD would be redeemable at the option of the NCD holder anytime after July 22, 2019. If the NCD holders do not exercise their right of redeeming the NCDs, the NCDs shall be due for repayment at the end of July 2021. Since the interest rate for the NCD is below market rate, an amount of Rs 525.10 million has been re-classified as equity contribution in subsidiary disclosed under investment in subsidiary.

Note 5: Cash and cash equivalents

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Balances with banks		
On current accounts^	6.78	758.24
Cheques on hand*	199.00	426.01
Short term deposits#	1,084.45	-
Total	1,290.23	1,184.25

* Pertains to remittances received from subsidiaries in respect of interest/principal repayments of loans for the month of March 2019/2018.
^ Out of total amount, Rs. 5.75 million (March 31, 2018: Rs. 0.04 million) pertains to unclaimed dividend to unitholders.

Includes amount of Rs. 357.17 million (March 31, 2018: Rs 206.25 million) is kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

Note 6: Non-current loans (unsecured, considered good)

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Loans to subsidiaries (refer note 19)	37,064.04	31,046.35
Total	37,064.04	31,046.35

Loans are non-derivative financial assets which are repayable by subsidiaries upon expiry of period of their respective Transmission Services Agreement. Further, the subsidiaries are entitled to prepay all or any portion of the outstanding principal with a prior notice. The loans to subsidiaries carry interest @ 15% p.a.

Note 7: Other current financial assets

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Interest receivable from subsidiaries (refer note 19)	446.03	7.03
Advances receivable in cash	-	5.66
Accrued income on fixed deposit	2.43	-
Receivable from related party (refer note 19)	13.60	-
Total	462.06	12.69

Note 8: Unit capital

	Number of units (in million)	Unit Capital (Rs in million)
As at 01 April 2017	-	-
Issued during the year	283.80	28,380.00
As at 31 March 2018	283.80	28,380.00
Issued during the year	-	-
As at 31 March 2019	283.80	28,380.00

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 dividend distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays dividends 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.

Note 9: Long term borrowings

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Non-current		
Debentures		
2,500 (March 31,2018: Nil) 8.60% Non convertible debentures of Rs 10,00,000 each (secured)	2,500.00	-
4,350 (March 31,2018: Nil) 8.9922% Non convertible debentures of Rs 10,00,000 each (secured)	4,350.00	-
Term loans		
Indian rupee term loan from bank (secured)	9,945.46	9,941.47
Total	16,795.46	9,941.47
Current maturities		
Interest accrued	52.15	2.26
	52.15	2.26
Less: Amount disclosed under the head ''Other current financial liabilities'' (note 10)	52.15	2.26
Net borrowings	-	-

8.60% Non convertible debentures

Non-convertible debentures (NCDs) carry interest at the rate of 8.60% p.a. payable quarterly. Entire NCD amount shall be redeemable as a bullet repayment at the end of 10 years from the deemed date of allotment. The NCDs are secured by:
(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust
(iii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs;
(iv) Pledge over 51% of the share capital of specified SPVs
The Trust is in process of creation of security charge on the above NCDs.

8.992% Non convertible debentures

Non-convertible debentures ('NCD') carry interest at the rate of 8.992% p.a. payable quarterly. Entire NCD amount shall be redeemable as a bullet repayment at the end of 10 years from the deemed date of allotment. The NCD is secured by:
(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust
(iii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs;
(iv) Pledge over 51% of the share capital of specified SPVs
The Trust is in process of creation of security charge on the above NCDs.

Term loan from bank

The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) negative lien on immovable assets, movable assets, current assets and cash flows of project SPVs to be provided upfront; (iii) First pari-passu charge on Escrow account of the Trust.

Financial covenants

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, total debt gearing, maintenance of specified security margin etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower annually. For the financial year ended March 31, 2019, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

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Note 10: Other financial liabilities

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Non - current		
Payable towards project acquired*	156.72	579.50
Total	156.72	579.50
Current		
Dividend payable	5.75	0.04
Interest accrued but not due on borrowings	52.15	2.26
Others	17.06	3.31
Total	74.96	5.61

*Bhopal Dhule Transmission Company Limited ('BDTCL'), subsidiary of the Trust, had filed petition dated October 15, 2016 with CERC for grant of incremental tariff to compensate for additional expenditure incurred on BDTCL project. Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended (“PIMA”), the Trust was required to issue additional units to Sterlite Power Grid Ventures Limited ("SPGVL") in case any additional tariff is approved by CERC. The units to be issued would be to the extent of 80% of the additional capital expenditure as approved by CERC in respect of the pending petition. Accordingly, the Trust had estimated and recorded an amount of Rs. 579.50 million in previous year towards the units issuable to SPGVL in accordance with PIMA as payable for asset acquisition.

During the year, CERC approved a part of the claim, for additional expenditure due to change in tax rates of Rs. 156.73 million which resulted in increase in non escalable tariff revenue by 0.69%. However certain portion of the claim is still pending with CERC. The period for such one time payment to SPGVL in respect of the claim which is still pending with CERC expired on December 6, 2018 (being 18 months from the date of listing of IndiGrid). Accordingly, the Trust has reversed the liability of Rs. 422.77 million with corresponding effect to investment in SGL1.

Note 11: Other current liabilities

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Witholding taxes (TDS) payable	2.01	2.35
GST Payable	0.43	-
Total	2.44	2.35

Note 12: Provisions

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Provision for income tax payable	0.07	-
Total	0.07	-

Note 13: Revenue from operations

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Interest income on loans given to subsidiaries (refer note 19)	4,886.45	2,765.68
Finance income on non-convertible debentures issued by subsidiary on EIR basis	638.62	473.82
Total	5,525.07	3,239.50

Note 14: Finance costs

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Interest on financial liabilities measured at amortised cost	1,003.75	102.18
Other finance cost	11.70	-
Total	1,015.45	102.18

Note 15: 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 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 the profit and unit data used in the basic and diluted EPU computation

	31 March 2019	31 March 2018
Profit after tax for calculating basic and diluted EPU	2,112.42	2,624.94
Weighted average number of units in calculating basic and diluted EPU (No. million)	283.80	283.80
Effect of dilution:		
Estimated units to be issued to Sponsor/Project manager*	5.40	6.14
Weighted average number of units in calculating basic and diluted EPU (No. million)	289.20	289.94
Earnings Per Unit		
Basic (Rupees/unit)	7.44	9.25
Diluted (Rupees/unit)	7.30	9.05

* units issuable pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, towards the additional transmission charges as approved by CERC for the change in tax rates which resulted in increase in non escalable tariff revenue for BDTCL.

Note 16: 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 and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

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.

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.

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 17 and 18). 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 half yearly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value. (refer Note 17 for details).

Impairment of non-financial assets

Non-financial assets of the Trust primarily comprise of investments in subsidiaries. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the investments in subsidiaries are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/forecasts over the life of the projects.

As at March 31, 2019, an amount of Rs. 2,316.84 million (March 31,2018: Rs 496.03 million) has been provided as impairment on investments in subsidiary. The recoverable amount of the investment in subsidiary has been computed based on value in use calculation for the underlying projects. The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 17.

Note 17: Fair values

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

The Trust is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 as a part of these financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures as above categorised within Level 3 of the fair value hierarchy as above together with a quantitative sensitivity analysis as at 31 March 2019 are as shown below:

Description of significant unobservable inputs to valuation: Rs in million

Significant unobservable inputs	Input for March 31, 2019	Input for March 31, 2018	Sensitivity of input to the fair value	Increase / (decrease) in fair value	
				31 March 2019	31 March 2018
WACC	8.12% to 8.40%	7.86% to 8.08%	+ 0.5%	(2,445.95)	(2,479.63)
			- 0.5%	2,726.84	2,768.61
Tax rate (normal tax and MAT)	Normal Tax - 29.12% MAT - 21.55%	Normal Tax - 29.12% MAT - 21.55%	+ 2%	(306.91)	(325.90)
			- 2%	260.35	296.36
Inflation rate	Revenue: 5.73% Expenses: 3.20% to 4.35%	Revenue: 5.95% Expenses: 3.67% to 5.24%	+ 1%	(432.64)	(444.44)
			- 1%	360.78	366.13
Additional tariff (applicable only for BDTCL)	2.39%	2.58%	+ 1%	210.48	154.00
			- 1%	(210.48)	(154.00)

Note 18: 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 and liabilities as at 31 March 2019 and 31 March 2018:

	Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:				
Investments in subsidiaries*	31 March 2019	-	-	43,702.15
Assets for which fair values are disclosed:				
Investments in subsidiaries*	31 March 2018	-	-	38,498.69

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2019 and 31 March 2018.

* Statement of net assets at fair value and Statement of total returns at fair value require disclosures regarding fair value of assets (liabilities are considered at book values). Since the fair value of assets other than investments in subsidiaries approximate their book values, hence only investment in subsidiaries has been disclosed above.

Note 19: Related Party Transactions

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

A. Related parties where control exists

Subsidiaries

Sterlite Grid 1 Limited (SGL1)
Bhopal Dhule Transmission Company Limited (BDTCL)
Jabalpur Transmission Company Limited (JTCL)
RAPP Transmission Company Limited (RTCL)
Purulia & Kharagpur Transmission Company Limited (PKTCL)
Maheshwaram Transmission Limited (MTL)
Patran Transmission Company Limited (PTCL)

B. Other related parties under Ind AS-24 with whom transactions have taken place during the year

Entity with significant influence over the Trust

Sterlite Power Grid Ventures Limited (SPGVL)

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

A. Parties to IndiGrid

Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project Manager of IndiGrid
Sterlite Investment Managers Limited (SIML) - Investment Manager of IndiGrid
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

B. Promoters of the parties to IndiGrid specified in (A) above

Sterlite Power Transmission Limited - Promoter of SPGVL and SIML
Axis Bank Limited - Promoter of ATSL

C. Directors of the parties to IndiGrid specified in (A) above

(i) Directors of SPGVL:

Pravin Agarwal
Pratik Agarwal
A. R. Narayanaswamy
Avaantika Kakkar
Ved Mani Tiwari
Anand Agarwal (till 10.10.2017)
Udai Dhawan (till 22.01.2018)

(ii) Directors of SIML:

Pratik Agarwal
Kuldip Kumar Kaura
Tarun Kataria
Shashikant Bhojani
Rahul Asthana
Harsh Shah (from 15.01.2018)

(iii) Directors of ATSL:

Srinivasan Varadarajan (till 20.12.2018)
Ram Bharoseylal Vaish
Sidharth Rath (till 01.06.2018)
Rajaraman Viswanathan (till 10.10.2018)
Rajesh Kumar Dahiya (from 11.07.2018)
Raghuraman Mahalingam (till 30.09.2018)
Sanjay Sinha (from 10.10.2018)

III. Transactions with related parties during the year

(Rs in Millions)

Sr. No.	Particulars	Relation	April 01, 2018 to March 31, 2019	April 01, 2017 to March 31, 2018
1	Unsecured loans given to subsidiaries			
	Jabalpur Transmission Company Limited	Subsidiary	4,321.37	13,767.85
	Bhopal Dhule Transmission Company Limited	Subsidiary	20.00	8,731.79
	RAPP Transmission Company Limited	Subsidiary	-	2,550.18
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	-	3,987.65
	Maheshwaram Transmission Limited	Subsidiary	40.00	3,740.15
	Patran Transmission Company Limited	Subsidiary	1,686.89	-
	Sterlite Grid 1 Limited	Subsidiary	252.80	-
2	Interest income from subsidiaries			
	Jabalpur Transmission Company Limited	Subsidiary	1,905.14	1,561.34
	Bhopal Dhule Transmission Company Limited	Subsidiary	1,298.27	1,014.26
	RAPP Transmission Company Limited	Subsidiary	381.89	47.16
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	598.15	73.74
	Maheshwaram Transmission Limited	Subsidiary	562.52	69.17
	Patran Transmission Company Limited	Subsidiary	139.97	-
	Sterlite Grid 1 Limited	Subsidiary	0.52	-
3	Repayment of loan from subsidiaries			
	Jabalpur Transmission Company Limited	Subsidiary	-	1,638.52
	Bhopal Dhule Transmission Company Limited	Subsidiary	-	91.81
	RAPP Transmission Company Limited	Subsidiary	201.60	0.94
	Patran Transmission Company Limited	Subsidiary	101.77	-
4	Purchase of non convertible debentures of SGL1			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	5,880.36
5	Purchase of equity shares of SGL1			
	Sterlite Power Grid Ventures Limited**	Sponsor and Project Manager/Entity with significant influence	-	-
6	Received towards indemnification of liabilities			
	Sterlite Power Grid Ventures Limited ##	Sponsor and Project Manager/Entity with significant influence	53.47	-
7	Subscription to optionally convertible redeemable preference shares			
	Sterlite Grid 1 Limited	Subsidiary	-	1,001.96
8	Amount paid against indemnification of dues			
	Jabalpur Transmission Company Limited	Subsidiary	50.41	-
9	Reimbursement of expenses paid			
	Sterlite Investment Managers Limited	Investment Manager	-	15.56
	Jabalpur Transmission Company Limited	Subsidiary	0.32	-
	Bhopal Dhule Transmission Company Limited	Subsidiary	0.15	-
10	Issue of unit capital			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	5,880.36
	Pravin Agarwal	Director of Sponsor	-	91.34
11	Distribution to unit holders			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	709.20	373.47
	Pravin Agarwal	Director of Sponsor	11.60	5.99
	Harsh Shah	Director of Investment Manager	0.06	-
	Pratik Agarwal	Director of Sponsor and Investment Manager	1.22	-
12	Advance given			
	Sterlite Grid 1 Limited	Subsidiary	9.00	4.60
13	Trustee Fee			
	Axis Trustee Services Limited (ATSL)	Trustee	2.16	2.94

IV. Outstanding balances as at year end

(Rs in Million)

Sr. No.	Particulars	Relation	As at March 31, 2019	As at March 31, 2018
1	Unsecured loan receivable			
	Jabalpur Transmission Company Limited	Subsidiary	16,450.70	12,129.32
	Bhopal Dhule Transmission Company Limited	Subsidiary	8,659.98	8,639.98
	RAPP Transmission Company Limited	Subsidiary	2,347.65	2,549.25
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	3,987.65	3,987.65
	Maheshwaram Transmission Limited	Subsidiary	3,780.15	3,740.15
	Patran Transmission Company Limited	Subsidiary	1,585.12	-
	Sterlite Grid 1 Limited	Subsidiary	252.80	-
2	Interest receivable from subsidiaries			
	Jabalpur Transmission Company Limited	Subsidiary	157.14	-
	Bhopal Dhule Transmission Company Limited	Subsidiary	195.67	-
	RAPP Transmission Company Limited	Subsidiary	1.06	-
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	36.46	6.80
	Maheshwaram Transmission Limited	Subsidiary	51.51	0.23
	Patran Transmission Company Limited	Subsidiary	3.66	-
	Sterlite Grid 1 Limited	Subsidiary	0.52	-
3	Advance receivable in cash			
	Sterlite Grid 1 Limited	Subsidiary	13.60	4.60
4	Non-Convertible Debentures of subsidiary (including accrued interest on EIR)			
	Sterlite Grid 1 Limited	Subsidiary	6,449.71	5,811.09
5	Investment in equity shares of subsidiary (excluding provision for impairment)			
	Sterlite Grid 1 Limited#	Subsidiary	699.82	1,122.60
6	Optionally convertible redeemable preference shares (excluding provision for impairment)			
	Sterlite Grid 1 Limited	Subsidiary	1,001.96	1,001.96
7	Trustee fee			
	ATSL	Trustee	-	0.54

** IndiGrid acquired NCDs and Equity Shares of SGL1 in exchange of its units amounting to Rs. 5,880.36 million. Since the nominal value of NCDs was Rs. 6,658.24 million. Hence the entire consideration was allocated to NCDs.

Includes amount of Rs. 525.10 million towards equity component of Non- Convertible Debentures issued by Sterlite Grid 1 Limited and Rs 597.50 million towards payable to SPGVL in respect of acquisition of BDTCL.

During the year, Sponsor has paid to IndiGrid towards deposits paid by IndiGrid's subsidiaries for tax litigations for which the Sponsor is liable.

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 financial year ended March 31, 2019: No acquisition of InvIT assets from related parties during the year

For the financial year ended March 31, 2018: Refer disclosures below:

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

(Rs in Million)

Particulars	BDTCL	JTCL
Enterprise value		
- Base case (based on tariff as per TSA)	20,406	14,949
- Incremental revenue (based on additional tariff claimed under petition with CERC)	1,135	1,176
Total Enterprise value	21,541	16,125
Method of valuation	Discounted Cash Flow	
Discounting rate (WACC):		
- Base case (based on tariff as per TSA)	8.19%	8.14%
- Incremental revenue (based on additional tariff claimed under petition with CERC)	8.69%	8.64%

(B) Material conditions or obligations in relation to the transactions:
<u>Acquisition of BDTCL and JTCL (through acquisition of SGL1):</u>

Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended on April 25, 2017 ("PIMA") executed among SIML, ATSL, SPGVL, SGL1, BDTCL and JTCL, IndiGrid would issue additional units to SPGVL in the event CERC approves additional tariff for BDTCL and/or JTCL in respect of cost escalations in those projects for which petitions were filed with CERC. The units to be issued to SPGVL shall be equivalent to 80% of the Cost Escalation for each of BDTCL and JTCL as approved by CERC.

SPGVL will be entitled to additional units only if the cost escalation and the resultant revision in levelised transmission charges is received during the period commencing from the date of the PIMA and until the date which is 18 months of listing of units of IndiGrid (being the date of receipt of final listing and trading approvals for the units).

(C) No external financing has been obtained for the acquisition of BDTCL and JTCL and no fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Note 20: Financial risk management objectives and policies

The Trust's principal financial liabilities comprise of borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Trust's operations. The Trust's principal financial assets include investments, loans, cash and bank balances and other financial assets that derive directly from its operations.

The Trust may be exposed to market risk, credit risk and liquidity risk. The Investment Manager oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Trust's policy that no trading in derivatives for speculative purposes may be undertaken. The management reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the Trust are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

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

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's borrowings are at fixed rate, hence the Trust is not exposed to Interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Trust did not have any exposure in foreign currency as at March 31, 2019 and March 31, 2018

Equity price risk

The Trust's investments in equity shares of subsidiaries are susceptible to market price risk arising from uncertainties about future values of those investments. Reports on the equity portfolio are submitted to the senior management on a regular basis. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions.
At the reporting date, the exposure to equity investments in subsidiary at carrying value was Rs. 735.53 million (31 March 2018: 1,628.53). Sensitivity analyses of significant unobservable inputs used in the fair value measurement are disclosed in Note 17.

(B) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Trust is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at March 31, 2019 and March 31, 2018, the credit risk is considered low since substantial transactions of the Trust are with its subsidiaries.

(C) Liquidity risk

Liquidity risk is the risk that the Trust may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Trust's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Trust requires funds both for short term operational needs as well as for long term investment programs mainly in transmission projects. The Trust closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents and liquid investments will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The other financial liabilities are with short term durations. The table below summarises the maturity profile of the Trust's financial liabilities based on contractual undiscounted payments:

Rs in million

Particulars	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2019					
Borrowings	-	-	-	16,795.46	16,795.46
Other financial liabilities*	231.68	-	-	-	231.68
Total	231.68	-	-	16,795.46	17,027.14
31 March 2018					
Borrowings	-	-	-	9,941.47	9,941.47
Other financial liabilities*	-	585.11	-	-	585.11
Total	-	585.11	-	9,941.47	10,526.58

* Includes amount of Rs 156.72 million (31 March 2018 : Rs. 579.50 million) being payable towards project acquired which will be settled by issue of units.

Note 21: 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 dividend payment 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, trade and other payables less cash and cash equivalents, other bank balances and short term investments.

Particulars	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Long term borrowings	16,795.46	9,941.47
Other financial liabilities	231.68	585.11
Less: Cash and cash equivalents	(1,290.23)	(1,184.25)
Net debt (A)	15,736.91	9,342.33
Unit capital	28,380.00	28,380.00
Other equity	(519.17)	774.00
Total capital (B)	27,860.83	29,154.00
Capital and net debt [(C) = (A) + (B)]	43,597.74	38,496.33
Gearing ratio (C) / (A)	36.10%	24.27%

Note 22: Subsequent event

On April 24, 2019, the Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period January 1, 2019 to March 31, 2019 to be paid on or before 15 days from the date of declaration.

Note 23: Segment reporting

The Trust's activities comprise of owning and investing in transmission 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.

As per our report of even date

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

per Amyn Jassani
Partner
Membership Number: 046447

Place: Mumbai
Date: 24 April 2019

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

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

Auditor's Report On Half yearly Financial Results and Year to Date Results

To
Board of Directors of
Sterlite Investment Managers Limited
(as Investment Manager of India Grid Trust)
Maker Maxity, 5 North Avenue, Level 5,
Bandra Kurla Complex, Bandra East Mumbai
Mumbai MH 400051

1. We have audited the accompanying statement of standalone financial results of India Grid Trust ('the InvIT') consisting of the Statement of profit and loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circular") for the half year ended March 31, 2019 and for the year ended March 31, 2019 (standalone financial results'), attached herewith, being submitted by the InvIT pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular. The standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to September 30, 2018, being the date of the end of the first half of the current financial year, which were subject to limited review. The standalone financial results for the half year ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the standalone financial results for the half year ended September 30, 2018, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular, which are the responsibility of the Investment Manager and have been approved by the Board of Directors of the Investment Manager. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the half year ended September 30, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 - Interim Financial Reporting, specified under Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:

   i. are presented in accordance with the requirements of Regulation 23 of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 in this regard; and

   ii. give a true and fair view of the total comprehensive income (comprising of net profit and other comprehensive income) and other financial information for the half year ended March 31, 2019 and for the year ended March 31, 2019.

4. Further, read with paragraph 1 above, we report that the figures for the half year ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to September 30, 2018, being the date of the end of the first half of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016.

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

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Amyn Jassani
Partner
Membership Number: 046447

Place: Mumbai
Date: April 24, 2019

INDIA GRID TRUST
CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2019
(All amounts in Rs. million unless otherwise stated)

	Note	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
ASSETS			
Non-current assets			
Property, plant and equipment	3	49,827.62	50,264.53
Financial assets			
i. Other non-current financial assets	4	3.57	12.79
Other non current assets	5	192.25	150.21
		50,023.44	50,427.53
Current assets			
Financial assets			
i. Investments	6	75.72	-
ii. Trade receivables	7	1,140.61	1,061.89
iii. Cash and cash equivalents	8A	1,603.66	1,672.92
iv. Bank balances other than (iii) above	8B	19.66	10.50
v. Other financial assets	4	553.26	498.85
Other current assets	5	45.91	115.25
		3,438.82	3,359.41
Total assets		53,462.26	53,786.94
EQUITY AND LIABILITIES			
Equity			
Unit capital	9	28,380.00	28,380.00
Other equity			
Retained earnings / (Accumulated deficit)		(1,613.89)	252.56
Total Unitholders' Equity		26,766.11	28,632.56
Non-Current liabilities			
Financial liabilities			
i. Borrowings	10	25,902.00	19,112.50
ii. Other financial liabilities	12	156.72	579.50
		26,058.72	19,692.00
Current liabilities			
Financial liabilities			
i. Borrowings	11	-	4,230.00
ii. Trade payables	13	161.96	130.17
iii. Other financial liabilities	12	462.98	1,088.51
Other current liabilities	14	12.42	13.70
Provision	15	0.07	-
		637.43	5,462.38
Total equity and liabilities		53,462.26	53,786.94
Summary of significant accounting policies	2.3		

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

As per our report of even date

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

per Amyn Jassani
Partner
Membership Number : 046447

Place: Mumbai
Date: 24 April 2019

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

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

INDIA GRID TRUST

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rs. million unless otherwise stated)

	Note	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Income			
Revenue from contract with customers	16	6,655.70	4,475.69
Dividend income on investment in mutual fund		48.64	49.94
Interest income on investment in fixed deposit		22.63	0.86
Other income	17	12.08	78.51
Total income (I)		6,739.05	4,605.00
Expenses			
Transmission infrastructure maintenance charges		175.57	107.58
Insurance expenses		87.00	65.92
Legal and professional fees		82.34	41.55
Rates and taxes		34.68	33.43
Investment Manager fees (refer note 33)		130.53	87.54
Project Manager fees (refer note 33)		39.54	26.44
Vehicle hire charges		7.26	5.20
Valuation expenses		3.70	4.06
Trustee Fee		2.16	2.94
Payment to auditors (including for subsidiaries)			
- Statutory Audit		4.74	3.48
- Other services (including certification)		4.78	1.21
Other expenses		59.24	19.99
Depreciation expense	3	1,809.22	1,157.41
Impairment of property, plant and equipment	21	456.96	-
Finance costs	18	2,295.83	1,012.57
Total expenses (II)		5,193.55	2,569.33
Profit before tax (I-II)		1,545.50	2,035.68
Tax expense			
- Current tax		6.08	-
- Deferred tax		-	-
- Income tax for earlier years	19	0.28	(67.82)
Profit for the year		1,539.14	2,103.50
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Total Comprehensive income		1,539.14	2,103.50
Earnings per unit (Computed on the basis of profit for the year)	20		
- Basic		5.42	7.41
- Diluted		5.32	7.25
Summary of significant accounting policies	2.3		

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

As per our report of even date

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

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

per Amyn Jassani
Partner
Membership Number : 046447

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

Place: Mumbai
Date: 24 April 2019

INDIA GRID TRUST
CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2019
(All amounts in Rs. million unless otherwise stated)

A. Unit Capital

	Nos. in million	Rs. in million
As at April 01, 2017	-	-
Units issued during the year	283.80	28,380.00
As at 31 March 2018	283.80	28,380.00
Units issued during the year	-	-
As at 31 March 2019	283.80	28,380.00

B. Other equity

	(Rs. in million) Retained Earnings/(Accumulated deficit)
As at April 01, 2017	-
Profit for the year	2,103.50
Other comprehensive income	-
Less: Distribution during the year*	(1,850.94)
As at 31 March 2018	252.56
Profit for the year	1,539.14
Other comprehensive income	-
Less: Distribution during the year*	(3,405.59)
As at 31 March 2019	(1,613.89)

* Pertains to the distributions made during the financial year along with the distribution related to the last quarter of FY 2017-18 and does not include the distribution relating to the last quarter of FY 2018-19 which will be paid after March 31, 2019.

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

As per our report of even date

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

per Amyn Jassani
Partner
Membership Number : 046447

Place: Mumbai
Date: 24 April 2019

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

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

INDIA GRID TRUST
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
A. Cash flow from operating activities		
Net profit as per statement of profit and loss	1,539.14	2,103.50
Adjustment for taxation	6.36	(67.82)
Profit before tax	1,545.50	2,035.68
Non-cash adjustment to reconcile profit before tax to net cash flows		
-Depreciation expenses	1,809.22	1,157.41
-Impairment on property, plant and equipment	456.96	-
-Reversal of prepayment charges	(2.37)	(63.85)
Finance cost	2,295.83	1,012.57
Dividend income on mutual fund investments	(48.64)	(49.94)
Interest income on investment in fixed deposit	(22.63)	(0.86)
Gain on Sale of Property, plant and equipment	(7.00)	-
Operating profit before working capital changes	6,026.87	4,091.01
Movements in working capital :		
- Increase/(Decrease) in trade payables	31.83	106.32
- Increase/(Decrease) in other current financial liabilities	5.10	72.99
- Increase/(Decrease) in other current liabilities	(9.41)	13.71
- Decrease/(Increase) in trade receivables	(236.38)	101.45
- Decrease/(Increase) in other non current financial asset	9.45	(7.90)
- Decrease/(Increase) in other current financial asset	(50.54)	(49.40)
- Decrease/(Increase) in other non-current assets	6.79	-
- Decrease/(Increase) in other current assets	22.73	4.37
Change in working capital	(220.43)	241.54
Cash generated from operations	5,806.44	4,332.55
Direct taxes paid (net of refunds)	(6.29)	-
Net cash flow from operating activities (A)	5,800.15	4,332.54
B. Cash flow from investing activities		
Acquisition of property, plant and equipment	(2,252.05)	(44,740.74)
Acquisition of other assets (net of other liabilities)	(51.69)	(1,551.21)
Acquisition of mutual fund investments	-	(7,904.77)
Purchase of mutual fund investments	(11,309.26)	(11,636.16)
Redemption of mutual fund investments	11,233.54	19,540.93
Proceeds from sale of property, plant and equipment	8.40	-
Interest income on fixed deposits	18.76	3.27
Dividend income on current investment	48.64	49.94
Net cash flow used in investing activities (B)	(2,303.67)	(46,238.74)
C. Cash flow from financing activities		
Proceeds from issue of unit capital	-	22500.00
Proceeds from issue of debentures/ long term borrowings	6,850.00	14,230.00
Acquisition of borrowings	1,675.00	42,345.56
Repayment of borrowings	(6,520.21)	(32,546.46)
Finance costs	(2,170.70)	(1,099.05)
Distribution to unit holders	(3,399.84)	(1,850.94)
Net cash flow from / (used in) financing activities (C)	(3,565.75)	43,579.11
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(69.26)	1,672.92
Cash and cash equivalents as at beginning of year	1,672.92	-
Cash and cash equivalents as at year end	1,603.66	1,672.92

INDIA GRID TRUST
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Components of Cash and cash equivalents:

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Balances with banks:		
- On current accounts^	519.10	1,672.92
- Deposits with original maturity of less than three months	1,084.56	-
Total cash and cash equivalents (refer note 8A)	1,603.66	1,672.92

Reconciliation between opening and closing balances for liabilities arising from financing activities

Particulars	Long term borrowings	Short term borrowings
01 April 2017	-	-
Cash flow		
- Interest	(866.57)	(232.48)
-Proceeds/ (repayments)	19,852.94	4,230.00
Accrual for the year	780.09	232.48
31 March 2018	19,766.46	4,230.00
Cash Flow		
-Interest	(2,043.62)	(127.07)
-Proceeds/ (repayments)	6,280.68	(4,230.00)
Accrual for the year	2,168.76	127.07
31 March 2019	26,172.27	-

Summary of significant accounting policies 2.2

As per our report of even date

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

per Amyn Jassani
Partner
Membership Number: 105754
Place: Mumbai
Date: 24 April 2019

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

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

INDIA GRID TRUST

DISCLOSURES PURSUANT TO SEBI CIRCULARS

(SEBI Circular 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)

A. CONSOLIDATED STATEMENT OF NET ASSETS AT FAIR VALUE AS AT:

(Rs. in million)

Particulars	31 March 2019		31 March 2018	
	Book value	Fair value	Book value	Fair value
A. Assets	53,462.26	54,097.07	53,786.94	54,064.90
B. Liabilities (at book value)	26,696.15	26,696.15	25,154.38	25,154.38
C. Net assets (A-B)	26,766.11	27,400.92	28,632.56	28,910.52
D. Number of units	283.80	283.80	283.80	283.80
E. NAV (C/D)	94.31	96.55	100.89	101.87

Project wise breakup of fair value of assets as at

(Rs. in million)

Project	31 March 2019	31 March 2018
Bhopal Dhule Transmission Company Limited	19,621.32	20,632.61
Jabalpur Transmission Company Limited	14,811.09	15,706.90
RAPP Transmission Company Limited	4,113.56	4,285.14
Purulia & Kharagpur Transmission Limited	6,490.78	6,653.60
Maheshwaram Transmission Limited	5,342.48	5,578.96
Patran Transmission Company Limited	2,444.73	-
Subtotal	52,823.96	52,857.20
Assets (in IndiGrid and Sterlite Grid 1 Limited)	1,273.11	1,207.70
Total assets	54,097.07	54,064.90

B. CONSOLIDATED STATEMENT OF TOTAL RETURNS AT FAIR VALUE FOR THE YEAR ENDED

(Rs. in million)

Particulars	31 March 2019	31 March 2018
Total Comprehensive Income (As per the Statement of Profit and Loss)	1,539.14	2,103.50
Add/(less): Other changes in fair value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income	356.86	277.96
Total Return	1,896.00	2,381.46

Note:

1.Fair value of assets and other changes in fair value for the year then ended as disclosed in the above tables are derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

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

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular 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)

STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)

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

(Rs in million)

Description	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows received from the Portfolio Assets in the form of interest	4,447.45	2,758.65
Cash flows received from the Portfolio Assets in the form of dividend	-	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	27.47	12.54
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid (refer note i)	303.37	335.88
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-
Total cash inflow at the IndiGrid level (A)	4,778.29	3,107.07
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 ii)	(1,158.18)	(313.90)
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	(6.24)	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(261.80)	-
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-
Total cash outflows / retention at IndiGrid level (B)	(1,426.22)	(313.90)
Net Distributable Cash Flows (C) = (A+B) (refer note iii)	3,352.07	2,793.17

Notes to the Statement of Net Distributable Cash Flows of IndiGrid

i. FY 17-18, excludes Rs. 1,395.39 million of debt repayment by JTCL to IndiGrid out of the proceeds of total external debt of Rs 4,230 million raised by JTCL during financial year 17-18

ii. Includes amount of Rs 45.13 million towards creation of interest service reserve account in respect of the external debt raised during the year

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular 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)

STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)

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

(i) Sterlite Grid 1 Limited (SGL1) (Holdco)

(Rs in million)

Description	Year ended March 31, 2019	May 30, 2017* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(454.51)	93.99
Add: Depreciation, impairment and amortisation	5.89	7.29
Add/Less: Decrease/(increase) in working capital	(155.55)	(10.10)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	639.14	473.60
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;	-	-
-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;	(185.97)	(163.99)
- Unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	0.30
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
Amortization of Upfront fees	-	-
Loss on account of MTM of F/W & ECB	-	-
Non Cash item - Reversal of impairment of investment in subsidiary	-	(429.22)
Non Cash item - Provision for TDS receivable	-	21.52
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	303.51	(100.60)
Net Distributable Cash Flows (C)=(A+B)	(151.00)	(6.61)

* Being the date of acquisition of SGL1 by IndiGrid.

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular 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)

STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)

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

(Rs in million)

Description	Year ended March 31, 2019	May 30, 2017* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(571.14)	(369.97)
Add: Depreciation, impairment and amortisation	708.48	593.20
Add/Less: Decrease/(increase) in working capital	(9.33)	86.72
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	1,298.27	1,014.26
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	(0.09)	(2.93)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items),	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-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;	-	-
Amortization of Upfront fees	4.37	-
Loss on account of MTM of F/W & ECB	113.78	51.35
Non Cash Income - Reversal of Prepayment penalty	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
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	(622.10)	(143.66)
Total Adjustments (B)	1,493.38	1,598.94
Net Distributable Cash Flows (C)=(A+B)	922.24	1,228.98

* Being the date of acquisition of BDTCL by IndiGrid.
Note: During the year, an amount of Rs. 832.26 million (being at least 90%) has already been distributed to IndiGrid.

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)

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

(Rs in million)

Description	Year ended March 31, 2019	May 30, 2017* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(1,147.58)	(21.60)
Add: Depreciation, impairment and amortisation	899.69	473.80
Add/Less: Decrease/(increase) in working capital	(95.22)	5.05
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	1,905.14	1,561.34
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	-	(9.23)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	(4.39)
-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;	-	-
Amortization of Upfront fees	-	-
Loss on account of MTM of F/W & ECB	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	2,709.61	2,026.57
Net Distributable Cash Flows (C)=(A+B)	1,562.03	2,004.97

* Being the date of acquisition of JTCL by IndiGrid.

Note: During the year, an amount of Rs. 1,405.75 million (being at least 90%) has already been distributed to IndiGrid.

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)

(iv) RAPP Transmission Company Limited ('RTCL')

(Rs in million)

Description	Year ended March 31, 2019	February 15, 2018* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(7.29)	(20.96)
Add: Depreciation, impairment and amortisation	85.67	10.26
Add/Less: Decrease/(increase) in working capital	184.30	16.98
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	381.90	47.16
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	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
Amortization of Upfront fees	-	-
Loss on account of MTM of F/W & ECB	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	651.87	74.40
Net Distributable Cash Flows (C)=(A+B)	644.58	53.44

* Being the date of acquisition of RTCL by IndiGrid.

Note: During the year, an amount of Rs. 580.23 million (being at least 90%) has already been distributed to IndiGrid.

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)

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

(Rs in million)

Description	Year ended March 31, 2019	February 15, 2018* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(36.47)	(34.28)
Add: Depreciation, impairment and amortisation	142.91	17.11
Add/Less: Decrease/(increase) in working capital	(72.02)	36.84
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	598.15	73.74
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;	-	-
-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 interest free loan or other debentures;	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
Amortization of Upfront fees	-	-
Loss on account of MTM of F/W & ECB	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
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	-	(19.00)
Total Adjustments (B)	669.04	108.69
Net Distributable Cash Flows (C)=(A+B)	632.57	74.42

* Being the date of acquisition of PKTCL by IndiGrid.

Note: During the year, an amount of Rs. 569.31 million (being at least 90%) has already been distributed to IndiGrid.

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)

(vi) Maheshwaram Transmission Limited (MTL)(SPV)

(Rs in million)

Description	Year ended March 31, 2019	February 15, 2018* to March 31, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(155.22)	(19.28)
Add: Depreciation, impairment and amortisation	121.78	15.00
Add/Less: Decrease/(increase) in working capital	(15.12)	11.71
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	562.52	69.17
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	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
Amortization of Upfront fees	-	-
Loss on account of MTM of F/W & ECB	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	669.18	95.88
Net Distributable Cash Flows (C)=(A+B)	513.96	76.60

* Being the date of acquisition of MTL by IndiGrid.

Note: During the year, an amount of Rs. 462.57 million (being at least 90%) has already been distributed to IndiGrid.

INDIA GRID TRUST
DISCLOSURES PURSUANT TO SEBI CIRCULARS
(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)

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

(Rs in million)

Description	Year ended March 31, 2019	August 30, 2018* to September 30, 2018
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(183.29)	(5.91)
Add: Depreciation, impairment and amortisation	184.36	3.11
Add/Less: Decrease/(increase) in working capital	5.55	6.94
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	139.97	21.41
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	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	(2.37)
-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;	-	-
Amortization of Upfront fees	-	-
Loss on account of MTM of F/W & ECB	-	-
Non Cash Income - Reversal provision - Prepayment penalty	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	329.88	29.09
Net Distributable Cash Flows (C)=(A+B)	146.59	23.18

* Being the date of acquisition of PTCL by IndiGrid.

Note: During the year, an amount of Rs. 131.93 million (being at least 90%) has already been distributed to IndiGrid.

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, 2019. IndiGrid is an irrevocable trust settled by Sterlite Power Grid Ventures Limited (the "Sponsor") on October 21, 2016 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on November 28, 2016 having registration number IN/InvIT/16-17/0005. The Trustee of IndiGrid is Axis Trustee Services Limited (the "Trustee"). The Investment manager for IndiGrid is Sterlite Investment Managers Limited (the "Investment Manager" or the "Management").

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

As at March 31,2019, IndiGrid has following project entities which are transmission infrastructure projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

1. Bhopal Dhule Transmission 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')

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

The address of the registered office of the Investment Manager is Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex, Bandra East Mumbai Maharashtra, India 400 051. The consolidated financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on April 24, 2018.

2. Significant Accounting Policies

2.1 Basis of preparation

The consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2019 and 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 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 31 March 2019. 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 company, i.e., year ended on 31 March.

Consolidation procedure:

(a). Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b). Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c). Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). 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) 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.

b) 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.

c) Fair value measurement

The Group measures financial instruments such as mutual funds at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In estimating the fair value of transmission assets/projects, the Group engages independent qualified external valuers to perform the valuation. The management works closely with the external valuers to establish the appropriate valuation techniques and inputs to the model. The management in conjunction with the external valuers also compares the change in fair value with relevant external sources to determine whether the change is reasonable. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects.

At each reporting date, the management analyses the movement 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 29)
§ Disclosures for valuation methods, significant estimates and assumptions (Note 21, Note 29)
§ Financial instruments (including those carried at amortised cost) (Note 29, Note 30)

d) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for periods of 35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

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.

e) 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.

Taxation

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

§ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

§ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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 taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added 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) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell/distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/distribution of the asset or disposal group to be highly probable when:

- § The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- § An active program to locate a buyer and complete the plan has been initiated (if applicable),
- § The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- § The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

g) Property, plant and equipment

Capital work in progress, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

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

Asset Category	Useful Life considered	Useful life (Schedule II#)
Leasehold improvements	Lease Period*	30
Buildings (substation)	25	30
Substations	25-35	40
Transmission lines (including components)	25-35	40
Plant and machinery	2-5	15
Data Processing Equipments (Computers)	5	3-6
Furniture and Fittings	5	10
Office Equipments	5	3

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 equipments, furniture and fittings, office equipments 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.

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 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.

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee.

j) 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.

k) 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.

l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost
ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTOCI
A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have any financial assets which are subsequently measured at FVTOCI.

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets
Majority of the financial assets of the Group which are not reflected at fair value pertain to trade and other receivables. Considering the nature of business, the Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. Also, the Group does not have any history of impairment of trade and other receivables.

For the financial assets which are reflected at fair value, no further impairment allowance is necessary as they reflect the fair value of the relevant financial asset itself.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings and related costs, trade and other payables and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified

as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings. For more information refer Note 10.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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

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

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

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

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) 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.

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, 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.

o) Cash distribution to unit holders

The Group recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

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.

2.4 Standards issued but not yet effective

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from the current accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt this standard, if applicable, when it becomes effective. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Consolidated Financial Statements.

INDIA GRID TRUST
Notes to financial statements for the year ended 31 March 2019

Note 3: Property, plant and equipment

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	Roads	Motor Vehicles	Total
Gross Block													
At April 1, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions on account of acquisition (refer note 21)	24.94	89.86	0.59	57.14	6,311.64	44,916.83	14.33	1.34	1.24	1.71	-	-	51,419.62
Other Additions during the year	-	-	-	-	-	9.21	2.93	0.03	-	-	-	-	12.17
Disposal	-	-	-	-	-	(9.85)	-	-	-	-			(9.85)
At March 31, 2018	24.94	89.86	0.59	57.14	6,311.64	44,916.19	17.26	1.37	1.24	1.71	-	-	51,421.94
Additions on account of acquisition (refer note 21)	87.34	-	-	62.69	2,096.00	-	-	-	-	-	5.57	0.45	2,252.05
Other Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments (refer note 12)	-	-	-	-	(422.78)	-	-	-	-	-	-	-	(422.78)
Disposal	-	-	-	-	-	-	(11.31)	-	-	-	-	-	(11.31)
At March 31, 2019	112.28	89.86	0.59	119.83	7,984.86	44,916.19	5.95	1.37	1.24	1.71	5.57	0.45	53,239.90
Depreciation													
At April 1, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	2.93	0.04	2.00	260.00	884.15	7.23	0.48	0.18	0.40			1,157.41
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	-	2.93	0.04	2.00	260.00	884.15	7.23	0.48	0.18	0.40	-	-	1,157.41
Charge for the year	-	3.51	0.02	5.96	293.52	1,496.89	5.98	0.44	0.35	0.55	1.85	0.15	1,809.22
Impairment	-	-	-	-	-	456.96	-	-	-	-	-	-	456.96
Disposal	-	-	-	-	-	-	(11.31)	-	-	-	-	-	(11.31)
At March 31, 2019	-	6.44	0.06	7.96	553.52	2,838.00	1.90	0.92	0.53	0.95	1.85	0.15	3,412.28
Net Block													
At March 31, 2018	24.94	86.94	0.55	55.14	6,051.64	44,032.04	10.03	0.89	1.06	1.32	-	-	50,264.53
At March 31, 2019	112.28	83.42	0.53	111.87	7,431.34	42,078.19	4.05	0.45	0.71	0.76	3.72	0.30	49,827.62

Note 4: Other financial assets

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Non Current		
Security deposits	3.45	3.46
Other bank balances (refer note 8B)	0.12	9.33
Total	3.57	12.79
Current		
Unbilled revenue*	548.84	497.26
Interest accrued on deposits	4.41	0.53
Security deposits	0.01	-
Advances receivable in cash	-	1.06
Total	553.26	498.85

* Unbilled revenue is the transmission charges for the month of March 2019 amounting to Rs. 548.84 million (31 March 2018 - Rs. 497.26 million) billed to transmission customers in the month of April 2019.

Note 5: Other assets

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Non-Current		
Deposits paid under dispute (refer note 25)	143.14	150.21
Advance income tax, including TDS (net of provisions)	48.84	-
Others	0.27	-
Total	192.25	150.21
Current		
Advance income tax, including TDS (net of provisions)	-	48.74
Prepaid expenses	38.54	47.44
Others	7.37	6.28
Custom deposit	12.79	12.79
Less: Provision for non recovery of deposit	(12.79)	-
Total	45.91	115.25

Note 6: Current investments

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Investment in mutual funds (valued at fair value through profit or loss)		
Quoted		
75,474 units (31 March 2018- Nil) of SBI Liquid Fund - Direct Plan - Daily Dividend*	75.72	-
Total	75.72	-

* Amount of Rs. 75.72 million is kept in Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

Note 7: Trade receivables

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Trade receivable (Unsecured, considered good)	1,140.61	1,061.89
Total	1,140.61	1,061.89

Trade receivables are non-interest bearing and are generally on terms of 60 days
See Note 31 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 8A: Cash and cash equivalents

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Balances with banks		
- On current accounts^	519.10	1,672.92
- Deposits with original maturity of less than three months*	1,084.56	-
Total	1,603.66	1,672.92

* Includes amount of Rs. 429.67 million (March 31, 2018: Rs. 270.17 million) is kept in Interest Service Reserve Account ('ISRA')/Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

^ Out of total amount, Rs. 5.75 million (March 31, 2018: Rs. 0.04 million) pertains to unclaimed dividend to unit holders.

Note 8B: Other bank balances

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Non-current		
Deposits with original maturity of more than 12 months	0.12	9.33
Less: Disclosed under other non-current financial assets (refer note 4)	(0.12)	(9.33)
Total	-	-
Current		
Deposit with original maturity for more than 3 months but less than 12 months	19.66*	10.50
Total	19.66	10.50

* Includes amount of Rs. 19.32 held as lien by bank against bank guarantees.

Note 9: Unit capital

	Number of units (in million)	Unit Capital (Rs. in million)
As at 01 April 2017	-	-
Issued during the year	283.80	28,380.00
As at 31 March 2018	283.80	28,380.00
Issued during the year	-	-
As at 31 March 2019	283.80	28,380.00

Terms/rights attached to unit capital

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 dividend distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays dividends 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.

(THIS SPACE IS INTENTIONALLY KEPT BLANK)

Note 10: Long term borrowings (secured)

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Non-current		
Debentures		
7.85% Non-convertible debentures of Rs 1,000,000 each	6,820.00	6,870.00
8.60% Non-convertible debentures of Rs 1,000,000 each	2,500.00	-
8.992% Non-convertible debentures of Rs 1,000,000 each	4,350.00	-
Term Loans		
Indian rupee term loan from bank	9,945.46	9,941.47
Foreign currency loan from financial institution	2,286.54	2,301.03
Total	25,902.00	19,112.50
Current maturities		
7.85% Non-convertible debentures of Rs 1,000,000 each	50.00	480.00
Foreign currency loan from financial institution	166.65	139.58
Interest accrued but not due on loans	53.62	34.38
	270.27	653.96
Less :Amount disclosed under the head "Other current financial liabilities" (note 12)	(270.27)	(653.96)
Net borrowings	-	-

India Grid Trust

A Non- Convertible Debentures

During the year, the India Grid Trust ('IGT') has issued 2,500 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis which carries an interest at the rate of 8.60%. The interest is payable quarterly. Entire amount of NCD shall be repayable as a bullet repayment at the end of 10th year from the date of disbursement. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders and NCD are secured by: (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust (iii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs; (iv) Pledge over 51% of the share capital of specified SPVs. The trust is in process of creation of security charge on the above debentures as at 31 March 2019.

During the year, the India Grid Trust ('IGT') has issued 4,350 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis which carries an interest at the rate of 8.9922%. The interest is payable quarterly. Entire amount of NCD shall be repayable as a bullet repayment at the end of 10th year from the date of disbursement. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders and NCD are secured by: (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust; (iii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs; (iv) Pledge over 51% of the share capital of specified SPVs. The trust is in process of creation of security charge on the above debentures as at 31 March 2019.

B Term loans from bank and financial institutions

The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs; (iii) First pari-passu charge on Escrow account of the India Grid Trust.

Bhopal Dhule Transmission Company Limited

A Non- Convertible Debentures

Bhopal Dhule Transmission Company Limited ('BDTCL') had issued 7,350 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis which carries an interest at the rate of 7.85%. The interest is payable quarterly at the end of each quarter. 11% of the total debentures are redeemable in structured instalments in accordance with the redemption schedule. The balance 89% shall be repayable as a bullet repayment on 4th April 2022. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

1) First and exclusive charge on all movable assets and immovable assets of issuers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, uncalled capital, right of way/land, civil structures, tower and cables, office buildings. present and future if any for the project.

2)First charge by way of:

a)Assignment/hypothecation or creation of security interest present and future of all rights, titles, interest, benefits, claims and demands whatsoever of BDTCL in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;

b) All rights, title, interest, benefits, claims and demands whatsoever of the company in the permits, approvals and clearances pertaining to the projects, in the letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document;

c) All insurances proceeds (debenture trustee to be the loss payee in the insurance policy).

3) A First charge on letter of credit, Escrow account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.

4)First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of BDTCL, present and future.

5) Pledge of 51% of the equity share capital of the BDTCL.

B Term loans from bank and financial institutions

Foreign currency loan from financial institution carries interest at the rate of 6m LIBOR + 2.10% to 3.80% spread. BDTCL has taken currency and interest rate swap to hedge 6m LIBOR to fixed rate [refer note 24(b)]. Amount of USD 15.62 million being 35% of the total loan amount shall be repayable as a bullet repayment in accordance with the repayment schedule such that average tenor of the facility shall be more than 8.51 years. Remaining amount of USD 28.99 million is being repaid in quarterly instalments till December 2026. The foreign currency loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of BDTCL in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of BDTCL into and under all clearances pertaining to the project (including transmission licence) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of BDTCL in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from India Grid Trust directly/indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of BDTCL.

Financial covenants

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, total debt gearing, maintenance of specified security margin etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower annually. For the financial year ended March 31, 2019, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

Note 11: Short term borrowings (secured)

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Short term loan from bank	-	4,230.00
Total	-	4,230.00

Jabalpur Transmission Company Limited ('JTCL')

The Indian rupee term loan from bank carries interest at the rate of Kotak Bank MCLR + Spread, if any, as agreed between JTCL and bank, current interest rate being 8.5% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment in 9 months from the date of disbursement. The short term loan is secured by first and exclusive charge on all current and future movable and immovable fixed assets and current assets of JTCL.

Note 12: Other financial liabilities

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Non-Current		
Payable towards project acquired*	156.72	579.50
Total	156.72	579.50
Current		
Derivative Instruments		
Foreign exchange forward contracts	157.58	164.42
Cross currency interest rate swap	12.13	39.29
	169.71	203.71
Other financial liabilities at amortised cost		
Current maturities of long-term borrowings (refer note 10)	216.65	619.58
Dividend payable	5.75	0.04
Payable towards project acquired^	-	221.70
Interest accrued but not due on loans	53.62	34.38
Other payables to related parties (refer note 26)	0.69	-
Others	16.57	9.10
	293.27	884.80
Total	462.98	1,088.51

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and Currency / Interest rate swaps to hedge of interest rate and foreign exchange fluctuation risks on foreign currency loan in USD. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Refer Note 31.

Other payables are non-interest bearing and have an average term of three to six months.

*Bhopal Dhule Transmission Company Limited ('BDTCL'), subsidiary of the Trust, had filed petition dated October 15, 2016 with CERC for grant of incremental tariff to compensate for additional expenditure incurred on BDTCL project. Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended ("PIMA"), the Trust was required to issue additional units to Sterlite Power Grid Ventures Limited ("SPGVL") in case any additional tariff is approved by CERC. The units to be issued would be to the extent of 80% of the additional capital expenditure as approved by CERC in respect of the pending petition. Accordingly, the Trust had estimated and recorded an amount of Rs. 579.50 million in previous year towards the units issuable to SPGVL in accordance with PIMA as payable for asset acquisition.

During the year, CERC approved a part of the claim, for additional expenditure due to change in tax rates of Rs. 195.91 million which resulted in increase in non esaclable tariff revenue by 0.69%. However certain portion of the claim is still pending with CERC. The period for such one time payment to SPGVL in respect of the claim which is still pending with CERC expired on December 6, 2018 (being 18 months from the date of listing of IndiGrid). Accordingly, the Trust has reversed the liability of Rs. 422.77 million with corresponding effect to property, plant and equipment in the consolidated financial statements.

^CERC vide its order dated September 21, 2016 ('Order') confirmed that the RAPP Transmission Company Limited ('RTCL'), subsidiary of the Trust, was eligible to receive certain transmission charges from the scheduled commercial operation date i.e. 01 March 2016 ('SCOD'). The aggrieved party filed an appeal with Appellate Tribunal for Electricity ('APTEL') against the Order. The amount of transmission charges involved is Rs. 221.70 million which were recognised as receivable in the financial statement of RTCL. Under the share purchase agreement dated February 14, 2018, in case there is any recovery on account of the above receivable on disposal of the appeal, the same shall be paid as additional consideration to Sterlite Grid 2 Limited (subsidiary of SPGVL). Accordingly, the management recognised a liability of Rs 221.70 million payable in respect of the above arrangement in earlier year. During the year, the APTEL disposed the appeal in favour of the Company vide its order dated January 18, 2019.

As a result, RTCL has received an amount of Rs. 252.80 million towards transmission charges as per the APTEL order dated January 18,2019 which is paid as an additional consideration to Sterlite Grid 2 Limited pursuant to share purchase agreement dated February 14,2018.

Note 13: Trade payables

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 28)	54.10	29.65
- total outstanding dues of creditors other than micro enterprises and small enterprises	28.19	36.09
Trade payables to related party (refer note 26)	79.67	64.43
Total	161.96	130.17

Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

For explanation on the Group's risk management policies, refer note 31.

Note 14: Other current liabilities

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
GST payable	0.81	2.13
Withholding taxes (TDS) payable	11.61	11.57
Total	12.42	13.70

Note 15: Provisions

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Provision for income tax	0.07	-
Total	0.07	-

Note 16: Revenue from contracts with customers

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
16.1: Disaggregated revenue information		
Type of service		
Power transmission services	6,655.70	4,475.69
Total	6,655.70	4,475.69
Project wise break up of Revenue from contracts with Customers		
Bhopal Dhule Transmission Company Limited	2,577.49	2,179.80
Jabalpur Transmission Company Limited	2,149.79	2,118.34
Maheshwaram Transmission Company Limited	572.33	72.06
RAPP Transmission Company Limited	456.80	40.72
Purulia & Kharagpur Transmission Company Limited	746.24	64.77
Patran Transmission Company Limited	153.05	-
Total	6,655.70	4,475.69

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 years and have fixed tariff charges as approved by CERC (except some escalable portion and some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group's performance obligation is to provide power transmission services. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCs are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount.

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

	31 March 2019	31 March 2018
Revenue as per contracted price	6,477.26	4,315.35
Adjustments:		
Incentives earned for higher asset availabilities	195.92	176.01
Surcharges received for late payments	34.98	20.48
Rebates given for early payments	(52.46)	(36.14)
Total revenue from contracts with customers	6,655.70	4,475.69

Note 17: Other income

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Lease rental income	2.48	14.66
Profit on sale of property, plant and equipment	7.00	-
Liabilities no longer required written back	2.37	63.85
Other Income	0.23	-
Total	12.08	78.51

Note 18: Finance costs

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Interest on financial liabilities measured at amortised cost	2,275.25	954.24
Bank charges	20.58	58.33
Total	2,295.83	1,012.57

Note 19: Deferred tax liabilities (net)

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Deferred tax liability		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation for financial reporting	5,212.59	4,468.02
Gross deferred tax liability (A)	5,212.59	4,468.02
Deferred tax assets		
Tax Losses (DTA recognised only to the extent of DTL)	5,212.59	4,468.02
Gross deferred tax asset (B)	5,212.59	4,468.02
Net deferred tax assets	-	-

As at March 31, 2019, 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 Rs. 5,149.34 million (31 March 2018: Rs. 2,853.22 million) of tax losses carried forward on which deferred tax asset has not been recognised. If the Group was able to recognise all unrecognised deferred tax assets, profit after tax would have increased and equity would have increased by Rs. 1,567.63 million (31 March 2018: Rs. 987.50 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.

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
- Current tax	6.08	-
- Deferred tax	-	-
- Income tax for earlier years *	0.28	(67.82)

* In previous year, Income tax for earlier year relates to tax provisions made in the books of JTCL which was reversed post acquisition by the Trust.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Accounting profit before income tax	1,545.50	2,035.68
At India's statutory income tax rate of 34.61%	534.90	704.55
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(528.82)	(704.55)
Charge/(reversal) of excess provision of tax created in previous year in subsidiary	0.28	(67.82)
At effective tax rate	6.35	(67.82)
Income tax expense reported in the statement of profit and loss	6.35	(67.82)

Note 20: Earnings per unit (EPU)

Basic EPU amounts are calculated by dividing the profit/loss 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/loss 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 the profit and unit data used in the basic and diluted EPU computation:

	31 March 2019	31 March 2018
Profit after tax for calculating basic and diluted EPU	1,539.14	2,103.50
Weighted average number of units in calculating basic EPU (No. million)	283.80	283.80
Effect of dilution:		
Estimated units to be issued to Sponsor/Project manager*	5.40	6.14
Weighted average number of units in calculating basic and diluted EPU (No. million)	289.20	289.94
Earnings Per Unit		
Basic (Rupees/unit)	5.42	7.41
Diluted (Rupees/unit)	5.32	7.25

* units issuable pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, towards the additional transmission charges as approved by CERC for the change in tax rates which resulted in increase in non escalable tariff revenue for BDTCL.

Note 21: 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 and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

i. Applicability of Appendix C (Service Concession Arrangements) of Ind AS 115 - Revenue from contracts with customers

The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. The subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 35 years. The management of the Company is of the view that the grantor as defined under Appendix C of Ind AS 115 ("Appendix C") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor’s involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix C to Ind AS 115 is not applicable to the Group.

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 from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 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 as asset acquisition.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment). Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the transmission assets are based on value in use of the projects. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/forecasts over the life of the projects. The key assumptions used to determine the recoverable amount for the assets are disclosed and further explained in Note 29.

ii. 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 Statement of net assets at fair value and Statement of total returns at fair value). In estimating the fair value of transmission projects (which constitutes substantial portion of the total 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 half yearly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value. (refer Note 29 for details)

Note 22: List of subsidiaries which are included in consolidation and IndiGrid's effective holding therein are as under:

Name of the Company	Country of Incorporation	Effective Ownership as at 31 March 2019	Effective Ownership as at 31 March 2018
Directly held by India Grid Trust			
Sterlite Grid 1 Limited^	India	100%	100%
Patran Transmission Company Limited**	India	100%$	-
Indirectly held by the Trust (through SGL 1):			
Bhopal Dhule Transmission Company Limited^	India	100%	100%
Jabalpur Transmission Company Limited^	India	100%	100%
Purulia & Kharagpur Transmission Company Limited #	India	100%	100%
RAPP Transmission Company Limited#	India	100%*	100%*
Maheshwaram Transmission Limited#	India	100%*	100%*

^ Acquired on 30 May 2017. (refer note 26)
# Acquired on 15 February 2018. (refer note 26)
** Acquired on 30 August 2018.

* The Group entered into share purchase agreements and shareholders' agreements dated February 14, 2018 with Sterlite Grid 2 Limited and Sterlite Grid 3 Limited for acquisition of equity stake in RAPP Transmission Company Limited and Maheshwaram Transmission Company Limited. Pursuant to the Agreements, the Group acquired 49% of equity in the above SPVs and for acquisition of the remaining 51% equity stake, the Group has paid full consideration in advance on a non-refundable basis. The remaining stake will be acquired from the Selling Shareholders on expiry of the respective mandatory shareholding periods in the SPVs. Subsequent to the acquisition, the group has increased its stake in RTCL to 74%.

Further during the current year, pursuant to Share Purchase agreement/Shareholders' Agreement ('SPA') dated February 19,2018, the group acquired Patran Transmission Company Limited (PTCL) from Techno Power Grid Company Limited and Techno Electric and Engineering Company Limited. The group holds 74% equity stake in PTCL and on the remaining 26%, the group has beneficial interest based on the rights available to it under the Share Purchase agreemnt/Shareholder's agreement.

Under the above agreements, the Group has the following rights on the above SPVs:

a. Right to nominate all directors on the Board of directors of the SPVs;
b. Right to direct the Selling Shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPVs;
c. Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPVs at later dates;
d. Pledge on the remaining equity stake in the SPVs;
e. Non-disposal undertaking from the Selling Shareholders for the remaining equity stake in the SPVs.

Basis the above rights and the fact that full non-refundable consideration has been paid in advance by the Group to the Selling Shareholders, the Group has consolidated the SPVs assuming 100% equity ownership and accordingly no non-controlling interest (NCI) has been recognised in the consolidated financial statements.

Note 23: Capital and other Commitments

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.

Note 24: Derivative instruments

The Group has entered into the following derivative instruments:

(a) The following are the outstanding Forward Exchange Contracts entered into by the Group, for hedge purpose, as on 31 March 2019:

Year ended	Currency Type	Foreign Currency (In million)	Amount (Rs' million)	Buy/Sell	Number (Quantity)
Hedge of foreign currency loan from financial institution					
31 March 2019	US $	35.81	2,453.19	Buy	4
31 March 2018	US $	37.95	2,440.62	Buy	4

(b) Cross currency interest rate swap contracts outstanding as at year end to hedge against exposure to variable interest outflow on loans/foreign currency fluctuations:

Particulars	31 March 2019	31 March 2018
Currency type	US $	US $
No. of contracts	1.00	1.00
Amount (USD 'million)	7.28	7.28
Period of Contract	31 Dec 2015 to 31 Mar 2021	31 Dec 2015 to 31 Mar 2021
Floating rate	USD 6 Month Libor + 2.10% to 3.80%	USD 6 Month Libor + 2.10% to 3.80%
Fixed rate	6.71% on INR principal	6.71% on INR principal

The Group has entered into cross currency interest rate swap contract on the foreign currency loan, whereby the foreign exchange rate for principal and interest payments has been fixed at INR 65.05 / USD and the interest rate fixed at 6.71% on the loan amount converted in INR at the fixed USD rate. As a result of the contract, the Company would pay interest in INR at 6.71% on the foreign currency loan converted to INR at INR 65.05/USD and receive interest at USD 6m LIBOR + 2.10% to 3.80% on the foreign currency loan amount.

Note 25: Contingent liabilities

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
- Entry tax demand*	410.20	369.35
- VAT demand*	104.34	104.34
Total	514.54	473.69

* The total contingent liability is recoverable from SPGVL as per the share purchase agreements.

Entry tax demand of Rs 165.80 million for Bhopal Dhule Transmission Company Limited (BDTCL) and Rs 138.70 million for Jabalpur Transmission Company Limited (JTCL) pertains to demands under the Entry tax act read with Madhya Pradesh Vat Act, 2002 for payment of entry tax upon completion of assessment by tax authorities for the year 2012-13, 2013-14, 2014-15 and 2015-16. BDTCL and JTCL have preferred an appeal against the demand before High Court, Jabalpur (Madhya Pradesh). Both the subsidiaries are contesting the demand and the management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the consolidated financial position and results of the operations. BDTCL and JTCL have deposited Rs. 58.37 million and Rs 49.12 million respectively with the tax authorities against the said demands to comply the order of hon'ble High court of Madhya Pradesh. The Hon'ble high court has accepted the plea of subsidiaries and has given stay on entire demand after deposit of specified amount till the disposal of case.

Entry tax demand of Rs 92.04 million for JTCL pertains to demand under Entry Tax Act read with Chhattisgarh Value Added Tax Act, 2005 for payment of entry tax upon completion of assessment by tax authorities for the year 2012-13, 2013-14 and 2014-15. JTCL has preferred an appeal against the demand before the Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.). The management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on consolidated financial position and results of the operations. JTCL has deposited Rs. 57.62 million with the tax authorities against the said demand as per the provision of Chhattisgarh Value Added Tax Act, 2005 for filing of appeal.

Entry tax demand of Rs 13.30 million for RAPP Transmission Company Limited ('RTCL') pertains to demands under the Entry tax act read with Madhya Pradesh Vat Act, 2002 for payment of entry tax upon completion of assessment by tax authorities for the year 2014-15 and year 2015-16. RTCL has appealed against the demand before High Court, Jabalpur (Madhya Pradesh). The management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for the tax demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the financial position and results of the operations of RTCL. RTCL has deposited Rs 4.70 million with the tax authorities against the said demands to comply the order of hon'ble High court of the Madhya Pradesh. The Hon'ble high court has accepted the plea of RTCL and has given stay on entire demand after deposit of specified amount till the disposal of case.

VAT demand of Rs 104.34 million for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to demand under Jharkhand Value Added Tax (Amendment) Act, 2005 for payment of VAT for the year 2015-16. The Group has preferred an appeal against the demand before Jharkhand High Court. The management, including its tax advisors, believe that it's position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of the operations. PKTCL has deposited Rs 26.09 million with the tax authorities against the said demand.

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INDIA GRID TRUST
Notes to Consolidated Financial Statements for the year ended 31 March 2019

Note 26: Statement of Related Party Transactions:

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

(a) Entity with significant influence over the Trust
Sterlite Power Grid Ventures Limited (SPGVL)

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

(a) Parties to IndiGrid
Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project Manager of IndiGrid
Sterlite Investment Managers Limited (SIML) - Investment Manager of IndiGrid
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

(b) Promoters of the parties to IndiGrid specified in (A) above
Sterlite Power Transmission Limited- Promoter of SPGVL and SIML
Axis Trustee Limited- Promoter of ATSL

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

(i) Directors of SPGVL:
Pravin Agarwal
Pratik Agarwal
A. R. Narayanaswamy
Avaantika Kakkar
Ved Mani Tiwari
Anand Agarwal (till 10.10.2017)
Udai Dhawan (till 22.01.2018)

(ii) Directors of SIML:
Pratik Agarwal
Kuldip Kumar Kaura
Tarun Kataria
Shashikant Bhojani
Rahul Asthana
Harsh Shah (from 15.01.2018)

(iii) Directors of ATSL:
Srinivasan Varadarajan (till 20.12.2018)
Ram Bharoseylal Vaish
Sidharth Rath (till 01.06.2018)
Rajaraman Viswanathan (till 10.10.2018)
Rajesh Kumar Dahiya (from 11.07.2018)
Raghuraman Mahalingam (till 30.09.2018)
Sanjay Sinha (from 10.10.2018)

III. Transactions with related parties during the period

(Rs in million)

Sr. No.	Particulars	Relation	April 01, 2018 to March 31, 2019	April 01, 2017 to March 31, 2018
1	Purchase of non convertible debentures of SGL1			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	5,880.36
2	Purchase of equity shares of SGL1			
	Sterlite Power Grid Ventures Limited **	Sponsor and Project Manager/Entity with significant influence	-	-
3	Received towards indemnification of liabilities			
	Sterlite Power Grid Ventures Limited ##	Sponsor and Project Manager/Entity with significant influence	53.47	-
4	Issue of unit capital			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	5,880.36
	Pravin Agarwal	Director of Sponsor	-	91.34
5	Purchase of equity shares of RAPP Transmission Company Limited and Purulia & Kharagpur Transmission Company Limited			
	Sterlite Grid 2 Limited #	Subsidiary of Sponsor	-	2,870.52
6	Purchase of equity shares of Maheshwaram Transmission Limited			
	Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	961.84
7	Payment towards RTCL tariff charges (refer note 12)			
	Sterlite Grid 2 Limited #	Subsidiary of Sponsor	252.80	-
8	Repayment of existing NCDs / loans in the SPVs acquired			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	7,121.03
	Sterlite Grid 2 Limited #	Subsidiary of Sponsor	-	732.09
	Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	849.02
9	Project Manager Fees			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	39.54	26.44
10	Investment Manager Fees			
	Sterlite Investment Managers Limited	Investment Manager	130.53	87.54

INDIA GRID TRUST

Notes to Consolidated Financial Statements for the year ended 31 March 2019

(Rs in million)

Sr. No.	Particulars	Relation	April 01, 2018 to March 31, 2019	April 01, 2017 to March 31, 2018
11	Distribution to unit holders			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	709.20	373.47
	Pravin Agarwal	Director of Sponsor	11.60	5.99
	Pratik Agarwal	Director of Sponsor and Investment Manager	1.22	-
	Harsh Shah	Director of Investment Manager	0.06	-
12	Repayment of dues paid			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	397.80
	Sterlite Investment Managers Limited	Investment Manager	-	15.56
	Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	18.32
13	Reimbursement of expenses received			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	17.01
14	Purchase of project stores			
	Sterlite Power Transmission Limited	Promoter of project manager and investment manager	7.91	-
15	Sale of plant and machinery			
	Sterlite Power Transmission Limited	Promoter of project manager and investment manager	9.44	-
16	Trustee fee			
	Axis Trustee Services Limited (ATSL)	Trustee	2.16	2.94

IV. Outstanding balances

Sr. No.	Particulars	Relation	As at March 31, 2019	As at March 31, 2018
1	Project Manager fees payable			
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	18.25	14.92
2	Investment Manager fees payable			
	Sterlite Investment Managers Limited	Investment Manager	61.42	49.51
3	Purchase of project stores			
	Sterlite Power Transmission Limited	Promoter of project manager and investment manager	0.69	-
4	Sale of plant and machinery			
	Sterlite Power Transmission Limited	Promoter of project manager and investment manager	7.44	-
5	Trustee fee			
	Axis Trustee Services Limited (ATSL)	Trustee	-	0.54

** During financial year 2017-18, IndiGrid had acquired NCDs and Equity Shares of SGL1 in exchange of its units amounting to Rs. 5,880.36 million. Since the nominal value of NCDs was Rs. 6,658.24 million. Hence the entire consideration was allocated to NCDs.

These transactions have been disclosed, since these are with wholly owned subsidiaries of sponsor.

During the year, Sponsor has paid to IndiGrid towards deposits paid by IndiGrid's subsidiaries for tax litigations for which the Sponsor is liable.

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

For the financial year ended March 31, 2019: No acquisition of InvIT assets from related parties during the year

For the financial year ended March 31, 2018: Refer disclosures below:

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

(Rs in Million)

Particulars	BDTCL	JTCL	PKTCL	RTCL	MTL
Enterprise value					
- Base case (based on tariff as per TSA)	20,406	14,949	6,512	3,935	5,218
- Incremental revenue (based on additional tariff claimed under petition with CERC)	1,135	1,176	-	-	-
Total Enterprise value	21,541	16,125	6,512	3,935	5,218
Method of valuation	Discounted Cash Flow				
Discounting rate (WACC):					
- Base case (based on tariff as per TSA)	8.19%	8.14%	7.98%	8.05%	7.54%
- Incremental revenue (based on additional tariff claimed under petition with CERC)	8.69%	8.64%	-	-	-

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

Acquisition of BDTCL and JTCL (through acquisition of SGL1):

Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended on April 25, 2017 ("PIMA") executed among SIML, ATSL, SPGVL, SGL1, BDTCL and JTCL, IndiGrid would issue additional units to SPGVL in the event CERC approves additional tariff for BDTCL and/or JTCL in respect of cost escalations in those projects for which petitions were filed with CERC. The units to be issued to SPGVL shall be equivalent to 80% of the Cost Escalation for each of BDTCL and JTCL as approved by CERC.

SPGVL will be entitled to additional units only if the cost escalation and the resultant revision in levelised transmission charges is received during the period commencing from the date of the PIMA and until the date which is 18 months of listing of units of IndiGrid (being the date of receipt of final listing and trading approvals for the units).

No external financing has been obtained for the acquisition of BDTCL and JTCL and no fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of RTCL and MTL:

Pursuant to the share purchase agreements and shareholders' agreements dated February 14, 2018 ("the Agreements") executed with Sterlite Grid 2 Limited and Sterlite Grid 3 Limited ("the Selling shareholders") for acquisition of equity stake in RTCL, and MTL (together "the SPVs"), SGL1 acquired 49% of equity in the SPVs and for acquisition of the remaining 51% equity stake, SGL1 paid full consideration in advance on a non-refundable basis. The remaining stake will be acquired from the Selling Shareholders on expiry of the respective mandatory shareholding periods applicable for the SPVs. Under the Agreements, SGL1 has the following rights:

a. Right to nominate all directors on the Board of directors of the SPVs;
b. Right to direct the Selling Shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPVs;
c. Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPVs at later dates (on expiry of the respective mandatory shareholding periods);
d. Pledge on the remaining 51% equity stake in the SPVs;
e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in the SPVs.

The acquisition of RTCL, PKTCL and MTL was financed by long term debt raised at IndiGrid Level of Rs. 10,000 million (rate of interest - 8.25%) and short term debt at JTCL level of Rs 4,230 million (rate of interest - 8.50%). No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Note 27: Segment reporting

The Group's activities comprise of transmission of electricity in certain states in India. 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 charges is receivable from PGCIL.

Note 28: Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Particulars	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
(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	54.10	29.65
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 Rs. Nil million (31 March 2018: Rs. Nil million). 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 29: Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rs. in million

Particulars	Carrying value		Fair value	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets				
Investments	75.72	-	75.72	-
Total	75.72	-	75.72	-
Financial liabilities				
Derivative instruments	169.71	203.71	169.71	203.71
Total	169.71	203.71	169.71	203.71

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 fair values of the quoted mutual funds are based on price quotations at the reporting date.

'The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value through profit and loss.

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 consolidated 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 transmission 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 as above categorised within Level 3 of the fair value hierarchy as above together with a quantitative sensitivity analysis as at 31 March 2019 are as shown below :

Rs in million

Significant unobservable inputs	Range for 31 March 2019	Range for 31 March 2018	Sensitivity of input to the fair value	Increase/ (decrease) in fair value	
				31 March 2019	31 March 2018
WACC	8.12% to 8.40%	7.86% to 8.08%	+ 0.5%	(2,445.95)	(2,479.63)
			- 0.5%	2,726.84	2,768.61
Tax rate (normal tax and MAT)	Normal Tax - 29.12% MAT - 21.55%	Normal Tax - 29.12% MAT - 21.55%	+ 2%	(306.91)	(325.90)
			- 2%	260.35	296.36
Inflation rate	Revenue: 5.73% Expenses: 3.20% to 4.35%	Revenue: 5.95% Expenses: 3.67% to 5.24%	+ 1%	(432.64)	(444.44)
			- 1%	360.78	366.13
Additional tariff (applicable only for BDTCL)	2.39%	2.58%	+ 1%	210.48	154.00
			- 1%	(210.48)	(154.00)

Note 30: Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at :

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:				
Property, plant and equipment*	31 March 2019	-	-	50,184.48
	31 March 2018	-	-	50,542.47
Assets measured at fair value through profit and loss				
Investment in mutual funds	31 March 2019	75.72	-	-
	31 March 2018	-	-	-
Liabilities measured at fair value through profit and loss				
Derivative instruments (Liability)	31 March 2019	-	169.71	-
	31 March 2018	-	203.71	-

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

* Statement of net assets at fair value and Statement of total returns at fair value require disclosures regarding fair value of assets (liabilities are considered at book values). Since the fair value of assets other than PP&E approximate their book values, hence only PP&E has been disclosed above.

Note 31: 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 is exposed to credit risk, liquidity risk and market risk. The Investment Manager of the IndiGrid oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The management reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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

(A) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

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'). 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.

Credit risk from balances deposited/invested with banks and financial institutions as well as investments made in mutual funds, is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Based on this policy, the Group does not foresee any risk on account of credit losses, either in the bank deposits which are made with AAA rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2019 is the carrying amounts of trade and other receivables, cash and cash equivalents and other assets as disclosed in Note 4, 5, 6, 7 and 8 respectively. However, the credit risk is low due to reasons mentioned above.

(B) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Rs in million

Particulars	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2019					
Borrowings	-	-	7,651.68	18,250.32	25,902.00
Trade payables	161.96	-	-	-	161.96
Other financial liabilities (excluding derivative instruments)*	271.05	178.94	-	-	449.99
Derivatives #	209.82	126.53	831.70	1,454.84	2,622.89
Total	642.83	305.47	8,483.38	19,705.16	29,136.84
31 March 2018					
Borrowings	-	4,230.00	7,742.54	11,369.96	23,342.50
Trade payables	130.17	-	-	-	130.17
Other financial liabilities (excluding derivative instruments)*	197.47	1,266.83	-	-	1,464.30
Derivatives #	-	301.82	2,622.71		2,924.53
Total	327.64	5,798.65	10,365.25	11,369.96	27,861.50

* Includes amount of Rs. 156.73 million (March 31, 2018: Rs 579.50 million) being payable towards project acquired which will be settled by issue of units.

\# Based on gross undiscounted cash flows. The MTM as on March 31, 2019 recognised in the books of accounts is Rs 169.70 million (March 31, 2018: Rs 203.71 million).

(C) 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 two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, bank deposits, Investments in short-term mutual funds, and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate primarily relates to the Group's long term debt obligations with floating interest rates. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2019, 9.39% ((March 31, 2018:10.18%) of total borrowings of the Group are at floating interest rates

Interest rate sensitivity

The Group has taken cross currency interest rate swap to hedge its borrowings at floating interest rates. The swap contract is valid till 31 March 2021 (refer note 24 for details). Hence the disclosures regarding interest rate sensitivity have not been given.

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).

The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps and forwards.

At 31 March 2019 and 31 March 2018, the Group hedged 100% of its foreign currency borrowings. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency interest rate swap.

Note 32: 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 Trust. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to unitholders, return capital to unitholders or issue new units (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). The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio optimum. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents, other bank balances and short term investments.

	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Borrowings	25,902.00	23,342.50
Trade payable	161.96	130.17
Other financial liabilities	619.70	1,668.01
Less: Cash and cash equivalents, other bank balances and short term investments	(1,699.03)	(1,683.42)
Net debt (A)	24,984.63	23,457.25
Unit capital	28,380.00	28,380.00
Other equity	(1,613.89)	252.56
Total capital (B)	26,766.11	28,632.56
Capital and Net debt [(C) = (A) + (B)]	51,750.75	52,089.81
Gearing ratio (C) / (A)	48.28%	45.03%

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 period.

Note 33: Details of Project Manager and Investment Manager Fees

Details of fees paid to Project Manager and Investment Manager as required pursuant to SEBI Circular No. CIR/IMD/DF/127/2016, dated November 29, 2016:

(i) Project management fees

Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, Project Manager is entitled to fees @ 10% of gross expenditure incurred by each SPV in relation to operation and maintenance costs, per annum. Consolidated Statement of Profit and Loss for the period ended March 31, 2019 includes amount of Rs. 39.54 million (March 31, 2018: Rs 26.44 million) towards Project Manager fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

(ii) Investment management fees

Pursuant to the Investment Management Agreement dated November 10, 2016 as amended, Investment Manager is entitled to fees @ 1.75% of difference between revenue from operations and operating expenses (other than fees of the Investment Manager) of each SPV, per annum. For this purpose, operating expenses would not include depreciation, finance costs and income tax expense. Consolidated statement of Profit and Loss for the period ended March 31, 2019 includes amount of Rs. 130.53 million (March 31, 2018: Rs 87.54 million) towards Investment Manager Fees. There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

Note 34: Subsequent event

On April 24, 2019, the Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period January 1 , 2019 to March 31, 2019 to be paid on or before 15 days from the date of declaration.

As per our report of even date

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

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

per Amyn Jassani
Partner
Membership Number : 046447

Pratik Agarwal
Director
DIN: 03040062

Harsh Shah
CEO & Whole Time Director
DIN: 02496122

Swapnil Patil
Company Secretary

Place: Mumbai
Date: 24 April 2019

Place: Mumbai
Date: 24 April 2019

S R B C & CO LLP
Chartered Accountants

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Auditor's Report On Half yearly Consolidated Financial Results and Year to Date Results

To
Board of Directors of
Sterlite Investment Managers Limited
(as Investment Manager of India Grid Trust)
Maker Maxity, 5 North Avenue, Level 5,
Bandra Kurla Complex, Bandra East Mumbai
Mumbai MH 400051

1. We have audited the accompanying statement of consolidated financial results of India Grid Trust ('the InvIT') and its subsidiaries (together, 'the Group'), consisting of the Consolidated Statement of profit and loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circular") for the half year ended March 31, 2019 and the consolidated results for the year ended March 31, 2019 ('consolidated financial results'), attached herewith, being submitted by the InvIT pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular. The half yearly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to September 30, 2018, being the date of the end of the first half of the current financial year, which were subject to limited review. The consolidated financial results for the half year ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the consolidated financial results for the half year ended September 30, 2018, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular, which are the responsibility of the Investment Manager and have been approved by the Board of Directors of the Investment Manager. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated financial results for the half year ended September 30, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 - Interim Financial Reporting, specified under Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

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

S R B C & CO LLP
Chartered Accountants

3. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial results:

   i. include the results of the following entities:
      1. India Grid Trust
      2. Sterlite Grid 1 Limited
      3. Bhopal Dhule Transmission Company Limited
      4. Jabalpur Transmission Company Limited
      5. RAPP Transmission Company Limited
      6. Purulia & Kharagpur Transmission Company Limited
      7. Maheshwaram Transmission Limited
      8. Patran Transmission Company Limited

   ii. are presented in accordance with the requirements of Regulation 23 of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016, in this regard; and

   iii. give a true and fair view of the consolidated total comprehensive income (comprising of net profit and other comprehensive income) and other financial information for the half year ended March 31, 2019 and for the year ended March 31, 2019.

4. Further, read with paragraph 1 above, we report that the figures for the half year ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to September 30, 2018, being the date of the end of the first half of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016.

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

per Amyn Jassani
Partner
Membership Number: 046447

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 24, 2019