Date: May 20, 2022

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

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

Subject: Submission of Audited Financial Information of India Grid Trust for the financial year ended on March 31, 2022

Dear Sir/ Madam,

Pursuant to the applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time, we hereby submit the Audited Standalone and Consolidated Financial Information of India Grid Trust ("IndiGrid") along with audit reports for the financial year ended on March 31, 2022, as approved by the Board of IndiGrid Investment Managers Limited, the Investment Manager of IndiGrid at its meeting held on May 20, 2022.

You are requested to take the same on record.

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

IndiGrid Investment Managers Limited

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

S R B C & CO LLP
Chartered Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of India Grid Trust

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Impairment of investments in subsidiaries and loans given to subsidiaries</u>
(as described in notes 5,6,7 and 25 of the standalone financial statements)</td></tr>
<tr><td>The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries both aggregating to Rs. 1,81,442.47 million as at March 31, 2022. The value of investments and loans in aggregate comprise 93 % of total assets in the Balance Sheet.

The subsidiaries are in the business of owning and maintaining transmission assets/ generation of solar power and have entered into Transmission Services Agreement ("TSA") with Long Term Transmission Customers ("LTTC") and Power Purchase Agreement ("PPA") with Solar Energy Corporation of India ("SECI").

At each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries and loans given to subsidiaries. In case of existence of impairment indicators, the investment and loan balances are subjected to impairment test, where the fair value of the subsidiary is compared with the value of investments and loans given to such subsidiaries.

The processes and methodologies for assessing and determining the fair value of the subsidiary is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license/ solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.</td><td>Our audit procedures included, among others, the following:

• We obtained an understanding of the InvIT's process on assessment of impairment of investments in subsidiaries and loans to subsidiaries and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls.

• We obtained and read the valuation report of the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity.

• We evaluated the independent valuation expert's methodology, assumptions and estimates used in the calculations.

• We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders.

• We tested completeness, arithmetical accuracy and validity of the data used in the calculations.

• In performing the above procedures, we involved valuation specialists to perform an independent review of methodology and key assumptions used in the valuation.

• We read and assessed the disclosures included in the notes to the standalone financial statements.</td></tr>
</table>

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Key audit matters	How our audit addressed the key audit matter
Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.	
Classification of unit holders' funds as equity *(as described in Note 25 of the standalone financial statements)*	
The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circulars") issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements. Considering the judgment required for classification of unit holders' funds as equity and liability, this is considered as a key audit matter.	Our audit procedures included, among others: • We obtained and read the requirements for classification of financial liability and equity under Ind AS 32 and evaluated the provisions of SEBI Circulars for classification/presentation of unit holders funds in the financial statements of an Infrastructure Investment Trust. • We read and assessed the disclosures included in the standalone financial statements for compliance with the relevant requirements of InvIT regulations.
Disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations *(as described in Note 25 of the standalone financial statements)*	
The InvIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the	Our audit procedures included, among others, the following: • We read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value.

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Key audit matters	How our audit addressed the key audit matter
independent valuer appointed by the InvIT. For the purpose of the above, fair value is determined by forecasting and discounting future cash flows. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license/ solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc. Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.	• We discussed with the management and obtained an understating of the InvIT's policy on the assessment of fair value and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained understating of the InvIT's process for preparation statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations and the assumption used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained and read the valuation report of the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • We evaluated independent valuation expert's methodology, assumptions and estimates used in the calculations. • We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders. • We tested completeness, arithmetical accuracy and validity of the data used in the calculations. • In performing the above procedures, we used valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • We read and assessed the disclosures included in the notes to the standalone financial statements.

Other Information

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

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

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

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

Responsibilities of Management for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the ability of InvIT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the InvIT or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

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override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the InvIT's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the InvIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the InvIT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Chartered Accountants

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) The Balance Sheet and the Statement of Profit and Loss are in agreement with the books of account;

(c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent not inconsistent with InvIT Regulations.

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

HS Ginwala

per Huzefa Ginwala
Partner
Membership Number: 111757
UDIN: 22111757AJIQJK3567
Place of Signature: PUNE
Date: May 20, 2022

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INDIA GRID TRUST
BALANCE SHEET AS AT 31 MARCH 2022
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	0.92	-
Intangible assets	3.2	75.74	-
Capital work-in-progress	4	-	1.09
Financial Assets			
i. Investment in subsidiaries	5	42,734.91	37,193.07
ii. Investments	6	6,231.37	-
iii. Loans	7	1,32,476.19	1,11,361.96
iv Other financial assets	8	456.90	-
Other non-current tax assets	9	31.83	19.71
		1,82,007.86	1,48,576.63
Current assets			
Financial assets			
i. Investments	6	-	6,449.33
i. Inventories		-	-
ii. Trade receivables	10	-	-
ii. Cash and cash equivalents	10	7,346.97	6,905.20
iii. Bank Balances other than (ii) above	11	2,322.58	841.05
iv Other financial assets	8	3,261.35	550.79
		13,430.90	14,745.37
Total assets		1,95,438.76	1,63,322.00
EQUITY AND LIABILITIES			
Equity			
Unit capital	12	65,903.15	53,145.69
Other equity	13		
Retained earnings / (Accumulated deficit)		2,293.62	1,951.03
Total unit holders' equity		68,196.77	55,096.72
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	1,07,486.42	1,04,017.27
		1,07,486.42	1,04,017.27
Current liabilities			
Financial liabilities			
i. Borrowings	14	17,215.53	1,492.38
ii. Trade payables	15		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		55.07	-
iii. Other financial liabilities	16	2,483.37	2,705.67
Other current liabilities	17	0.80	9.96
		19,755.57	4,208.01
Total liabilities		1,27,241.99	1,08,225.28
Total equity and liabilities		1,95,438.76	1,63,322.00

Summary of significant accounting policies 2.2

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

As per our report of even date

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

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 20 May 2022

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 20 May 2022

Swapnil Patil
Company Secretary
Membership Number : 24861
Place : Mumbai
Date : 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer
Place : Mumbai
Date : 20 May 2022

India Grid Trust

INDIA GRID TRUST

STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in Rs. million unless otherwise stated)

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

(Rs. in million)

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

Note:

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

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

As per our report of even date

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

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 20 May 2022

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 20 May 2022

Swapnil Patil
Company Secretary
Membership Number : 24861
Place : Mumbai
Date : 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Mumbai
Date : 20 May 2022

India Grid Trust *

INDIA GRID TRUST
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022
(All amounts in Rs. million unless otherwise stated)

Components of cash and cash equivalents:	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Balances with banks:		
- On current accounts ^	7,346.97	4,279.55
- Deposit with original maturity of less than 3 months #	-	2,625.65
Total cash and cash equivalents (refer note 10)	7,846.97	6,905.20

^ Out of total amount, Rs. 11.38 million (31 March 2021: Rs. 9.35 million) pertains to unclaimed distribution to unitholders.
# Includes amount of NIL (31 March 2021: Rs. 2,044.20 million) is kept in Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

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

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

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

HSGinwal

per Huzefa Ginwala
Partner
Membership Number: 111757
Place: Pune
Date: 20 May 2022

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place: Mumbai
Date: 20 May 2022

Swapnil Patil
Company Secretary
Membership Number: 24861
Place: Mumbai
Date: 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer
Place: Mumbai
Date: 20 May 2022

India Grid Trust

INDIA GRID TRUST
Notes to Financial Statements for the year ended 31 March 2022
Disclosures Pursuant To SEBI Circulars
(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 issued under the InvIT Regulations)

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

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

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

Notes :

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

ii. Does not include Earn - out expenses for quarter and year ended 31 March 2022 of Nil (quarter ended 31 December 2021 of Nil, quarter ended 31 March 2021 of Nil and year ended 31 March 2021 of Rs. 117.27 million).

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India Grid Trust

the Companies (Indian Accounting Standards) Rules, 2015 (as amended), prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations").

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

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

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

2.2 Summary of significant accounting policies

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

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

The Trust classifies all other liabilities as non-current.

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

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

b) Foreign currencies

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

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

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

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

c) Fair value measurement

The Trust measures financial instruments such as mutual funds at fair value at each balance sheet date.

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

e) Taxation

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

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/value added/goods and service taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added/goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

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option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i) Impairment of non-financial assets

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

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

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

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

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

j) Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k) Investments in subsidiaries

The Trust accounts for its investments in subsidiaries at cost less accumulated impairment losses (if any) in its separate financial statements. Investments accounted for at cost which are held for sale are accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

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

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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

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FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit or loss at the reclassification date.

Offsetting of financial instruments

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

m) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Trust's cash management.

n) Cash distribution to unit holders

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

o) Earnings per unit

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unit holders of the Trust and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Changes in accounting policies and disclosures

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Trust.

(ii) Amendments to Ind AS 103 Business Combinations

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS This amendment had no impact on the standalone financial statements of the Trust.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

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Notes to Financial Statements for the year ended 31 March 2022
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Notes to Financial Statements for the year ended 31 March 2022

Note 3.1 : Property, plant and equipment (PPE)

Particulars	Data processing equipments	Total
Gross block		
As at 01 April 2020	-	-
Additions	-	-
As at 31 March 2021	-	-
Additions	1.29	1.29
As at 31 March 2022	1.29	1.29
Depreciation		
As at 01 April 2020	-	-
Charge for the year	-	-
As at 31 March 2021	-	-
Charge for the year	0.37	0.37
As at 31 March 2022	0.37	0.37
Net Block		
As at 31 March 2022	0.92	0.92
As at 31 March 2021	-	-

Note 3.2: Intangible assets

Particulars	Computer software	Total
Cost		
As at 01 April 2020	-	-
Additions	-	-
As at 31 March 2021	-	-
Additions	77.12	77.12
As at 31 March 2022	77.12	77.12
Amortisation and impairment		
As at 01 April 2020		
Amortisation	-	-
As at 31 March 2021	-	-
Amortisation	1.38	1.38
As at 31 March 2022	1.38	1.38
Net Book Value		
As at 31 March 2022	75.74	75.74
As at 31 March 2021	-	-

Note 4: Capital work-in-progress (CWIP)

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Opening balance	1.89	-
Additions	-	1.89
Capitalised	(1.89)	-
Total	-	1.89

CWIP Ageing Schedule as at 31 March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress		-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

CWIP Ageing Schedule as at 31 March 2021	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.89	-	-	-	1.89
Projects temporarily suspended	-	-	-	-	-
Total	1.89	-	-	-	1.89

^The Trust acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from 28 August 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" (SPTL)) and Sterlite Grid 4 Limited ('SGL4'). (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 28 August 2020 ('SPA'). The Trust has finalised purchase consideration for acquisition of entire stake in GPTL and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in GPTL from the Selling Shareholders. The Trust has beneficial interest based on the rights available to it under the SPA.

^^ The Trust acquired 74% of paid up equity capital of Jhajjar KT Transco Private Limited ('JKTPL') with effect from 28 September 2020 from Kalpataru Power Transmission Limited. Techno Electric & Engineering Company Limited. (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 29 May 2020 ("SPA") and acquired the remaining 26% equity stake in JKTPL on 03 October 2020.

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

@@ The Trust also acquired 49% of paid up equity capital of NER II Transmission Limited ("NER") with effect from 25 March 2021 from Sterlite Power Transmission Limited (SPTL)) and Sterlite Grid 4 Limited ('SGL4'). (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 05 March 2021, as amended on 25 March 2021 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in NER and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in NER from the Selling Shareholders. As of 31 March 2021, the Trust has paid additional consideration equivalent to 25% of the total consideration as an advance which would be adjusted towards payable for acquisition of 25% of equity stake. The Trust has beneficial interest based on rights available to it under SPA

^^^The Trust also acquired 100% of paid up equity capital of IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ('ISPL1') and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ('ISPL2') with effect from 13 July 2021 from FRV Solar Holdings XI B.V. and Fotowatio Renewable Ventures S.L (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 10 December 2020 ("SPA").

@@@The letter of intent for development of Kallam Transmission Limited (KTL) is awarded to consortium of IGL1 and IGL2 ("IndiGrid Consortium") by the REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) on 30 November 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid Consortium acquired the project on 28 December 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on 27 June 2023.

Note 6: Investments

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non-Current		
Non-convertible debentures (unquoted) (at amortised cost)		
Indigrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") (665.82 million (31 March 2021 665.82 million) 0.01% Non-convertible debentures of Rs 10 each)#	6,915.54	-
Less: Provision for impairment (refer note 25)	(684.17)	
Total	**6,231.37**	**-**
Current		
Non-convertible debentures (unquoted) (at amortised cost)		
Indigrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") (665.82 million (31 March 2021 665.82 million) 0.01% Non-convertible debentures of Rs 10 each)#	-	6,448.33
Total	**-**	**6,448.33**

Non Convertible debenture (NCD) of Face value of Rs.10 each were issued by Indigrid Limited (formerly known as 'Sterlite Grid 1 Limited"). The NCD were redeemable at the option of the NCD holder anytime after 22 July 2019, but if the NCD holders do not exercise their right of redeeming the NCDs, the same were due for repayment at the end of July 2021. On 20 July 2021, the due date of redemption of NCD was revised to 22 July 2024. Since the interest rate for the NCD is below market rate, an equivalent amount has been re-classified as equity contribution in subsidiary disclosed under investment in subsidiary.

Note 7: Loans (unsecured, considered good)

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non-current		
Loan to subsidiaries (refer note 27)[1]	1,32,476.19	1,11,361.96
Total	**1,32,476.19**	**1,11,361.96**

Details of loan to subsidiaries	Rate of Interest	Secured/ unsecured	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Bhopal Dhule Transmission Company Limited	15.00%	Unsecured	8,325.32	8,330.72
Jabalpur Transmission Company Limited	15.00%	Unsecured	19,167.86	18,803.95
Maheshwaram Transmission Limited	15.00%	Unsecured	3,943.81	3,900.73
RAPP Transmission Company Limited	15.00%	Unsecured	2,053.52	2,149.13
Purulia & Kharagpur Transmission Company Limited	15.00%	Unsecured	3,512.50	3,766.87
Patran Transmission Company Limited	15.00%	Unsecured	1,571.86	1,730.28
NRSS XXIX Transmission Limited	15.75%	Unsecured	24,288.06	25,555.01
Odisha Generation Phase-II Transmission Limited	15.00%	Unsecured	10,951.24	5,729.37
East North Interconnection Company Limited	15.00%	Unsecured	8,410.97	9,041.96
Gurgaon-Palwal Transmission Limited	15.00%	Unsecured	9,783.28	2,751.21
Jhajjar KT Transco Private Limited	15.00%	Unsecured	1,549.81	1,720.30
Parbati Koldam Transmission Company Limited	8.45%	Unsecured	3,481.42	-
NER II Transmission Limited	15.00%	Unsecured	28,105.73	27,305.57
IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited)	15.00%	Unsecured	2,541.34	-
IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited)	15.00%	Unsecured	2,776.51	-
Indigrid Limited	15.00%	Unsecured	583.23	341.10
Indigrid 1 Limited	15.75%	Unsecured	93.03	-
Indigrid 2 Limited	15.00%	Unsecured	353.12	235.76
Kallam Transmission Limited	15.50%	Unsecured	183.60	
Total			**1,32,476.19**	**1,11,361.96**

[1] Loans are non-derivative financial assets which are repayable by subsidiaries upon expiry of period of their respective Transmission Services Agreement. Further, the subsidiaries are entitled to prepay all or any portion of the outstanding principal with a prior notice. The loans to subsidiaries carry interest @ 8.45% - 15.75% p.a

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Notes to Financial Statements for the year ended 31 March 2022
Note 12: Unit Capital

Reconciliation of the units outstanding at the beginning and at the end of the reporting period

	Number of units (In million)	Amount (Rs in million)
As at 01 April 2020	583.49	53,145.69
Units issued during the year	-	-
As at 31 March 2021	583.49	53,145.69
Units Issued during the year (refer note below)	116.70	12,836.49
Issue expenses (refer note below)	-	(79.03)
As at 31 March 2022	700.19	65,903.15

Note:

a) The Trust offered an issue of up to 116,695,404 units of India Grid Trust ("Indigrid" and such units, the "units"), for cash at a price of Rs. 110.00 per unit (the "issue price"), aggregating to Rs. 12,836.49 million to the eligible unitholders (as defined in the Letter of Offer) on a rights basis in the ratio of one lot for every five lots (each lot comprising 1.701 units) held by them on the record date, being 30 March 2021 (the "Issue") in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder, including the SEBI Rights Issue Guidelines (the "InvIT Regulations"). The issue opened on 06 April 2021 and closed on 13 April 2021, which was extended to 16 April 2021. The Allotment Committee of the Board of Directors of IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) ("Investment Manager"), considered and approved allotment of 116,695,404 rights units to the eligible unitholders of IndiGrid on 22 April 2021.

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

a. Terms/rights attached to units

The Trust has only one class of units. Each unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the InvIT Regulations. The Investment Manager approves distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays distribution in Indian rupees.

A unitholder has no equitable or proprietary interest in the projects of IndiGrid and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of IndiGrid. A unitholder's right is limited to the right to require due administration of IndiGrid in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

b. Unitholders holding more than 5 percent Units in the Trust

	31 March 2022		31 March 2021	
	(Nos. in million)	% holding	(Nos. in million)	% holding
Esoteric II Pte. Limited	165.90	23.69%	136.04	23.31%
Government of Singapore	140.18	20.02%	116.82	20.02%
Larsen And Toubro Limited	38.07	5.44%	36.68	6.29%
Sterlite Power Transmission Limited *	-	0.00%	2.04	0.35%

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef 15 November 2020.

c. The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further the Trust has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date.

Note 13: Other Equity

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Retained earnings/ (Accumulated deficit)		
Balance as per last financial statements	1,951.03	(1,713.72)
Add: Profit for the year	9,208.60	10,724.92
Less: Distribution paid to unitholders	(8,866.01)	(7,060.17)
Closing balance	2,293.62	1,951.03

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

Note 14: Borrowings

	Effective Interest Rate	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non-Current borrowings			
Debentures			
6.65% Category I & II Non-convertible debentures (refer note D below)	6.65%	0.01	-
6.75% Category III & IV Non-convertible debentures (refer note D below)	7.23%	100.79	-
7.45% Category I & II Non-convertible debentures (refer note D below)	7.76%	349.69	-
7.6% Category III & IV Non-convertible debentures (refer note D below)	7.91%	953.34	-
7.7% Category I & II Non-convertible debentures (refer note D below)	7.94%	991.64	-
7.9% Category III & IV Non-convertible debentures (refer note D below)	8.14%	403.95	-
7.49% Category I & II Non-convertible debentures (refer note D below)	7.49%	4.72	-
7.69% Category III & IV Non-convertible debentures (refer note D below)	7.93%	118.83	-
7.95% Category I & II Non-convertible debentures (refer note D below)	8.14%	124.80	-
8.2% Category III & IV Non-convertible debentures (refer note D below)	8.39%	5,913.14	-
7.72% Category I & II Non-convertible debentures (refer note D below)	7.72%	4.72	-
7.97% Category III & IV Non-convertible debentures (refer note D below)	8.15%	406.78	-
7.11% Non-convertible debentures (secured) (refer note A below)	7.11%	4,350.00	4,350.00
8.60% Non-convertible debentures (secured) (refer note A below)	8.60%	2,500.00	2,500.00
8.40% Non-convertible market linked debentures (secured) (refer note B below)	NA	-	1,702.19
9.00% Non-convertible market linked debentures (secured) (refer note B below)	NA	-	1,976.71
8.85% Non convertible debentures (secured) (refer note A below)	9.53%		1,989.06
9.10% Non-convertible debentures (secured) (refer note A below)	9.51%	2,976.28	16,925.60
8.40% Non-convertible debentures (secured) (refer note A and (i) below)	8.30%	3,497.63	3,496.51
6.72% Non-convertible debentures (secured) (refer note A and (i) below)	6.81%	8,470.48	-
6.52% Non-convertible debentures (secured) (refer note C and (i) below)	6.76%	1,488.66	-
7.00% Non-convertible debentures (secured) (refer note A below)	7.05%	2,493.70	2,496.17
7.25% Non-convertible debentures (secured) (refer note A below)	7.38%	1,494.65	1,495.30
7.40% Non-convertible debentures (secured) (refer note C below)	7.61%	993.54	992.09
7.32% Non-convertible debentures (secured) (refer note A below)	7.35%	3,991.06	-

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India Grid Trust *

INDIA GRID TRUST

Notes to Financial Statements for the year ended 31 March 2022

Current borrowings		31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Current maturities of long term borrowings			
8.85% Non-convertible debentures (secured) (refer note A below)	9.53%	1,989.20	-
9.10% Non-convertible debentures (secured) (refer note A below)	9.36%	13,993.83	-
8.10% Non-convertible debentures (secured) (refer note A and i below)	NA	-	993.83
Indian rupee loan from banks (secured) (refer note D and (ii) below)	7.00%-8.85%	1,232.50	493.55
Total current borrowings		**17,215.53**	**1,492.30**
The above amount includes :			
Secured borrowings		1,24,701.95	1,05,509.65
Unsecured borrowings		-	-
Total borrowings		**1,24,701.95**	**1,05,509.65**

(i) The above items represent new secured non-convertible debentures that have been issued by the Trust during the year ended 31 March 2021.
(ii) During the year ended 31 March 2022 the Trust has taken new Indian rupee loan from banks of Rs. 27,600 million (31 March 2021: Rs. 24,900 million.)

(A) Secured Non-convertible debentures referred above to the extent of:

(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust;
(iii) Pledge over 51% of the share capital of specified SPVs.

(B) Secured market linked non-convertible debentures referred above to the extent of:

(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari passu charge on Escrow account of the Trust;
(iii) Pledge over 51% of the share capital of specified SPVs.

During the year, the Trust has prepaid the market linked non-convertible debentures.

(C) Secured non-convertible debentures referred above to the extent of:

(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust
(iii) First pari-passu charge on the ISRA and DSRA accounts.
(iv) Pledge over 51% of the share capital of specified SPVs

(D) Secured Listed non-convertible debentures referred above to the extent of:

(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust
(iii) First pari-passu charge on the ISRA and DSRA accounts.
(iv) Pledge over 51% of the share capital of specified SPVs

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INDIA GRID TRUST
Notes to Financial Statements for the year ended 31 March 2022
Note 15: Trade payables (carried at amortised cost)

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	55.87	-
	55.87	-
Trade payables		
- to related parties (refer note 27)	0.07	-
- to others	55.80	-
Total	55.87	-

Trade payable Ageing schedule as at 31 March 2022

	Unbilled	Not due	Outstanding for following periods from the due date of payment		
			Less than 1 year	1-2 years	2-3 years
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	34.08	-	21.79	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

Trade payable Ageing schedule as at 31 March 2021

	Unbilled	Not due	Outstanding for following periods from the due date of payment		
			Less than 1 year	1-2 years	2-3 years
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

Trade payables are not-interest bearing and are normally settled on 30-90 days terms.
For explanation on the Company's risk management policies, refer note 31.

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INDIA GRID TRUST
Notes to Financial Statements for the year ended 31 March 2022

Note 19: Revenue from operations

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Interest income on loans given to subsidiaries (refer note 27)	19,558.18	11,863.88
Finance income on non-convertible debentures issued by subsidiary on EIR basis	467.21	624.43
Total	20,025.39	12,488.31

Note 20: Other income

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Processing fees on loan given to subsidiary (refer note 27)	18.85	-
Other income	0.18	
Total	19.03	-

Note 21: Other expenses

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Investment management fees (refer note 27)	6.53	2.14
Rent	-	0.37
Rates and taxes	7.91	7.45
Insurance expenses	0.98	0.27
Vehicle hire charges	-	0.06
Interest on TDS	-	3.15
Earn out expenses *	-	796.62
Advertisement expenses		-
Miscellaneous expenses	6.37	17.88
Total	21.79	827.94

*Earn out expense of Nil (31st March 2021: INR 796.62 million) paid to Sterlite Power Grid Ventures (now merged with Sterlite Power Transmission Limited) on account of amounts received by the Trust due to change in law orders received by its subsidiary entities. Such amounts are passed on to the selling shareholder as per the terms of the respective agreements with them.

Note 22: Depreciation expense

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Depreciation of property plant and equipment (refer note 3.1)	0.37	-
Amortisation of intangible assets (refer note 3.2)	1.38	-
Total	1.75	-

Note 23: Finance Cost

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Financial liabilities measured at amortised cost	9,429.84	4,345.42
Other bank and finance charges	2.99	1.55
Total	9,432.83	4,346.97

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INDIA GRID TRUST
Notes to Financial Statements for the year ended 31 March 2022

Assets for which fair values are disclosed:

Investment in subsidiaries (including loan to subsidiaries)	31 March 2022	-	-	2,00,167.00
	31 March 2021	-	-	1,84,778.16

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

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INDIA GRID TRUST
Notes to Financial Statements for the year ended 31 March 2022

Ooi Yi Jun (till 19 February 2021)
Velasco Azonos Cecilio Francisco (till 26 January 2022)

Relative of directors mentioned above:

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

Firm in which director of sponsor is partner:

Cyril Amarchand Mangaldas (till 02 February 2021)

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8. Consideration for equity shares of Indigrid 2 Limited on account of events mentioned in SPA			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/Entity with significant influence	18.53	-
9. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA			
Sterlite Power Grid Ventures Limited* Sterlite Power Transmission Limited	Sponsor and Project Manager/Entity with significant influence	(4.46)	-

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India Grid Trust

INDIA GRID TRUST
Notes to Financial Statements for the year ended 31 March 2022

Details in respect of related party transactions involving acquisition of InvIT assets as required by Para 4.4(b)(iv) of Section A of Annexure A to SEBI Circular dated 20 October 2016 are as follows:

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

For the year ended 31 March 2021:
(A) Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations):

(Rs in million)

Particulars	NER	GPTL
Enterprise value	51,175	11,538
Method of valuation	Discounted Cash Flow	
Discounting rate (WACC)	7.40%	7.96%

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

Acquisition of Gurgaon Palwal Transmission Limited (GPTL):
Pursuant to the share purchase agreements dated August 23, 2020 ("SPA") executed among Sterlite Power Grid Ventures Limited*, Sterlite Grid 4 Limited, Axis Trustee Services Limited, Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) and Gurgaon Palwal Transmission Limited ('GPTL') for acquisition of equity stake in GPTL, Indigrid has acquired 49% of paid up equity capital of GPTL with effect from August 28, 2020.

Under the Agreements, the Trust has the following rights:
a. Right to nominate the majority of the directors on the Board of Directors of GPTL.
b. The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of GPTL in a manner favourable for the interests of IndiaGrid Trust.
c. Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of GPTL at a later date (on expiry of the respective mandatory shareholding period).
d. Pledge on the remaining 51% equity stake in GPTL, of which 2% is pledged to lenders of GPTL.
e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in GPTL.

The acquisition of equity shares of GPTL was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of NER II Transmission Limited (NER):
Pursuant to the share purchase agreements dated 05 March 2021 ("SPA") executed among Sterlite Power Transmission Limited, Sterlite Grid 4 Limited, Axis Trustee Services Limited, Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) and NER II Transmission Limited ('NER') for acquisition of equity stake in NER, Indigrid has acquired 49% of paid up equity capital of NER with effect from 25 March 2021. As of 31 March 2021, the Trust has paid additional consideration equivalent to 25% of the total consideration which would be adjusted towards payable for acquisition of 25% of equity stake.

Under the Agreements, the Trust has the following rights:
a. Right to nominate the majority of the directors on the Board of Directors of NER.
b. The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of NER in a manner favourable for the interests of IndiaGrid Trust.
c. Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of NER at a later date (on expiry of the respective mandatory shareholding period).
d. Pledge on the remaining 51% equity stake in NER.
e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in NER.

The acquisition of equity shares of NER was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Note 28: Capital and other Commitments

(a) The Trust has entered into a Framework agreement on 30 April 2019 with Sterlite Grid Ventures Limited ('SPGVL')* for acquisition of Khargone Transmission Limited ('KTL').

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') w.e.f 15 November 2020

Note 29: Contingent liability
The Trust has no contingent liability to be reported.

Note 30: Segment reporting

The Trust's activities comprise of owning and investing in transmission and solar SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments" this activity falls within a single operating segment and accordingly the disclosures of Ind AS - 108 have not separately been given.

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requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

INDIA GRID TRUST
Notes to Financial Statements for the year ended 31 March 2022

Note 33: Subsequent event

On 20 May 2022, the Board of directors of the Investment Manager approved a distribution of Rs. 3.1875 per unit for the period 1 January 2022 to 31 March 2022 to be paid on or before 15 days from the date of declaration.

Note 34: Impact of COVID-19

The ongoing spread of COVID-19 has impacted business in various countries including India and there have been disruptions to regular business operations due to COVID response measures undertaken in certain geographies. The management has assessed impact on business and financial risks on account of COVID-19 on the financial statements of the Trust. Considering that the subsidiaries of the Trust are engaged in the business of transmission of electricity which is considered as an "Essential Service", the management believes that the impact of COVID-19 is not significant. The management does not see any risks in the Trust's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Further, the management will continue to monitor and assess impact of economic conditions arising due to COVID-19. The impact of COVID-19 may differ from that expected at the date of approval of the financial statements.

Note 35: Other information

(i) The Trust does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Trust does not have any transactions with Companies struck off.
(iii) The Trust have not traded or invested in Cryptocurrency or Virtual Currency during the financial year.
(iv) The Trust does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

HSGinwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 20 May 2022

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Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 20 May 2022

Swapnil Patil
Company Secretary
Membership Number : 24861
Place : Mumbai
Date : 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Mumbai
Date : 20 May 2022

India Grid Trust

S R B C & CO LLP
Chartered Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of India Grid Trust

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of India Grid Trust (hereinafter referred to as "the InvIT") and its subsidiaries (the InvIT and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Changes in Unit Holder's Equity, the consolidated Statement of Cash Flow for the year then ended, the consolidated Statement of Net Assets at fair value as at March 31, 2022, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows ('NDCFs') of the InvIT, the underlying Holding Companies ("HoldCos") and each of its subsidiaries for the year then ended, and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "the consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Applicability of Appendix D of Ind AS 115 'Service Concession Arrangement *(as described in Note 28 of the consolidated financial statements)*	
The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25/35 years. Generally, the subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff-based bidding process to Build, Own, Operate and Maintain ("BOOM")/ Build, Own and Operate ("BOO)" the transmission infrastructure for a period of 25/35 years or have entered into Power Purchase Agreements ("PPA") with Solar Energy Corporation of India ("SECI"), a limited liability company owned 100% by the Government of India, for development of solar power project, generation and sale of solar power with a contractual period of 25 years at a fixed tariff. The Management of Investment Manager ("the management") is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee or solar power developer to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license or power purchase agreement as well as at the end of the license period or expiry date of power purchase agreement. In the view of management, generally the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission/solar	Our audit procedures included, among others, the following: • We obtained and read the TSAs/ PPAs to understand roles and responsibilities of the grantor. • We read and evaluated the TSAs/ PPAs to understand whether the grantor controls significant residual interest in the infrastructure at the end of the term of the arrangement through ownership, beneficial ownership or otherwise. • We discussed with the management regarding the extent of grantor's involvement in the transmission/ solar assets and grantor's intention not to control the significant residual interest through ownership, beneficial entitlement or otherwise. • We assessed the positions taken by other entities in India with similar projects/TSAs/ PPAs as to the extent of involvement of the grantor and the consequent evaluation of the applicability of Appendix D for such entities and confirmed our understanding. • We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements.

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Key audit matters	How our audit addressed the key audit matter
infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D is not applicable to the Group. Considering the judgement involved in determining the grantor's involvement and whether the grantor controls, through ownership, beneficial entitlement or otherwise, and any significant residual interest in the transmission/solar infrastructure at the end of the term of the arrangement, this is considered as a key audit matter.	
Key judgements and estimates used in the application of Appendix D of Ind AS 115 'Service Concession Arrangement' a subsidiary of the Group - Jhajjar KT Transco Private Limited (JKTPL) *(as described in Note 28 of the consolidated financial statements)*	
JKTPL acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years issued by Haryana Electricity Regulation Commission. JKTPL has entered into TSA with Haryana Vidyut Prasaran Nigam Limited through a tariff-based bidding process to Design, Build, Finance, Operate and Transfer ("DBFOT") the transmission infrastructure for a period of 25 years. The Group constructs transmission infrastructure and operates and maintains such infrastructure for a specified period of time. The infrastructure constructed by the Group is not recorded as property, plant and equipment of the Group because the TSA does not transfer to the concessionaire the right to control the use of public services infrastructure. The group only has the right to operate the infrastructure for the provision of public services on behalf of the grantor, as provided in the contract. Thus, under the terms of the TSA, the Group only acts as a service provider. Hence this arrangement is accounted for under Appendix D to Ind AS 115 – Service Concession Arrangements. The Group has classified the concession arrangements under financial asset model since the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the services. Accordingly, the above matter was	Our audit procedures included, among others, the following: • We evaluated terms of the TSA to understand roles and responsibilities of the grantor. • We tested, on sample basis, the base data and supporting documents for basis of key assumptions and estimates used by the management. • We read and evaluated the TSA to understand whether the grantor controls significant residual interest in the infrastructure at the end of the term of the arrangement through ownership, beneficial ownership or otherwise. • We evaluated the management's assessment process for applicability of Appendix D of Ind AS 115 for transmission projects based on the terms of the agreement and tested the judgements/ estimates relating to future cash flows over the concession period, and discounting rate used to discount expected cash flows. • We tested the arithmetical accuracy of the valuation models. • We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>determined to be a key audit matter in our audit of the consolidated financial statements.</td><td></td></tr>
<tr><td colspan="2"><u>Impairment of property, plant and equipment and service concession arrangements</u>
(as described in Note 3 and 28 of the consolidated financial statements)</td></tr>
<tr><td>The Group owns and operates various power transmission and generation assets. The carrying value of the power transmission and generation assets as at March 31, 2022, included under property, plant and equipment and service concession arrangements is INR 170,830.81 million.

In accordance with Ind AS 36 and Ind AS 109, at each reporting period end, management assesses the existence of impairment indicators of property, plant and equipment and service concession arrangements. In case of existence of impairment indicators, property, plant and equipment and service concession arrangements balances are subjected to impairment test.

The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license or solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.

Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</td><td>Our audit procedures included, among others, the following:

• We obtained an understanding of the Group's process on assessment of impairment of property, plant and equipment and service concession arrangements and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls.

• We obtained and read the valuation report of the Group's independent valuation expert, and assessed the expert's competence, capability and objectivity.

• We evaluated the independent valuation expert's methodology, assumptions and estimates used in the calculations.

• We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders.

• We tested completeness, arithmetical accuracy and validity of the data used in the calculations.

• In performing the above procedures, we involved valuation specialists to perform an independent review of methodology and key assumptions used in the valuation.

• We read and assessed the disclosures included in the notes to the consolidated financial statements</td></tr>
<tr><td colspan="2"><u>Classification of unit holders' funds as equity</u> (as described in Note 28 of the consolidated financial statements)</td></tr>
<tr><td>The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the InvIT to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have</td><td>Our audit procedures included, among others the following:

• We obtained and read the requirements for classification of financial liability and equity under Ind AS 32 and evaluated the provisions of SEBI Circulars for classification/presentation of</td></tr>
</table>

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Key audit matters	How our audit addressed the key audit matter
been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circulars") issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements. Considering the judgment required for classification of unit holders' funds as equity, this is considered as a key audit matter.	unit holders' funds in the financial statements of an Infrastructure Investment Trust. • We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant requirements of InvIT regulations.
<u>Acquisition of Transmission/ Solar Special Purpose Vehicles ("SPVs") classified as asset acquisitions</u> *(as described in Note 28 of the consolidated financial statements)*	
The Group acquires operational transmission/ solar SPVs from the Sponsor or from third parties. The purchase consideration primarily pertains to the fair value of the transmission assets/ solar assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements/ Power Purchase Agreements (TSAs/PPAs) for 25/35 years. The only key activity for these SPVs is the maintenance of the transmission assets/ solar assets which is outsourced to third parties. Generally, there are no employees in these entities and no other significant processes are performed for earning tariff revenues in any of the SPVs except in case of Parbati Koldam Transmission Company Limited, Indigrid Solar-I (AP) Private Limited (ISPL1) and Indigrid Solar-I (AP) Private Limited (ISPL2) wherein there are few employees. Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS, including evaluation under the optional concentration test, and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other	Our audit procedures included, among others, the following: • We read the relevant guidance under Ind AS on determining if the acquired SPV constitutes a business. • We assessed the activities of the transmission/ solar SPVs. • We read and assessed the Group's accounting policy for recognition and classification on the acquisition of transmission/ solar SPVs. • We discussed with the management the key assumption underlying the Group's assessment and tested the underlying data used for classification made by the Group. • We read and assessed the disclosures in the consolidated financial statements for compliance with the relevant accounting standards requirement.

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Key audit matters	How our audit addressed the key audit matter
jurisdictions, the management classified the acquisition of transmission/ solar SPVs as asset acquisition. Considering the management judgement involved in determining if the acquisition of transmission/ solar SPVs constitute business or asset, it is considered as a key audit matter.	
Disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations *(as described in Note 28 of the consolidated financial statements)*	
The Group is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the the Group. For the purpose of the above, fair value is determined by forecasting and discounting future cash flows. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license, debt equity ratio, cost of debt, cost of equity, residual value, etc. Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.	Our audit procedures included, among others the following: • We read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • We discussed with the Management and obtained an understating of the Group's policy on the assessment of fair value and the assumptions used by the management, including design and implementation of controls, validation of management review controls. • Obtained understating of the Group's process for preparation statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations and the assumption used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained and read the valuation report by the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • We evaluated independent valuation expert's methodology, assumptions and estimates used in the calculations. • We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs/ PPAs / tariff orders.

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Key audit matters	How our audit addressed the key audit matter
	• We tested completeness, arithmetical accuracy and validity of the data used in the calculations. • In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • We read and assessed the disclosures included in the notes to the consolidated financial statements.

Other Information

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

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Management of the Investment Manager ('the Management') is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash movements and the consolidated movement of the unit holder's funds for the year ended March 31, 2022, the consolidated net assets at fair value as at March 31, 2022, the consolidated total returns at fair value of the InvIT and the net distributable cash flows of the InvIT, the underlying HoldCos and each of its subsidiaries in accordance with the requirements of the InvIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and

S R B C & CO LLP * CHARTERED ACCOUNTANTS * are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Investment Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management and respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which

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have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the InvIT and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries whose financial statements include total assets of Rs. 6,152.37 million as at March 31, 2022, and total revenues of Rs 630.90 million and net cash outflows of Rs 238.80 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are in agreement with the books of account;

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(c) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent not inconsistent with InvIT Regulations.

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

HSGinwal

per Huzefa Ginwala
Partner
Membership Number: 111757
UDIN: 22111757AJIQMX6075
Place of Signature: Pune
Date: May 20, 2022

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INDIA GRID TRUST
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	1,67,882.05	1,63,898.29
Intangible assets	3.2	497.95	-
Capital work-in-progress	4	36.42	97.09
Financial Assets			
i. Other financial assets	7	3,289.66	2,856.18
Other non-current assets	8	639.81	333.31
		1,72,345.89	**1,67,184.87**
Current assets			
Financial assets			
i. Investments	5	1,451.73	-
ii. Trade receivables	9	3,898.15	2,976.55
iii. Cash and cash equivalents	10	11,873.37	26,066.29
iv. Bank Balances other than (iii) above	11	3,167.87	1,771.81
v. Loans	6	-	0.85
vi. Other financial assets	7	2,675.69	2,096.22
Other current assets	8	157.65	257.91
		23,224.46	**33,169.63**
Regulatory deferral account credit balances and related deferred tax balances	42	-	-
Total assets		**1,95,570.35**	**2,00,354.50**
EQUITY AND LIABILITIES			
Equity			
Unit capital	12	65,903.15	53,145.69
Other equity	13		
Retained earnings/ (Accumulated deficit)		(11,720.89)	(6,389.98)
Other reserves			
Self insurance reserve		-	68.13
Equity attributable to Non-controlling interests		796.58	1,681.02
Total unit holders' equity		**54,978.84**	**48,504.92**
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	1,11,311.50	1,36,032.57
ii. Leases	15	26.58	32.12
iii. Other financial liabilities	17	286.41	-
Employee Benefit Obligations	18	8.43	3.94
Deferred tax liabilities (net)	20	1,049.44	921.39
		1,12,682.36	**1,36,990.02**
Current liabilities			
Financial liabilities			
i. Borrowings	14	22,036.95	9,729.50
ii. Leases	15	15.04	13.75
iii. Trade payables	16		
a. Total outstanding dues of micro enterprises and small enterprises		9.85	23.25
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		477.24	202.08
iv. Other financial liabilities	17	5,067.05	4,600.46
Employee Benefit Obligations	18	23.33	12.37
Other current liabilities	19	280.49	278.15
		27,909.15	**14,859.56**
Total liabilities		**1,40,591.51**	**1,51,849.50**
Total equity and liabilities		**1,95,570.35**	**2,00,354.50**

Summary of significant accounting policies 2.2

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

As per our report of even date

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

HSGinwala

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 20 May 2022

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 20 May 2022

Swapnil Patil
Company Secretary
Membership Number : 24861
Place : Mumbai
Date : 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer
Place : Mumbai
Date : 20 May 2022

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India Grid Trust

INDIA GRID TRUST
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
INCOME			
Revenue from contracts with customers	21	22,221.83	16,769.19
Income from investment in mutual funds		193.62	129.91
Interest income on investment in fixed deposits		146.37	135.77
Other finance income		9.48	13.63
Other income		173.11	93.03
Total income (I)		**22,744.41**	**17,141.53**
EXPENSES			
Employee benefit expenses	23	288.35	140.78
Transmission infrastructure maintenance charges		441.51	300.79
Legal and professional fees		176.12	115.38
Annual listing fee		9.83	6.18
Rating fee		31.55	50.71
Valuation expenses		8.58	3.05
Trustee fee		4.63	3.18
Audit Fees			
- Statutory audit fees		13.98	11.22
- Tax audit fees		3.85	2.14
- Other services (including certification)		2.67	7.77
Other expenses	24	1,163.12	1,720.26
Depreciation and amortisation expense		6,654.86	4,304.85
Finance costs	25	10,501.48	6,864.95
(Reversal of impairment) /impairment of property, plant and equipment and service concession receivable		(54.97)	175.11
Total expenses (II)		**19,244.76**	**13,736.67**
Regulatory Deferral Income (refer note 12)		6.93	(15.51)
Profit before tax (I-II)		**3,492.72**	**3,420.37**
Tax expense			
Current tax		43.66	49.85
Deferred tax		10.97	24.92
Income tax for earlier years		5.34	1.51
Tax expense		**59.97**	**76.28**
Profit for the year		**3,432.75**	**3,344.09**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(0.80)	(3.62)
Other comprehensive income for the year		**(0.80)**	**(3.62)**
Total comprehensive income for the year		**3,433.55**	**3,347.71**
Profit for the year		**3,432.75**	**3,344.09**
Attributable to:			
Unit holders		3,484.12	3,337.09
Non-controlling interests		(51.37)	7.00
Other comprehensive income for the year		**(0.80)**	**(3.62)**
Attributable to:			
Unit holders		(0.46)	(2.68)
Non-controlling interests		(0.34)	(0.94)
Total comprehensive income for the year		**3,433.55**	**3,347.71**
Attributable to:			
Unit holders		3,484.58	3,339.76
Non-controlling interests		(51.03)	7.95
Earnings per unit			
Basic and diluted (in Rs.) (Computed on the basis of profit for the year)	27	5.03	5.72
Summary of significant accounting policies	22		

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

As per our report of even date

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

HSGinwal

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 20 May 2022

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 20 May 2022

Swapnil Patil
Company Secretary
Membership Number : 21861
Place : Mumbai
Date : 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer
Place : Mumbai
Date : 20 May 2022

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India Grid Trust

INDIA GRID TRUST
CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2022
(All amounts in Rs. million unless otherwise stated)

A. Unit capital	Nos. in million	Rs. in million
Balance as at 01 April 2020	503.49	53,145.69
Units issued during the year (refer note 12)	-	-
Issue expenses	-	-
Balance as at 31 March 2021	503.49	53,145.69
Units issued during the year (refer note 12)	116.70	12,836.49
Issue expenses (refer note 12)	-	(79.03)
Balance as at 31 March 2022	700.19	65,903.15

(Rs. in million)

B. Other equity	Attributable to unitholders			Non-controlling interest	Total other equity
	Other comprehensive income	Retained earnings/ Accumulated deficit	Self Insurance Reserve		
As at 01 April 2020	-	(2,659.44)	-	-	(2,659.44)
Add: Acquisition of subsidiary	-	-	58.07	1,673.07	1,731.14
Profit for the year	-	3,337.09	-	7.00	3,344.09
Other comprehensive income	2.68	-	-	0.94	3.62
Add/Less: Transferred to self insurance reserve/from retained earnings	-	(10.06)	10.06	-	-
Less: Distribution during the year (refer note below)	-	(7,060.17)	-	-	(7,060.17)
As at 31 March 2021	2.68	(6,392.58)	68.13	1,681.02	(4,640.75)
Profit for the year	-	3,484.12	-	(51.37)	3,432.75
Other comprehensive income	0.46	-	-	0.34	0.80
Less: Acquisition of subsidiary	-	-	-	(751.79)	(751.79)
Add/Less: Transferred from self insurance reserve/to retained earnings	-	50.44	(68.10)	17.69	-
Less: Dividend during the year	-	-	-	(99.31)	(99.31)
Less: Distribution during the year (refer note below)	-	(8,866.01)	-	-	(8,866.01)
As at 31 March 2022	3.14	(11,724.03)	-	796.58	(10,924.31)

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

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

As per our report of even date

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

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 20 May 2022

S R B C & CO LLP CHARTERED ACCOUNTANTS
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For and on behalf of the Board of Directors of
Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)(as Investment Manager of India Grid Trust)

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 20 May 2022

Swapnil Patil
Company Secretary
Membership Number : 24861
Place : Mumbai
Date : 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer

Place : Mumbai
Date : 20 May 2022

India Grid Trust

INDIA GRID TRUST
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022
(All amounts in Rs. million unless otherwise stated)

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
A. Cash flow generated from operating activities		
Net profit as per statement of profit and loss	3,433.55	3,347.71
Adjustment for taxation	59.97	76.28
Profit before tax	3,493.52	3,423.99
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation expenses	6,654.86	4,301.85
(Reversal)/ Impairment of investment in subsidiaries	(54.97)	175.11
Foreign exchange (gain)/ loss on borrowing	(126.93)	61.16
Finance cost	10,628.41	6,864.95
Income from investment in mutual funds	(193.62)	(129.91)
Interest income on investment in fixed deposits	(146.37)	(135.77)
Other finance income	(9.48)	(13.63)
Operating profit before working capital changes	**20,245.42**	**14,551.05**
Movements in working capital :		
- trade payables	161.11	(151.39)
- other current financial liabilities	120.88	862.04
- other current liabilities	15.92	(20.96)
- other non-current financial liabilities	286.65	-
- trade receivables	(668.26)	1,562.92
- other non-current financial asset	230.53	136.24
- other non-current asset	(140.25)	26.10
- other current financial asset	(301.31)	(407.88)
- other current assets	148.47	27.29
Changes in working capital	**448.74**	**2,034.36**
Cash generated from operations	**20,694.16**	**16,585.41**
Direct taxes paid (net of refunds)	112.42	210.35
Net cash flow generated from operating activities (A)	**20,806.58**	**16,795.76**
B. Cash flow (used in) investing activities		
Purchase of property plant & equipment (including capital work-in-progress and capital advances)	(11,050.09)	(54,955.51)
Purchase of service concession receivable of subsidiary	-	(3,128.27)
Purchase of equity shares/ NCD/CCD of subsidiaries	(165.99)	-
Acquisition of other assets (net of other liabilities)	(970.89)	(670.67)
Proceeds from sale property plant & equipment	0.03	-
Interest income on investment in fixed deposits	117.83	135.56
Income from investment in mutual funds	193.62	129.91
Interest on others	9.48	13.63
Investment in mutual funds	(1,451.73)	-
Investment in fixed deposits (net)	(1,850.63)	(496.51)
Net cash flow used in investing activities (B)	**(15,168.37)**	**(58,971.86)**
C. Cash flow (used in)/generated from financing activities		
Proceeds from issue of unit capital	12,836.49	-
Unit issue expense incurred	(79.03)	-
Proceeds of long term borrowings	51,600.00	54,530.79
Repayment of long term borrowings	(70,721.01)	(15,764.01)
Acquisition of borrowings	7,106.84	38,807.08
Acquisition of non controlling interest	(807.65)	-
Payment of upfront fees of long term borrowings	(272.57)	(266.53)
Finance costs	(10,530.72)	(6,095.42)
Payment of dividend to non controlling interest	(99.31)	-
Payment of distributions to unitholders	(8,864.21)	(7,057.93)
Net cash flow (used in)/generated from financing activities (C)	**(19,831.17)**	**64,153.98**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(14,192.96)**	**21,977.88**
Cash and cash equivalents as at beginning of year	26,066.29	4,088.41
Components of cash and cash equivalents as at year end	**11,873.33**	**26,066.29**

INDIA GRID TRUST
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022
(All amounts in Rs. million unless otherwise stated)

Components of cash and cash equivalents:	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Balances with banks:		
- On current accounts *	11,873.37	23,101.29
- Deposit with original maturity of less than 3 months #	-	2,965.00
Total cash and cash equivalents (refer note 10)	**11,873.37**	**26,066.29**

* Out of total amount, Rs. 11.38 million (31 March 2021: Rs. 9.35 million) pertains to unclaimed distribution to unitholders.
# Includes amount of Rs. Nil million (31 March 2021: Rs 2,044.20) is kept in Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

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India Grid Trust

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

Particulars	Long term borrowings (Including current maturities)
01 April 2021	**64,004.27**
Cash flow	
- Interest	(6,095.42)
- Proceeds/(repayments)	81,701.71
Foreign exchange loss on borrowing	113.10
Lease liability	45.87
Accrual	6,864.95
31 March 2021	**1,46,634.78**
Cash flow	
- Interest	(10,530.72)
- Proceeds/(repayments)	(13,129.81)
Foreign exchange loss on borrowing	(126.93)
Lease liability	41.62
Accrual	10,501.18
31 March 2022	**1,33,390.42**

Summary of significant accounting policies 2.2

As per our report of even date

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

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 20 May 2022

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 20 May 2022

Swapnil Patil
Company Secretary
Membership Number : 24861
Place : Mumbai
Date : 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer
Place : Mumbai
Date : 20 May 2022

S R B C & CO LLP CHARTERED ACCOUNTANTS

India Grid Trust

INDIA GRID TRUST
Consolidated Notes to Financial Statements for the year ended 31 March 2022
Disclosures Pursuant To SEBI Circulars
(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 issued under the InvIT Regulations)

A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT

(Rs. in million)

Particulars	31 March 2022		31 March 2021	
	Book value	Fair value	Book value	Fair value
A. Assets	1,95,570.35	2,32,813.33	2,00,354.50	2,37,186.21
B. Liabilities (at book value)	1,40,591.51	1,40,591.51	1,51,849.58	1,51,849.58
C. Net Assets (A-B)	54,978.85	92,221.82	48,504.92	85,336.63
D. Number of units	700.19	700.19	583.49	583.49
E. NAV (C/D)	78.52	131.71	83.13	146.25

Total assets after provision for impairment on investment in subsidiaries determined based on fair valuation. For the purpose of NAV Computation we have considered 100% of the fair valued assets and liabilities of PrKTCL and NER II (till 2020-2021) and the effect of non controlling interest of 26% of the fair valued assets and liabilities is not considered to arrive at the computed NAV.

Project wise breakup of fair value of assets as at 31 March 2022

(Rs. in million)

Project	31 March 2022	31 March 2021
Bhopal Dhule Transmission Company Limited	21,000.16	20,903.57
Jabalpur Transmission Company Limited	17,216.01	16,340.59
Maheshwaram Transmission Limited	6,007.60	5,984.30
RAPP Transmission Company Limited	4,524.97	4,295.13
Purulia & Kharagpur Transmission Company Limited	6,835.12	6,964.28
Patran Transmission Company Limited	2,693.67	2,622.19
NRSS XXIX Transmission Limited	47,854.07	49,275.13
Odisha Generation Phase-II Transmission Limited	14,906.52	15,108.55
East North Interconnection Company Limited	12,013.95	12,821.20
Gurgaon-Palwal Transmission Limited#	12,446.29	12,858.56
Jhajjar KT Transco Private Limited#	3,524.22	3,172.87
Parbati Koldam Transmission Company Limited#	9,792.81	10,226.37
NER II Transmission Limited#	53,738.42	67,695.29
IndiGrid Solar-I (AP) Private Limited(formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ^	4,080.18	-
IndiGrid Solar-II (AP) Private Limited(formerly FRV India Solar Park-II Private Limited) ^	4,090.17	-
Kallam Transmission Limited	243.38	-
Subtotal	**2,20,967.62**	**2,28,348.33**
Assets (in IndiGrid)	11,845.72	8,837.88
Total assets	**2,32,813.33**	**2,37,186.21**

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

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

B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Total comprehensive income (as per the statement of profit and loss)	3,433.55	3,347.71
Add/(Less): other changes in fair value (e.g., in property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	9,009.91	28,286.19
Total Return	**12,443.46**	**31,633.90**

Notes:

1. Fair value of assets as at 31 March 2022 and as at 31 March 2021 and other changes in fair value for the year then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.

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

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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

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

Notes :

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

ii. Does not include Earn - out expenses for quarter and year ended 31 March 2022 of Nil (quarter ended 31 December 2021 of Nil, quarter ended 31 March 2021 of Nil and year ended 31 March 2021 of Rs. 117.27 million).

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

(i) IndiGrid Limited (formerly known as Sterlite Grid 1 Limited) (Holdco)

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	**(960.78)**	**851.22**
Add: Depreciation, impairment and amortisation	25.16	(1,401.96)
Add/Less: Decrease/(increase) in working capital	(31.28)	50.50
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	537.24	638.24
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	-	(21.92)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	187.60	(157.16)
-unwinding of interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	**718.72**	**(972.29)**
Net Distributable Cash Flows (C) = (A+B)	**(242.06)**	**(121.07)**

India Grid Trust

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(157.55)	97.41
Add: Depreciation, impairment and amortisation	709.21	704.98
Add/Less: Decrease/(increase) in working capital	(79.66)	110.82
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	1,239.73	1,321.63
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(66.97)	(85.26)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	40.30
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	3.39	3.75
Loss on account of MTM of F/W & ECB	(116.66)	113.40
Non Cash Income - Reversal of Prepayment penalty	-	
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	(43.79)
Total Adjustments (B)	1,689.04	2,165.83
Net Distributable Cash Flows (C) = (A+B)	1,531.49	2,263.24

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

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(1,815.28)	329.75
Add: Depreciation, impairment and amortisation	410.58	(1,617.83)
Add/Less: Decrease/(increase) in working capital	(65.80)	131.83
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	2,856.80	2,729.80
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	26.91	(25.16)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	3,228.49	1,218.64
Net Distributable Cash Flows (C) = (A+B)	1,413.21	1,548.39

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

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(177.74)	(157.52)
Add: Depreciation, impairment and amortisation	121.75	121.77
Add/Less: Decrease/(increase) in working capital	(7.62)	18.09
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	589.97	581.70
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(0.02)	(1.64)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	704.08	719.92
Net Distributable Cash Flows (C) = (A+B)	526.34	562.40

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

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	20.22	10.80
Add: Depreciation, impairment and amortisation	85.93	85.65
Add/Less: Decrease/(increase) in working capital	1.80	39.98
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	318.60	334.02
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	0.07	(7.54)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at Interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	406.40	452.11
Net Distributable Cash Flows (C) = (A+B)	426.63	462.91

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

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	47.46	(22.74)
Add: Depreciation, impairment and amortisation	143.03	142.88
Add/Less: Decrease/(increase) in working capital	(18.24)	53.63
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	557.65	583.68
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(0.65)	(3.93)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	1.26	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	683.05	776.26
Net Distributable Cash Flows (C) = (A+B)	730.51	753.52

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

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(115.32)	(144.84)
Add: Depreciation, impairment and amortisation	159.75	180.98
Add/Less: Decrease/(increase) in working capital	(3.88)	14.04
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	249.67	258.78
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(6.13)	(7.00)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	399.41	446.80
Net Distributable Cash Flows (C) = (A+B)	284.09	301.96

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

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(viii) IndiGrid 1 Limited (formerly known as Sterlite Grid 2 Limited) (Holdco)

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(18.78)	(172.27)
Add: Depreciation, impairment and amortisation	-	-
Add/Less: Decrease/(increase) in working capital	(2.63)	19.10
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	4.75	171.54
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(0.35)	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	1.77	190.64
Net Distributable Cash Flows (C) = (A+B)	(17.01)	18.37

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

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	102.42	28.31
Add: Depreciation, impairment and amortisation	828.28	828.58
Add/Less: Decrease/(increase) in working capital	85.47	243.04
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	3,920.38	4,099.21
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(19.82)	(9.55)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		(12.70)
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	16.45	54.61
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	4,830.76	5,203.19
Net Distributable Cash Flows (C) = (A+B)	4,933.18	5,231.50

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

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(x) IndiGrid 2 Limited (formerly known as Sterlite Grid 3 Limited) (Holdco)

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(99.13)	(87.95)
Add: Depreciation, impairment and amortisation	-	-
Add/Less: Decrease/(increase) in working capital	0.30	36.39
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	91.22	89.55
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(0.15)	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees		-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	91.37	125.94
Net Distributable Cash Flows (C) = (A+B)	(7.76)	37.99

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(439.85)	(79.36)
Add: Depreciation, impairment and amortisation	398.84	381.40
Add/Less: Decrease/(increase) in working capital	(97.69)	193.14
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	1,559.59	905.67
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(8.67)	(4.37)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	12.19	1.25
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	(13.59)
Total Adjustments (B)	1,864.26	1,463.51
Net Distributable Cash Flows (C) = (A+B)	1,424.41	1,384.15

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

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

Description	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(466.85)	(105.97)
Add: Depreciation, impairment and amortisation	564.83	556.58
Add/Less: Decrease/(increase) in working capital	33.21	141.10
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	1,304.78	310.10
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(5.59)	(3.20)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	1,897.23	1,004.58
Net Distributable Cash Flows (C) = (A+B)	1,430.38	898.61

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

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

Description	Year ended 31 March 2022 (Audited)	20 August 2020* to 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(414.53)	(64.16)
Add: Depreciation, impairment and amortisation	358.42	210.11
Add/Less: Decrease/(increase) in working capital	(4.31)	120.94
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	1,437.73	252.70
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(70.25)	0.02
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		(1.10)
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	(37.60)	(21.60)
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	117.56
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	1,683.99	678.55
Net Distributable Cash Flows (C) = (A+B)	1,269.46	614.39

* Being the date of acquisition by IndiGrid.

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

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

Description	Year ended 31 March 2022 (Audited)	28 September 2020* to 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	10.23	(7.82)
Add: Depreciation, impairment and amortisation	0.18	-
Add/Less: Decrease/(increase) in working capital	145.23	46.19
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	246.67	150.59
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	0.80	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	(2.40)
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	(1.15)	2.01
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	391.73	196.39
Net Distributable Cash Flows (C) = (A+B)	401.96	188.57

* Being the date of acquisition by IndiGrid.

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

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

Description	Year ended 31 March 2022 (Audited)	08 January 2021* to 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	75.19	69.09
(pertaining to period post acquisition by IndiGrid)		
Add: Depreciation, impairment and amortisation	391.82	88.92
Add/Less: Decrease/(increase) in working capital	175.92	156.63
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	108.02	-
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(4.25)	(7.73)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	(13.06)
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	(7.59)	(1.87)
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	23.22	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(186.68)	(89.64)
Total Adjustments (B)	500.46	133.24
Net Distributable Cash Flows (C) = (A+B)	575.65	202.33

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

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

Description	Year ended 31 March 2022 (Audited)	25 March 2021* to 31 March 2021 (Audited)
Profit/(loss) after tax as per profit and loss account (A)	(1,258.63)	(46.47)
(pertaining to period post acquisition by IndiGrid)		
Add: Depreciation, impairment and amortisation	903.03	14.14
Add/Less: Decrease/(increase) in working capital	(471.21)	(62.13)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	4,100.04	58.13
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(0.00)	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	4,691.86	10.14
Net Distributable Cash Flows (C) = (A+B)	3,433.23	(36.33)

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

(xvii) IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) (ISPL1) (SPV)

Description	13 July 2021* to 31 March 2022 (Audited)	Year ended 31 March 2021
Profit/(loss) after tax as per profit and loss account (A)	(262.81)	-
(pertaining to period post acquisition by IndiGrid)		
Add: Depreciation, impairment and amortisation	122.69	-
Add/Less: Decrease/(increase) in working capital	21.13	-
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	403.20	-
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(1.76)	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	22.20	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	567.46	-
Net Distributable Cash Flows (C) = (A+B)	304.65	-

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

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(xviii) IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) (ISPL2) (SPV)

Description	13 July 2021* to 31 March 2022 (Audited)	Year ended 31 March 2021
Profit/(loss) after tax as per profit and loss account (A)	(242.16)	-
(pertaining to period post acquisition by IndiGrid)		
Add: Depreciation, impairment and amortisation	123.57	-
Add/Less: Decrease/(increase) in working capital	(2.73)	-
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	395.63	-
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT	-	-
Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(1.53)	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)		
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	21.58	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees		
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc.	-	-
(Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	536.52	-
Net Distributable Cash Flows (C) = (A+B)	294.36	-

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

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

Description	28 December 2021* to 31 March 2022 (Audited)	Year ended 31 March 2021
Profit/(loss) after tax as per profit and loss account (A)	-	-
(pertaining to period post acquisition by IndiGrid)		
Add: Depreciation, impairment and amortisation	-	-
Add/Less: Decrease/(increase) in working capital	-	-
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	-	-
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees		
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc.	-	-
(Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
Total Adjustments (B)	-	-
Net Distributable Cash Flows (C) = (A+B)	-	-

* Being the date of acquisition by IndiGrid.

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India Grid Trust
Notes to Consolidated Financial Statements for the year ended 31 March 2022

1. Group information

The consolidated financial statements comprise financial statements of India Grid Trust ("the Trust" or "IndiGrid") and its subsidiaries (collectively, the Group) for the year ended March 31, 2022. IndiGrid is an irrevocable trust settled by Sterlite Power Grid Ventures Limited (the "Sponsor") on October 21, 2016 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on November 28, 2016 having registration number IN/InvIT/16-17/0005. The Trustee of IndiGrid is Axis Trustee Services Limited (the "Trustee"). The Investment manager for IndiGrid is Indigrid Investment Managers Limited (the "Investment Manager" or the "Management").

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

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

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

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

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

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

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

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

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

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

2. Significant Accounting Policies

2.1 Basis of preparation

The consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the

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Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2022 and the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('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.

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., year ended on 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 recognized in the consolidated financial statements at the acquisition date.

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(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 recognized 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:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Acquisition of Transmission and Solar SPVs classified as asset acquisitions

The Group acquires operational transmission and Solar Project SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission and Solar assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years and fixed tariff rate per unit under power purchase agreement ('PPA') for 25 years. The only key activity for these SPVs is the maintenance of the transmission assets and project assets which is outsourced to third parties and partially done in house. There are few employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle

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

The Group classifies all other liabilities as non-current.

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

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

c) Foreign currencies

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

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

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

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

d) Fair value measurement

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

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

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

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

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

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

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

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

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

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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 in the values of assets and liabilities which are required to be re-measured or reassessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

e) Revenue from contracts with customers

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

Power transmission services

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

Solar Business – Electricity generation

Revenue from contracts with customers comprises of revenue arrangement is based on long term PPA with its customer SECI. As per the PPA, the Group's performance obligation is to supply solar power at a rate specified in the PPA. Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer. Estimates used in the revenue recognition as mentioned above are re-assessed periodically and are adjusted if required.

Regulatory Assets and revenue:

The group determines revenue gap for the period (i.e shortfall in actual returns over assured returns) based on the principles laid down under the CERC regulations and tariff orders issued by CERC. In respect of such revenue gaps, appropriate adjustments, have been made for the respective periods on a conservative basis in accordance with accounting policies and the requirement of Ind AS 114, "regulatory deferral accounts" read with guidance note on rate regulated activities issued by Institute of Chartered Accountants of India. ("ICAI")

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Service Concession Arrangements:

The group through one of its subsidiaries also has operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor.

Under Appendix D to Ind AS 115, this arrangement is considered as Service Concession Arrangement and in accordance with para 16 of the Appendix D to Ind AS 115, rights to receive the consideration from the grantor for providing services has been recognised as "financial assets".

Finance Income for Service Concession Arrangements under finance assets model is recognised using effective interest rate method. Revenue from operations and maintenance services are separately recognised in each period as and when services are rendered.

Contract balances

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been billed to the customers are disclosed as Trade receivables and amounts which are to be billed to the customers (and not conditional on the group's future performance) are disclosed under Other financial assets. Refer accounting policies for financial assets in Financial instruments – initial recognition and subsequent measurement.

f) Interest income/Dividend income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

g) Taxation

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

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/value added/goods and service taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added/goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

h) Property, plant and equipment

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

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

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

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

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Asset Category	Useful Life considered	Useful life (Schedule II#)
Furniture and Fittings	5-7.5	10
Office equipment's	4-5	3
Motor Vehicles	8	8
Roads	10	10

Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies.
*Leasehold improvements are depreciated over the useful life of the asset or the lease period, whichever is lower

The Group, based on technical assessments made by technical experts and management estimates, depreciates buildings (substation) and certain items of plant and equipment, data processing equipment, furniture and fittings, office equipment and vehicles over estimated useful lives which are different from the useful lives prescribed in Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.
Intangible assets are amortised over their estimated useful life on a straight-line basis. Software is amortised over the estimated useful life ranging from 5-10 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.
The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less

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any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Premises 5 years

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 32).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as lessor

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

l) Impairment of non-financial assets

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

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the

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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.

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Financial instruments

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

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

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

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

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

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

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

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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.

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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.

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 reclassification of a financial asset out of the fair value through profit or loss.

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

Reclassification of financial assets

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

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

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

Offsetting of financial instruments

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

o) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Since the Group does not meet the strict criteria for hedge accounting, it has not applied hedge accounting in respect of its derivative contracts.

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p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

q) Cash distribution to unit holders

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

r) Earnings per unit

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unit holders of the Trust and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Changes in accounting policies and disclosures

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Trust.

(ii) Amendments to Ind AS 103 Business Combinations

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS This amendment had no impact on the standalone financial statements of the Trust.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Trust.

(iv) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting

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entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Trust.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Trust's standalone financial statements.

(v) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Trust. Trust intends to use the practical expedients in future periods if they become applicable.

(vi) (Conceptual framework for financial reporting under Ind AS issued by ICAI

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Trust.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Trust's standalone financial statements.

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Consolidated Notes to Financial Statements for the year ended 31 March 2022

Note 3.1: Property, plant and equipment (PPE)

Particulars	Freehold land	Lease hold land	Building - office (leasehold improvements)	Building - Substations	Substations	Transmission lines	Plant and machinery	Data processing equipments	Furniture and fitting	Office equipment	Vehicle	Solar Power Plant	Road	Right of use (refer note (a) below)	Total
Gross block															
As at 01 April 2020	121.57	89.86	0.59	119.83	16,250.75	97,553.84	6.10	3.25	2.44	4.51	4.24	-	5.57	53.67	1,14,216.22
Additions	-	-	1.35	-	102.09	2,466.20	0.12	7.84	0.52	1.18	-	-	-	-	2,579.31
Additions on account of acquisition (refer note 28)	651.88	-	-	102.68	14,243.50	42,499.56	0.62	0.06	5.81	7.36	-	-	-	-	57,511.47
Disposals	-	-	-	-	(57.84)	(3.48)	(0.26)	(0.01)	(0.13)	(0.02)	-	-	-	-	(61.74)
Adjustments for Present Value	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.34)	(1.34)
As at 31 March 2021	773.45	89.86	1.94	222.51	30,538.50	1,42,516.13	6.58	11.14	8.64	13.03	4.24	-	5.57	52.33	1,74,243.92
Additions	17.07	-	-	-	104.40	61.99	75.60	57.85	15.91	32.93	2.92	-	-		368.67
Additions on account of acquisition (refer note 28)	2.04	-	-	-	-	-	-	-	-	-	-	5,895.99	-	3.88	5,901.92
Disposals	-	-	-	-	-	-	(0.45)	-	(0.02)	(0.99)	(0.80)	-	-	-	(2.25)
Adjustments on account of acquisition	-	-	-	-	-	4,461.87	-	-	-	-	-	-	-	-	4,461.87
As at 31 March 2022	792.56	89.86	1.94	222.51	30,642.90	1,47,039.99	81.73	69.00	24.53	44.98	6.36	5,895.99	5.57	56.21	1,84,974.13
Depreciation															
As at 01 April 2020	-	9.95	0.07	17.18	1,174.27	4,838.14	2.46	1.23	1.11	2.28	0.65	-	3.05	2.67	6,053.06
Charge for the year	-	3.52	0.06	6.21	559.67	3,717.85	0.80	1.95	0.86	2.61	0.93	-	-	10.39	4,304.85
Disposals	-	-	-	-	(12.28)	-	-	-	-	-	-	-	-	-	(12.28)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	13.47	0.13	23.39	1,721.66	8,555.99	3.26	3.18	1.97	4.89	1.58	-	3.05	13.06	10,345.63
Charge for the year	-	3.51	0.01	12.48	1,014.16	5,302.30	0.84	7.53	2.86	7.46	1.21	263.32	-	10.64	6,626.31
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Impairment	-	-	-	-	-	120.14	-	-	-	-	-	-	-		120.14
As at 31 March 2022	-	16.98	0.14	35.87	2,735.82	13,978.44	4.10	10.70	4.83	12.35	2.79	263.32	3.05	23.70	17,092.08
Net Block															
As at 31 March 2021	773.45	76.39	1.81	199.12	28,816.84	1,33,960.13	3.32	7.97	6.67	8.14	2.66	-	2.52	39.27	1,63,898.29
As at 31 March 2022	792.56	72.88	1.80	186.64	27,907.08	1,33,061.56	77.63	58.29	19.70	32.63	3.57	5,632.67	2.52	32.51	1,67,882.05

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Note a): Right-of- use asset

The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The lease liability has been measured by using the incremental borrowing rate.
The Group has also taken leasehold land which has lease term of 25 years from the commercial operation date (COD) in relation to which the company is required to pay a fixed annual operating and maintenance expenses for using common infrastructure facilities. The lease liability has been measured by using the incremental borrowing rate.

Note 3.2: Intangible assets

Particulars	Computer software/License	Right-to-use common	Total
Gross block			
As at 01 April 2020	-	-	-
Additions	-	-	-
Acquisition of a subsidiary (restated)	-	-	-
As at 31 March 2021	-	-	-
Additions	93.07		93.07
Acquisition of a subsidiary (restated)	4.98	428.45	433.43
Discontinued operations	-	-	-
As at 31 March 2022	98.05	428.45	526.50
Amortisation and impairment			
As at 01 April 2020	-	-	-
Amortisation	-	-	-
As at 31 March 2021	-	-	-
Amortisation	14.50	14.05	28.55
Impairment	-	-	-
Discontinued operations	-	-	-
As at 31 March 2022	14.50	14.05	28.55
Net book value			
As at 31 March 2022	83.55	414.40	497.95
As at 31 March 2021	-	-	-

Note 4: Capital work-in-progress (CWIP)

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Opening balance	97.09	-
Additions	29.88	97.09
Capitalised	(90.55)	-
Total	36.42	97.09

CWIP Ageing Schedule as at 31 March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	36.42	-	-	-	36.42
Projects temporarily suspended	-	-	-	-	-
Total	36.42	-	-	-	36.42

CWIP Ageing Schedule as at 31 March 2021	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	97.09	-	-	-	97.09
Projects temporarily suspended	-	-	-	-	-
Total	97.09	-	-	-	97.09

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Consolidated Notes to Financial Statements for the year ended 31 March 2022

Note 5: Investments

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Current		
Investment in mutual funds (valued at fair value through profit or loss)		
Book and market value of quoted investments		
Axis Overnight Fund - Direct Growth (6,496.68 units @ Rs. 1,123.84 each)	7.30	-
SBI Liquid Fund - Direct Growth (40,632.11 units @ Rs. 3,333.09 each)	135.43	-
SBI Overnight Fund - Direct Growth (33,551.75 units @ 3,461.35 each)	144.78	-
HDFC Liquid Fund - Direct Plan-Growth Option (18,762.47 units @ 4,184.74 each)	78.51	-
Kotak Liquid Fund Direct Plan Growth (18,249.48 units @ 4,302.16 each)	78.53	-
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (51,909.77 units @ 5,208.03 each)	270.35	-
Axis Liquid Fund - Direct Growth (1,16,032 units @ 2,361.08 each)	274.31	-
Nippon India Overnight Fund - Direct Growth Plan (56,979.86 units @ 114.12 each)	6.50	-
UTI Liquid Cash Plan - Direct Plan - Growth (71,285.10 units @ 3,488.04 each)	248.65	-
Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan (5,76,593.20 units @ 343.12 each)	197.87	-
Aditya Birla Sun Life Overnight Fund -Growth-Direct Plan (8,267.23 units @ 1,149.69)	9.50	-
Total	**1,451.73**	**-**

Note 6: Loans (unsecured, considered good)

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Current		
Education loan to employees	-	0.85
Total	**-**	**0.85**

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

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non-Current		
Service Concession receivable (refer note 28)	2,787.29	3,178.09
Less : Provision for expected credit loss	(182.63)	(182.63)
Less : Provision for impairment (refer note 28)	-	(175.11)
	2,604.66	**2,820.35**
Viability Gap Funding (VGF) receivable$	143.62	-
Security deposits	61.38	10.40
Bank deposits for remaining maturity of more than 1 year# (refer note 11)	480.00	25.43
Total	**3,289.66**	**2,856.18**
Current		
Contract assets - unbilled revenue*	1,958.43	1,849.31
Service Concession Receivable	344.10	132.81
Viability Gap Funding (VGF) receivable$	222.50	-
Advances receivable in cash or kind	37.88	44.33
Interest accrued on deposits	93.34	64.80
Security deposits	0.23	-
Others	19.21	4.96
Total	**2,675.69**	**2,096.22**

* Unbilled revenue is the transmission charges and sale of solar power for the month of March 2022 amounting to Rs. 1,958.43 million (31 March 2021 : Rs. 1,849.31 million) billed in the month of April 2022.

$The Company was eligible to apply for the Viability Gap Funding (VGF) subject to the compliance of certain conditions of VGF Securitization Agreement, Letter of Intent and Power Purchase Agreement. During the year, the Company has, filed an application to the SECI requesting for VGF disbursement, confirming compliance with the terms and conditions attached to Grant, including creation of charge on 23 June 2021. In the opinion of the management, upon compliance with the terms and conditions, it is now reasonably certain that the VGF collection will ultimately be made and has accordingly, recorded the total grant receivable amounting to Rs. 445.00 million basis discounting to derive present value of Rs. 328.75 million, which is disclosed as receivable above and has recognised the income over the useful life on the depreciation asset in the proportions in which depreciation on related assets is charged from the commissioning date.

Note 8: Other assets (unsecured, considered good)

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non-Current		
Capital advances (unsecured, considered good)	268.04	60.98
Less: Provision for doubtful advances	(10.83)	(10.83)
	257.21	**50.15**
Advance income tax, including TDS (net of provisions)	99.96	144.30
Deposits paid under dispute (refer note 33)	151.67	138.81
Deferred income on security deposit	75.90	-
Others	55.07	0.05
Total	**639.81**	**333.31**
Current		
Prepaid expenses	107.67	143.82
Balance with statutory authorities	24.02	89.15
Deferred income on security deposit	3.63	-
Advance gratuity fund	6.87	5.16
Others	15.46	19.78
Total	**157.65**	**257.91**

Note 9: Trade receivables

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Trade receivables	3,904.23	2,972.70
Receivables from related parties (refer note 30)	-	3.85
Less: Allowance for doubtful debts	(6.08)	-
Total	**3,898.15**	**2,976.55**
Current portion	3,898.15	2,976.55
Non-current portion	-	-
Break-up of security details:		
Trade receivables		
-Unsecured, considered good	3,898.15	2,976.55
-Trade receivables which have significant increase in credit risk	-	-
-Trade receivables - credit impaired	6.08	-
	3,904.23	**2,976.55**
Impairment allowance (allowance for bad and doubtful debts)		
-Unsecured, considered good	-	-
-Trade receivables which have significant increase in credit risk	-	-
-Trade receivables - credit impaired	(6.08)	-
	(6.08)	**-**
Total Trade receivables	**3,898.15**	**2,976.55**

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Ageing schedule as at 31 March 2022	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	2,912.57	-	-	-	-	2,912.57
Undisputed Trade Receivables - which have significant increase in credit risk	2.95	17.44	131.68	122.90	-	274.97
Undisputed Trade receivable - credit impaired	-	-	-	-	6.08	6.08
Disputed Trade Receivables - considered good	-	-	-	710.61	-	710.61

Ageing schedule as at 31 March 2021	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,899.09	79.11	135.53	3.91	-	2,117.64
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	124.44	-	734.47	-	-	858.91

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables includes Rs. 710.61 million (March 31, 2021 - Rs 734.47 million) billed on NTPC for the period from the readiness of the Transmission Lines to the date of actual Power Flow. As per the order issued by the CERC, tariff for this is period was to be paid by NTPC. NTPC has filed appeal with the Appellate Tribunal of Electricity against the order of the CERC. NTPC has also filed an stay application against the bill raised by the Company. APTEL has admitted the stay application and asked no coercieve action should be taken place till the hearing of the said application. The said Interim Application is listed for hearing on August 2,2022
Further, the company has provided amount payable to beneficiaries corresponding to the above recoverable amount and according to the prevailing practice the amount shall be paid as and when the same is realised from NTPC. Interest recoverable/payable on these amounts shall be accounted for on actuality in view of uncertainty involved.

Trade receivables are non-interest bearing and are generally on terms of 60 days.

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

Note 10: Cash and cash equivalents

	31 March 2022 (Rs. In million)	31 March 2021 (Rs. In million)
Balance with banks		
- in current accounts ^	11,873.37	23,101.29
Deposit with original maturity of less than 3 months #	-	2,965.00
Total	**11,873.37**	**26,066.29**

Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Trust and earn interest at the respective deposit rates.

^ Out of total amount, Rs. 11.38 million (31 March 2021: Rs. 9.35 million) pertains to unclaimed distribution to unitholders.

Includes amount of Rs. Nil million (31 March 2021: 2,566.70 million) is kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

Note 11: Other bank balances

	31 March 2022 (Rs. In million)	31 March 2021 (Rs. In million)
Current		
Bank deposits with original maturity of more than 12 months	2,413.43	25.43
Amount disclosed under head "other non current financial asset" (refer note 7)	(480.00)	(25.43)
	1,933.43	-
Deposit with original maturity for more than 3 months but less than 12 months #	1,234.44	959.01
Deposit with original maturity for more than 12 months#	-	812.80
Total	**3,167.87**	**1,771.81**

Details of lien marked deposits:

1. Rs. 2,322.58 million (31 March 2021: Rs. 653.16 million) is kept in interest service reserve account ('ISRA')/debt service reserve account ('DSRA') as per borrowing agreements with lenders.
2. Rs. 49.58 million (31 March 2021: Rs. 291.10 million) held as lien by bank against bank guarantees.
3. Rs. Nil (31 March 2021: Rs. 55.00 million) earmarked against self insurance reserve.
4. Rs. 0.05 million (31 March 2021: Rs. 0.05 million) pledged with Sales Tax Department.

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Note 12: Unit Capital

A. Reconciliation of the units outstanding at the beginning and at the end of the reporting period

	Number of units (In million)	Amount (Rs. in million)
As at 01 April 2020	583.49	53,115.69
Units issued during the year (Refer note below)	-	-
Issue expenses (Refer note below)	-	-
Conversion of loan into equity shares^	-	-
As at 31 March 2021	**583.49**	**53,145.69**
Issued during the year (refer note below)	116.70	12,836.49
Issue expenses (refer note below)	-	(79.03)
Conversion of loan into equity shares^		
As at 31 March 2022	**700.19**	**65,903.15**

Note:
a) The Trust offered an issue of up to 116,695,404 units of India Grid Trust ("Indigrid" and such units, the "units"), for cash at a price of Rs. 110.00 per unit (the "issue price"), aggregating to Rs. 12,836.49 million to the eligible unitholders (as defined in the Letter of Offer) on a rights basis in the ratio of one lot for every five lots (each lot comprising 1,701 units) held by them on the record date, being 30 March 2021 (the "Issue") in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder, including the SEBI Rights Issue Guidelines (the "InvIT Regulations"). The issue opened on 06 April 2021 and closed on 13 April 2021, which was extended to 16 April 2021. The Allotment Committee of the Board of Directors of IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) ("Investment Manager"), considered and approved allotment of 116,695,404 rights units to the eligible unitholders of IndiGrid on 22 April 2021.

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

a. Terms/rights attached to units
The Trust has only one class of units. Each unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the InvIT Regulations. The Investment Manager approves distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays distribution in Indian rupees.

A unitholder has no equitable or proprietary interest in the projects of IndiGrid and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of IndiGrid. A unitholder's right is limited to the right to require due administration of IndiGrid in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

B. Unitholders holding more than 5 percent Units in the Trust

	31 March 2022		31 March 2021	
	(Nos. in million)	% holding	(Nos. in million)	% holding
Esoteric II Pte. Limited	165.90	23.69%	136.01	23.31%
Government of Singapore	140.18	20.02%	116.82	20.02%
Larsen And Toubro Limited	38.07	5.44%	36.68	6.29%
Sterlite Power Transmission Limited *	-	0.00%	2.01	0.35%

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef 15 November 2020.

d. The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further the Trust has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date.

Note 13: Other Equity

	31 March 2022 (Rs. In million)	31 March 2021 (Rs. In million)
Retained earnings/ (Accumulated deficit)		
Balance as per last financial statements	(6,389.90)	(2,659.44)
Add: Profit for the year attributable to unit holders	3,484.58	3,339.76
Less: Distribution paid to unitholders	(8,866.01)	(7,060.17)
Add: Transferred from self insurance reserve	50.44	-
Less: Transferred to self insurance reserve	-	(10.06)
Closing balance	**(11,720.89)**	**(6,389.90)**
Self Insurance Reserve		
Balance as per last financial statements	68.13	-
Add: Transferred from retained earnings	-	68.13
Less: Transferred to retained earnings	(50.42)	-
Less: Transferred to non controlling interest	(17.71)	
Closing balance	-	**68.13**

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Note 14: Borrowings

	Effective rate of interest	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non-current borrowings			
Debentures			
6.65% Category I & II Non convertible Debentures (refer note D below)	6.65%	0.01	-
6.75% Category III & IV Non convertible Debentures (refer note D below)	7.23%	100.79	-
7.45% Category I & II Non convertible Debentures (refer note D below)	7.70%	849.69	-
7.6% Category III & IV Non convertible Debentures (refer note D below)	7.91%	953.31	-
7.7% Category I & II Non convertible Debentures (refer note D below)	7.91%	991.61	-
7.9% Category III & IV Non convertible Debentures (refer note D below)	8.11%	403.95	-
7.49% Category I & II Non convertible Debentures (refer note D below)	7.49%	4.72	-
7.69% Category III & IV Non convertible Debentures (refer note D below)	7.93%	118.83	-
7.95% Category I & II Non convertible Debentures (refer note D below)	8.11%	124.88	-
8.2% Category III & IV Non convertible Debentures (refer note D below)	8.39%	5,913.14	-
7.72% Category I & II Non convertible Debentures (refer note D below)	7.72%	4.72	-
7.97% Category III & IV Non convertible Debentures (refer note D below)	8.15%	406.78	-
7.11% Non-convertible debentures (secured) (refer note A below)	7.11%	4,350.00	4,350.00
8.60% Non-convertible debentures (secured) (refer note A below)	8.60%	2,500.00	2,500.00
8.40% Non-convertible market linked debentures (secured) (refer note B below)	NA	-	1,702.19
9.00% Non-convertible market linked debentures (secured) (refer note B below)	NA	-	1,976.71
8.85% Non-convertible debentures (secured) (refer note A below)	9.53%	1,989.20	1,980.06
9.10% Non-convertible debentures (secured) (refer note A below)	9.51%	2,976.28	16,925.60
8.40% Non-convertible debentures (secured) (refer note A below)	8.30%	3,497.63	3,496.51
6.72% Non-convertible debentures (secured) (refer note A and (i) below)	6.81%	8,470.48	-
7.85% Non-convertible debentures (secured)	NA	-	6,560.00
6.52% Non-convertible debentures (secured) (refer note A and (i) below)	6.76%	1,488.66	
7.00% Non-convertible debentures (secured) (refer note A below)	7.05%	2,493.70	2,496.17
7.25% Non-convertible debentures (secured) (refer note A below)	7.38%	1,494.65	1,493.30
7.40% Non-convertible debentures (secured) (refer note A below)	7.61%	993.54	992.09
7.32% Non-convertible debentures (secured) (refer note ii below)	7.35%	3,991.06	-
8.50% Non-convertible debentures (secured) (refer note A below)	8.75%	3,982.52	3,974.08
7.25% Non-convertible debentures (secured) (refer note A and (i) below)	NA	-	26,498.93
		48,100.13	**74,945.64**
Term loans			
Indian rupee loan from banks (secured) (refer note D and (ii) below)	7.00%-8.85%	61,375.49	45,075.91
Indian rupee loan from financial institution (secured)	NA	-	13,991.34
Foreign currency loan from financial institution (secured)	7.02%	1,835.88	2,019.68
		63,211.37	**61,086.93**
Total non-current borrowings		**1,11,311.50**	**1,36,032.57**
Current borrowings			
Current maturities of long term borrowings			
7.85% Non-convertible debentures (secured)	7.85%	6,560.00	150.00
9.10% Non-convertible Debentures of Rs. 10,000.00 each	9.36%	13,993.83	-
8.10% Non-convertible debentures (secured) (refer note B below)	NA	-	998.83
Indian rupee loan from banks (secured) (refer note D and (ii) below)	7.00%-8.85%	1,232.50	8,252.28
Indian rupee loans from financial institution (secured)	NA	-	109.65
Foreign currency loan from financial institution (secured)	7.02%	250.62	218.74
Total current borrowings		**22,036.95**	**9,729.50**
The above amount includes :			
Secured borrowings		1,33,348.45	1,45,762.07
Unsecured borrowings		-	-
Total long term borrowings		**1,33,348.45**	**1,45,762.07**

(i) The above items represent new secured non-convertible debentures that have been issued by the Group during the year ended 31 March 2022.
(ii) During the year ended 31 March 2022 the Group has taken new Indian rupee loans from banks of Rs. 27,600 million (31 March 2021 - Rs 24,900 million).

(A) Secured Non-convertible debentures referred above to the extent of:
(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust /Holdcos to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust;
(iii) Pledge of the share capital of specified SPVs.

(B) Secured market linked non-convertible debentures referred above to the extent of:
(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust /Holdcos to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust;
(iii) Pledge of the share capital of specified SPVs.

During the year, the Trust has prepaid the market linked non-convertible debentures.

(C) Secured non-convertible debentures referred above to the extent of:
(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust
(iii) First pari-passu charge on the ISRA and DSRA accounts.
(iv) Pledge over 51% of the share capital of specified SPVs

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

(D) Secured Listed non-convertible debentures referred above to the extent of:
(i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
(ii) First pari-passu charge on Escrow account of the Trust
(iii) First pari-passu charge on the ISRA and DSRA accounts.
(iv) Pledge over 51% of the share capital of specified SPVs

(E) Term loan from banks:
The Indian rupee term loan from bank carries interest at the rate of 7.40% to 8.25% payable monthly. Loan amount installments shall be repayable as per the payment schedule over 5 and 15 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

Bhopal Dhule Transmission Company Limited

Non- Convertible Debentures:
Bhopal Dhule Transmission Company Limited ('BDTCL') had issued 7,350 Non Convertible Debentures ('NCDs') of 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 4 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:
(i) First and exclusive charge on all movable assets and immovable assets of issuers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, uncalled capital, right of way/land, civil structures, tower and cables, office buildings, present and future if any for the project.
(ii) First charge by way of:
a)Assignment/hypothecation or creation of security interest present and future of all rights, titles, interest, benefits, claims and demands whatsoever of BDTCL in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;
b) All rights, title, interest, benefits, claims and demands whatsoever of the company in the permits, approvals and clearances pertaining to the projects, in the letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document;
c) All insurances proceeds (debenture trustee to be the loss payee in the insurance policy).
(iii) A First charge on letter of credit, Escrow account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.
(iv)First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of BDTCL, present and future.
(v) Pledge of 51% of the equity share capital of the BDTCL.

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Term loans from bank and financial institutions:

Foreign currency loan from financial institution carries interest at the rate of 6m LIBOR + 2.10% to 3.00% spread. BDTCL has taken currency and interest rate swap to hedge 6m LIBOR to fixed rate. 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 17.70 million is being repaid in quarterly instalments till December 2026. The foreign currency loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of BDTCL in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of BDTCL into and under all clearances pertaining to the project (including transmission licence) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of BDTCL in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from India Grid Trust directly/indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of BDTCL.

Odisha Generation Phase-II Transmission Limited

Term loan from banks:
Odisha Generation Phase-II Transmission Limited had taken Indian rupee term loan from bank. The interest rate was aligned with the bank's 3 year MCLR plus five basis points. 73% of the total amount is repayable in 46 structured quarterly instalments in accordance with amortisation schedule balance 27% is repayable as a bullet repayment as a last instalment. The Loan together with interest, fees, commission and other monies payable to the bank were secured by:

(i) A first charge on all the borrower's tangible moveable assets and all other movable assets and current and non-current assets, both present and future.
(ii) A first charge over all the accounts of the borrower and receivables
(iii) A first charge on all intangible assets of The Borrower including but not limited to goodwill, rights and undertakings and intellectual property rights and uncalled capital, book debts, current assets, operating cash flows, commissions, revenues of whatsoever nature, both present and future.
(iv) A first charge on all immovable assets of the Borrower, present and future.
(v) Pledge of equity shares representing at least 5 1% of the equity share capital (if Axis bank is sole lender, shares pledged shall be restricted to 30% and balance 21% shall be under a non-disposal undertaking).

During the year, entire loan has been prepaid.

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Gurgaon-Palwal Transmission Limited

Term loan from banks:
Indian rupee term loan from bank and financial Institutions carried interest at the rate of 10.65% p.a to 12.25%. 60% of total loan amount was repayable in 46 structured quarterly instalments post one year moratorium period in accordance with amortisation schedule. Balance 40% of the total loan amount was repayable as a bullet repayment as a last instalment. The loan was secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans were also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans were also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

During the year, entire loan has been prepaid.

Parbati Koldam Transmission Company Limited

Term loan from banks and financial institutions:
Term Loans from Banks and Financial Institutions (principal undiscounted amount) were secured by:
a) First pari-passu charge by way of mortgage of all immovable properties acquired for the project, both present and future,
b) First pari-passu charge by way of hypothecation of all movable assets, including moveable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, present and future,
c) First pari-passu charge on all the cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future,
d) First pari-passu charge on all intangibles assets, present and future,
e) First pari-passu charge on guarantees, letter of credit, performance bond, indemnities etc.
f) Pledge of promoter's Equity (India Grid Trust) Interest representing at least 51% of the project Equity Capital,
g) First pari-passu charge on all Insurance Contracts and Insurance Proceeds.
j) The loan shall be repaid in 168 monthly instalment starting from October 30, 2016.

During the year, entire loan has been prepaid.

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NER II Transmission Limited

Term loan from banks:
Indian rupee term loan from banks and from financial institutions carried interest at the rate of 10.50%- 12.65% p.a payable monthly (linked to the Lead Lenders Benchmark Rate with Spread). Total loan amount was repayable in 47 structured quarterly instalments post 6 months moratorium period in accordance with amortisation schedule (tenure of 15 year). The loan was secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans were also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of the Company in to and under all clearances pertaining to the project (including transmission license) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from sponsor directly/ indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of the Company.

The below table shows the maturity profile of outstanding NCD and MLD of the Trust and its SPV's the principal of which is repayable in full at the time of maturity :

Rate of Interest	Repayment	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2028-2029	2031-2032
14,000 9.10% Non-convertible debentures of Rs. 10,00,000 each	03 June 2022	14,000.00	-	-	-	-	-	-
2,000 8.85% Non-convertible debentures of Rs. 10,00,000 each	02 November 2022	2,000.00	-	-	-	-	-	-
4,000 8.50% Non-convertible debentures of Rs. 10,00,000 each	01 March 2024	-	4,000.00	-	-	-	-	-
2,500 7.00% Non-convertible debentures of Rs. 10,00,000 each	28 June 2024	-	-	2,500.00	-	-	-	-
3000 9.10% Non-convertible debentures of Rs. 10,00,000 each	29 July 2024	-	-	3,000.00	-	-	-	-
1,500 7.25% Non-convertible debentures of Rs. 10,00,000 each	27 June 2025	-	-	-	1,500.00	-	-	-
1,000 7.40% Non-convertible debentures of Rs. 10,00,000 each	26 December 2025	-	-	-	1,000.00	-	-	-
2,500 8.60% Non-convertible debentures of Rs. 10,00,000 each	31 August 2028	-	-	-	-	-	2,500.00	-
4,350 7.11% Non-convertible debentures of Rs. 10,00,000 each	14 February 2029	-	-	-	-	-	4,350.00	-
3,500 8.40% Non-convertible debentures of Rs. 10,00,000 each	14 June 2023	-	3,500.00	-	-	-	-	-
4,000 7.32% Non-convertible debentures of Rs. 10,00,000 each	30 June 2031	-	-	-	-	-	-	4,000.00
8,500 6.72% Non-convertible debentures of Rs. 10,00,000 each	14 September 2026	-	-	-	-	8,500.00	-	-
4,000 6.52% Non-convertible debentures of Rs. 10,00,000 each partly paid	07 April 2025	-	-	-	1,500.00	-	-	-
7,350 7.85% Non-convertible debentures of Rs. 10,00,000 each	04 April 2022	6,560.00	-	-	-	-	-	-

Public NCD

Rate of Interest	Repayment	2024-2025	2026-2027	2028-2029	2031-2032
6.65% Category I & II Non-convertible debentures	06 May 2024	0.01	-	-	-
6.75% Category III & IV Non-convertible debentures	06 May 2024	101.82	-	-	-
7.45% Category I & II Non-convertible debentures	06 May 2026	-	859.85	-	-
7.60% Category III & IV Non-convertible debentures	06 May 2026	-	964.74	-	-
7.70% Category I & II Non-convertible debentures	06 May 2028	-	-	1,004.25	-
7.90% Category III & IV Non-convertible debentures	06 May 2028	-	-	409.09	-
7.49% Category I & II Non-convertible debentures	06 May 2028	-	-	4.72	-
7.69% Category III & IV Non-convertible debentures	06 May 2028	-	-	120.34	-
7.95% Category I & II Non-convertible debentures	06 May 2031	-	-	-	126.46
8.20% Category III & IV Non-convertible debentures	06 May 2031	-	-	-	5,991.84
7.72% Category I & II Non-convertible debentures	06 May 2031	-	-	-	4.72
7.97% Category III & IV Non-convertible debentures	06 May 2031	-	-	-	412.18

Financial covenants
Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, Net Debt to AUM, Net Debt to EBITDA etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower periodically. For the financial year ended 31 March 2022, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.
The Group has not defaulted on any loans payable.

Note 15: Leases

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non-Current		
Lease liabilities (refer note 36)	26.58	32.12
	26.58	32.12
Current		
Lease liabilities (refer note 36)	15.04	13.75
	15.04	13.75

Note 16: Trade payables

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 35)	9.05	23.25
- total outstanding dues of creditors other than micro enterprises and small enterprises	477.24	202.08
	486.29	225.33
Trade payables		
- to related parties (refer note 30)	102.35	102.44
- to others	383.94	122.89
Total	486.29	225.33

Ageing schedule as at 31 March 2022	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	8.18	-	-	0.87	9.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	296.93	129.24	27.30	23.77	-	-	477.24

Ageing schedule as at 31 March 2021	Not due	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	4.20	-	-	-	19.05	23.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	98.19	19.05	18.39	17.07	2.64	46.74	202.08

Trade payables are non-interest bearing and are normally settled on 30-90 days terms.
For explanation on the Company's risk management policies, refer note 29A

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Note 17: Other financial liabilities

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non-Current		
Deferred revenue grant	270.11	-
Others	16.30	-
Total	286.41	-
Current		
Derivative instruments		
Foreign exchange forward contracts	6.19	197.86
Cross currency interest rate swap	7.04	-
	13.23	197.86
Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	1,109.17	826.83
Payables for purchase of property, plant and equipment	917.33	616.22
Distribution payable	11.38	9.58
Payable towards project acquired# (refer note 30)	1,559.21	1,780.17
Deferred revenue grant	13.12	-
Employee payable	30.25	24.92
Tariff payable to beneficiaries@	1,406.45	782.37
Others*	6.91	362.51
	5,053.82	4,402.60
Total	5,067.05	4,600.46

* Other payables are non-interest bearing and have an average term of six months and includes amounts pertaining to provision for expenses.
For explanation on the Company's risk management policies, refer note 29A.
@Tariff payables to beneficiaries includes the Rs. 624.08 million on account of tariff truing up petition filed with CERC for tariff period 2014-19 and 2019-24. It also incudes Rs. 782.36 million payable to beneficiaries due to CERC order on determination of COD on certain elements of project.

Includes Rs. 1,483.89 million (31 March 2021: Rs. 1,752.08 million) is towards acquisition of equity shares of NRSS XXIX Transmission Limited, Odisha Generation Phase-II Transmission Limited, East-North Interconnection Company Limited, Gurgaon-Palwal Transmission Limited, Jhajjar KT Transco Private Limited, Parbati Koldam Transmission Company Limited, NER II Transmission Limited, IndiGrid Solar-I (AP) Private Limited(formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) pursuant to respective share purchase agreements.

Note 18: Employee Benefit Obligations

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Non current		
Provision for gratuity (refer note 39)	4.07	1.93
Provision for leave benefit	4.36	2.01
Total	8.43	3.94
Current		
Provision for gratuity (refer note 39)	0.47	0.03
Provision for leave benefit	0.50	1.05
Long term incentive plan (refer note 41)	22.36	11.29
Total	23.33	12.37

Note 19: Other current liabilities

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Current		
Withholding taxes (TDS) payable	23.27	61.80
Advance from customers	166.62	166.62
Statutory dues payables	-	4.06
WCT payable	0.38	-
Professional tax payable	0.04	-
GST payable	22.45	-
Provident fund payable	1.62	-
Others	66.11	45.67
Total	280.49	278.15

Note 20: Deferred tax liability (net)

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Deferred tax liability		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	14,995.31	11,800.80
Service concession recievable : Impact of difference between tax depreciation and effective rate of interest for financial reporting	600.76	631.72
Recoverable from beneficiaries	(649.63)	(656.57)
Gross deferred tax liability (A)	14,946.44	11,775.95
Deferred tax asset		
Financial assets	93.60	204.92
Other items	-	
Allowance for doubtful debts - trade receivables	-	
Tax Losses	13,803.40	10,443.77
Unabsorbed losses under income tax	-	197.05
Impact of effective interest rate on borrowings	-	8.82
Gross deferred tax asset (B)	13,897.00	10,854.56
Net deferred tax liability (A-B)	1,049.44	921.39

Reconciliation of deferred tax liability	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Opening deferred tax liability, net	921.39	602.06
Deferred tax liability (net of asset) acquired during the year	117.07	294.41
Deferred tax credit / (charge) recorded in statement of profit and loss	10.97	24.92
Deferred tax (credit) / charge recorded in OCI	-	-
Closing deferred tax liability, net	1,049.43	921.39

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
- Current tax	43.66	49.85
- Deferred tax	10.97	24.92
- Income tax for earlier years	5.34	1.51
Income tax expenses reported in the statement of profit and loss	59.97	76.28

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Accounting profit before income tax	3,492.72	3,420.37
At India's statutory income tax rate of 25.17% (31 March 2021: 25.17%)	879.12	860.84
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(830.12)	(784.56)
Impact on deferred tax due to change in tax rates (refer note above)	10.97	24.92
At the effective income tax rate	59.97	76.28
Income tax expense reported in the statement of profit and loss	59.97	76.28

1. As at 31 March 2022, based on the expected future profitability of the SPVs, the management has recognised deferred tax assets on the unabsorbed tax depreciation carried forward only to the extent of deferred tax liability.

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2. The Group has Rs. 13,923.31 million (31 March 2021: Rs. 7,131.07 million) of tax losses carried forward on which deferred tax asset has not been recognised. If the Group was able to recognise all unrecognised deferred tax assets, profit after tax would have increased and equity would have increased by Rs. 3,504.50 million (31 March 2021: Rs. 1,794.89 million).

Further, for the calculation of deferred tax assets/liabilities, the Group has not considered tax holiday available under the Income Tax Act for some of the project SPVs for the computation of deferred tax assets/liabilities. The management based on estimated cash flow workings for these project, believes that since there will be losses in the initial years of these project, no benefit under the Income tax Act would accrue to these projects in respect of the tax holiday. Management will re-assess this position at each balance sheet date.

Note 21: Revenue from contracts with customers

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Disaggregated revenue information		
Type of service		
Power transmission services	21,614.28	16,769.19
Revenue from sale of electricitiy (solar)	607.55	-
Total	22,221.83	16,769.19

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(A) Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs. The TSAs are executed for a period of 35 / 25 years and have fixed tariff charges as approved by CERC (except some escalable portion and some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group's performance obligation is to provide power transmission services. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. The payment is generally due within 60 days upon receipt of monthly invoice by the customer. The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCs are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount.

(B) Revenue from sale of solar power generated is recognised on accrual basis (net of deviations as per the Deviation Settlement Mechanism) on the basis of the billings as per the long term Power Purchase Agreement with Solar Energy Corporation of India (SECI) and includes unbilled revenues accrued upto the end of the accounting period.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

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Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Revenue as per contracted price	21,665.43	16,093.42
Adjustments:		
Incentives earned for higher asset availabilities	508.56	457.11
Surcharges received for late payments	159.02	271.68
Rebates given for early payments	(111.18)	(53.32)
Total revenue from contracts with customers	**22,221.83**	**16,769.19**

Project wise break up of revenue from contracts with Customers	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Bhopal Dhule Transmission Company Limited	2,717.86	3,081.25
Jabalpur Transmission Company Limited	1,546.12	1,510.60
Maheshwaram Transmission Limited	580.72	587.22
RAPP Transmission Company Limited	457.18	160.32
Purulia & Kharagpur Transmission Company Limited	773.37	758.88
Patran Transmission Company Limited	318.60	320.71
NRSS XXIX Transmission Limited	5,021.81	5,233.88
Odisha Generation Phase-II Transmission Limited	1,648.67	1,736.29
East North Interconnection Company Limited	1,494.32	1,472.73
Gurgaon-Palwal Transmission Limited#	1,194.28	908.86
Jhajjar KT Transco Private Limited#	292.47	191.40
Parbati Koldam Transmission Company Limited#	1,088.26	376.30
NER II Transmission Limited#	4,157.23	100.75
Kallam Transmission Limited*	-	-
IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) *	305.54	-
IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) *	325.37	-
Total revenue from contracts with customers	**22,221.83**	**16,769.19**

* In the current year, the Trust has acquired IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) with effect from 13 July 2021 and Kallam Transmission Limited with effect from 28 December 2021. Amounts stated above pertain to post acquisition revenue.

In the previous year, the Trust acquired Gurgaon-Palwal Transmission Limited with effect from 28 August 2020, Jhajjar KT Transco Private Limited with effect from 28 September 2020, Parbati Koldam Transmission Company Limited with effect from 08 January 2021 and NER II Transmission Limited with effect from 25 March 2021. Amounts stated above pertain to post acquisition revenue.

a. The Appellate Tribunal for Electricity ('ATE') vide its order dated 20 October 2020 provided its approval for claiming additional cost incurred by Bhopal Dhule Transmission Company Limited ('BDTCL') due to delay in actual commercial operation dates ('COD') as a change in law event. As per the terms of the Transmission Service Agreement (TSA), for an increase in the cost of the project, BDTCL is entitled to claim additional tariff from the COD. The additional cost has resulted in an increase in non-escalable tariff by approximately 2.99% from the date of COD. Accordingly, BDTCL has revised its monthly billing to the Power Grid Corporation of India Limited (PGCIL) (CTU) effective from October 2020 by 2.99% for additional tariff and the same is accounted as revenue from operations in the statement of profit and loss for the quarter ended 31 December 2020 and year ended 31 March 2021. Additional arrear revenue from the actual COD till 30 September 2020 amounting to Rs. 428.35 million was been received by BDTCL during the last quarter of the year and has been recognized as revenue from operations for the quarter / year.
BDTCL has also entered into a Project Implementation and Management Agreement between Axis Trustee Services Limited (as the Trustee of India Grid Trust), IndiGrid Investment Mangers Limited (as the Investment Manager of India Grid Trust) and Sterlite Power Grid Ventures Limited* as the Project Manager, as per which payment of 70% of the Net Present Value of additional tariff received by BDTCL has to be paid to SPGVL* by the Group.
* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

b. Jhajjar KT Transco Private Limited has entered into a transmission agreement with Haryana Vidyut Prasaran Nigam Limited (HVPNL) for obtaining exclusive right to construct, operate and maintain the transmission lines on design, build, finance, operate and transfer (DBFOT) basis for a specified period (concession period) commencing from the date of grant of the Transmission License and receive monthly determinable annuity payments. The agreement provides an option for extension of the concession period. Upon completion of concession period or on termination of agreement, transmission lines will vest with the grantor free and clear of all encumbrances. In terms of para 16 of Appendix D to IndAS 115, cost of construction of transmission lines has been recognized as a part of financial assets under the head service concession receivable. Annuity payments received under the agreement have been accounted as revenue from contracts with customers.

c. Parbati Koldam Transmission Company Limited during the period has proportionately recognized the Transmission Service Charges (TSC) for the period starting from 01 April 2020 till 31 March 2021 which is based on the final tariff order approved by the CERC and applicable as on 31 March 2019, since the tariff petition for the tariff period 2019 -2024 is yet to be filed by PrKTCL. Difference in the revenue recognised and the tariff approved for tariff period 2019-24 shall be recognised once the tariff petition is filed by PrKTCL and the same is approved by the CERC for the tariff period 2020-2024.

d. Initial License fees is recognised based on monthly license fees agreed between NER II Transmission Limited and licensee's for use of infrastructure assets.

Note 22: Other income

	31 March 2022 (Rs. In million)	31 March 2021 (Rs. In million)
Sale of scrap	28.86	-
Profit on sale of property, plant and equipment	0.19	-
Reimbursements received	43.55	82.88
Deferred income on VGF	13.12	-
Miscellaneous income	74.89	10.15
Total	**162.01**	**93.03**

Note 23: Employee Benefit Expenses

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Salaries, wages and bonus	238.13	113.30
Contribution to provident fund and superannuation fund	8.75	6.72
Employees long term incentive programme (refer note 33)	17.90	11.29
Gratuity expense (refer note 33)	2.71	2.69
Staff welfare expenses	20.86	6.78
Total	**288.35**	**140.78**

Note 24: Other expenses

	31 March 2022 (Rs. in million)	31 March 2021 (Rs. In million)
Project management fees (refer note 24)*	29.77	63.79
Investment management fees (refer note 24)#	434.12	330.71
Power and fuel	41.20	21.27
Rent	6.95	4.58
Rates and taxes	96.50	62.74
Insurance expenses	252.43	243.64
Vehicle hire charges	36.87	18.60
Loss on sale of assets	0.16	40.42
Director Sitting Fee	5.93	2.22
Security charges	46.05	22.16
Interest on TDS	-	3.15
Earn out expenses *	(0.35)	796.80
Bay Charges	53.18	-
Advertisement expenses	4.90	-
Foreign exchange fluctuation	-	-
Right of way charges	35.81	-
Corporate social responsibility	28.29	29.76
Miscellaneous expenses	91.31	80.42
Total	**1,163.12**	**1,720.26**

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@ Earn out expense of INR Nil million for year ended 31 March 2022 (31 March 2021: INR 796.80 million) paid to Sterlite Power Grid Ventures (now merged with Sterlite Power Transmission Limited) on account of amounts received by the Trust due to change in law orders received by its subsidiary entities. Such amounts are passed on to the selling shareholder as per the terms of the respective agreements with them.

* Pursuant to the Project Implementation and Management Agreement dated 10 November 2016 as amended, Project Manager is entitled to fees @ 10% of gross expenditure incurred by each SPV in relation to operation and maintenance costs, per annum. Consolidated Statement of Profit and Loss for the year ended 31 March 2022 includes amount of Rs. 29.77 million (31 March 2021: Rs 63.79 million) towards Project Manager fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

Pursuant to the Investment Management Agreement dated 10 November 2016 as amended, Investment Manager is entitled to fees @ 1.75% of difference between revenue from operations and operating expenses (other than fees of the Investment Manager) of each SPV, per annum. For this purpose, operating expenses would not include depreciation, finance costs and income tax expense. Consolidated statement of Profit and Loss for the year ended 31 March 2022 includes amount of Rs. 434.12 million (31 March 2021: Rs. 330.71 million) towards Investment Manager Fees. There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

** The Group management is evaluating the best possible alternative for CSR activities related to its subsidiaries hence the amount has not been spent till 31 March 2022. In accordance with provisions of Section 135, unspent amount of Rs. 0.90 million (31 March 2021 : Rs. 29.76 million)has been transferred to separate bank accounts by the respective subsidiaries.

Note 25: Finance Cost

	31 March 2022 (Rs. In million)	31 March 2021 (Rs. In million)
Interest on financial liabilities measured at amortised cost	10,491.62	6,842.60
Other bank and finance charges	5.85	-
Discounting on Factoring	4.01	22.35
Total	**10,501.48**	**6,864.95**

Note 26: Depreciation expense

	31 March 2022 (Rs. In million)	31 March 2021 (Rs. In million)
Depreciation of tangible assets	6,626.31	4,304.85
Amortisation of intangible assets	28.55	-
Total	**6,654.86**	**4,304.85**

Note 27: Earnings per unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year.

Diluted EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

The following reflects in the profit and unit data used in the basic and diluted EPU computation	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Profit after tax for calculating basic and diluted EPU (Rs. in million)	3,484.12	3,337.09
Weighted average number of units in calculating basic and diluted EPU (No. in million)	693.14	583.49
Earnings Per Unit: Basic and Diluted (Rupees/unit)	5.03	5.72

Note 28: Significant accounting judgements, estimates and assumptions

The preparation of the Trust's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. The subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 25-35 years. The management of the Company is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D to Ind AS 115 is not applicable to the Group for all transmission infrastructure operating on a BOOM basis. The Group also holds transmission infrastructure pertaining to Jhajjar KT Transco Private Limited which operates on a Build Operate and Transfer ("BOT") basis. The company has operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor. Under Appendix D to Ind AS 115, this arrangement is considered as Service Concession Arrangement and in accordance with para 16 of the Appendix D to Ind AS 115, rights to receive the consideration from the grantor for providing services has been recognised as "financial assets". Accordingly the Group is of the view that Appendix D - Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers is applicable to this infrastructure asset.

ii. Classification of Unitholders' funds
Under the provisions of the InvIT Regulations, IndiGrid is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of IndiGrid for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section II of Annexure A to the SEBI Circular dated 20-Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

iii. Acquisition of Transmission SPVs classified as asset acquisitions
The Group acquires operational transmission SPVs/ Solar SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission assets and solar assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) / Power Purchase Agreements (PPAs) for 35/25 years. The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties. There are no employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs and solar SPVs as asset acquisition.

iv. Consolidation of IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ('ISPL1') and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ('ISPL2') as a subsidiary

The Group also acquired 100% of paid up equity capital of IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ('ISPL1') and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ('ISPL2') with effect from 13 July 2021 from FRV Solar Holdings XI B.V. and Fotowatio Renewable Ventures S.L. together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 18 December 2020 ("SPA"). Considering the rights available to the Group as per SPA, the Group has concluded that it controls ISPL1 and ISPL2. Accordingly, the Group has consolidated ISPL1 and ISPL2 as wholly owned subsidiaries from 13 July 2021.

v. Consolidation of Gurgaon-Palwal Transmission Limited ('GPTL') as a subsidiary
The Group entered into share purchase agreement dated 28 August 2020 ("the Agreement") with Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" (SPTL)) and Sterlite Grid 4 Limited ('SGL4') ("the Selling shareholders") for acquisition of equity stake in Gurgaon-Palwal Transmission Limited ("GPTL"). Pursuant to the agreement, the Group has finalized purchase consideration for entire equity stake of the selling shareholders and has paid purchase consideration for acquisition of 49% paid up equity capital in the GPTL.
Based on the contractual terms of the agreement, the Group has following rights:

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

Considering the requirements under Ind AS 110, the Group has assessed whether it controls GPTL on the basis the above rights under the agreement and the fact that the Group has entered into irrevocable binding agreement with the selling shareholders to acquire remaining 51% paid up equity capital in GPTL. Based on the assessment, management has concluded that the Group controls GPTL in spite of the fact that it has acquired only 49% of the paid up capital of GPTL. Further, based on the legal opinion GPTL is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations.

Accordingly, the Group has consolidated GPTL assuming 100% equity ownership and no non-controlling interest (NCI) has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognized as financial liability in the consolidated Ind AS financial statements.

vi. Consolidation of Parbati Koldam Transmission Company Limited ('PrKTCL') as a subsidiary
The Group acquired 74% of paid up equity capital of Parbati Koldam Transmission Company Limited ('PrKTCL') with effect from 08 January 2021 from Reliance Infrastructure Limited (referred as "the Selling Shareholder") pursuant to Share Purchase Agreement dated 28 November 2020 ("SPA"). The balance 26% share in PrKTCL is held by PowerGrid Corporation of India Limited ("PGCIL"). Pursuant to the agreement, the Group has finalized purchase consideration for entire equity stake of the selling

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shareholders and has paid purchase consideration for acquisition of 74% paid up equity capital in the PrKTL.
Based on the contractual terms of the agreement, the Group has following rights:

•Right to nominate all directors on the board of directors of the PrKTCL;
•Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of PrKTCL;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls PrKTCL on the basis the above rights under the agreement and the fact that the Group has acquired 74%. Based on the assessment, management has concluded that the Group controls PrKTCL in spite of the fact that it has acquired only 74% of the paid up capital of PrKTCL. Further, based on the legal opinion PrKTCL is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations.

Accordingly, the Group has consolidated PrKTCL assuming equity ownership and non-controlling interest (NCI) of 26% has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognized as financial liability in the consolidated Ind AS financial statements

vii. Consolidation of NER II Transmission Limited ('NER') as a subsidiary
The Group acquired 49% of paid up equity capital of NER II Transmission Limited ("NER") with effect from 25 March 2021 from Sterlite Power Transmission Limited (SPTL)) and Sterlite Grid 4 Limited ('SGL4'), (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 05 March 2021 ("SPA"). The Group has finalised purchase consideration for acquisition of entire stake in NER and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in NER from the Selling Shareholders. The Group has beneficial interest based on the rights available to it under the SPA. As of 31 March 2021, the Group has paid additional consideration equivalent to 25% of the total consideration which would be adjusted towards payable for acquisition of 25% of equity stake.
Based on the contractual terms of the agreement, the Group has following rights:

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

Considering the requirements under Ind AS 110, the Group has assessed whether it controls NER on the basis the above rights under the agreement and the fact that the Group has acquired 49% making a payment for 74% stake. Based on the assessment, management has concluded that the Group controls NER in spite of the fact that it has acquired only 49% of the paid up capital of NER. Further, based on the legal opinion NER is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations.

Accordingly, the Group has consolidated NER assuming equity ownership and non-controlling interest (NCI) of 26% has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognized as financial liability in the consolidated Ind AS financial statements.

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Estimates and assumptions

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

(a) Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer note 23A and 23B). In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager quarterly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

(b) Impairment of non-financial assets

Non-financial assets of the Trust primarily comprise of investments in subsidiaries.

The provision for impairment/(reversal) of impairment of property, plant & equipment and service concession receivable is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the property, plant & equipment and service concession recievable has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies. The valuation exercise so carried out considers various factors including cash flow projections, changes in interest rates, discount rates, risk premium for market conditions including the impact of COVID-19, etc. Based on the valuation exercise so carried out, there is a net impairment reversal of Rs. 54.97 million for the year ended 31 March 2022 (31 March 2021 : net impairment of Rs. 175.11 million), which is primarily on account of maturity of SPV assets. The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 29A.

The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 29A.

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Note 29A: Fair value measurements

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

(Rs. in million)

Particulars	Carrying value		Fair value	
	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Financial assets				
Investments in mutual funds	1,451.73	-	1,451.73	-
Total	1,451.73	-	1,451.73	-
Financial liabilities				
Derivative instruments	13.23	197.86	13.23	197.86
Total	13.23	197.86	13.23	197.86

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

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

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

The significant unobservable inputs used in the fair value measurement required for disclosures categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 and 31 March 2021 are as shown below:

Description of significant unobservable inputs to valuation:

(Rs in million)

Significant unobservable inputs	Input for 31 March 2022	Input for 31 March 2021	Sensitivity of input to the fair value	Increase /(decrease) in fair value	
				31 March 2022	31 March 2021
WACC	7.55% to 9.12%	7.57% to 8.23%	+ 0.5%	(10,168.42)	(11,336.00)
			- 0.5%	11,434.87	9,083.00
Tax rate (normal tax and MAT)	Normal Tax - 25.168%	Normal Tax - 25.168%	+ 2%	(520.00)	(410.22)
			- 2%	471.00	374.92
Inflation rate	Revenue(Esclable):5.00% Expenses: 2.46% to 4.84%	Revenue(Esclable): 5.00% Expenses: 2.63% to 4.97%	+ 1%	(3,173.14)	(1,850.04)
			- 1%	2,604.90	1,495.56

Note 29B: Fair value hierarchy

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

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022 and 31 March 2021:

(Rs. in million)

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:				
Property, plant and equipment and service concession receivable *	31 March 2022	-	-	2,08,073.78
	31 March 2021	-	-	2,03,683.16
Liabilities measured at fair value through profit and loss				
Derivative instruments (Liability)	31 March 2022	-	13.23	-
	31 March 2021	-	197.86	-

There have been no transfers among Level 1, Level 2 and Level 3.
* Statement of net asset at fair value and statement of total returns at fair value require disclosures regarding fair value of assets (liabilities at considered at book values). Since the fair values of assets other than property, plant and equipment approximate their book values, hence only property, plant and equipment and service concession has been disclosed above.

Note 30: Related party disclosures

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

(a) Other related parties under Ind AS-24 with whom transactions have taken place during the year
Entities with significant influence over the Trust
Esoteric II Pte. Ltd (from 04 May 2019) - Sponsor w.e.f. 28 September 2020
Sterlite Power Grid Ventures Limited (SPGVL)^ - Sponsor and Project manager of IndiGrid - upto 15 November 2020
Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid - w.e.f. 15 November 2020
Sterlite Grid 1 Limited (SGL4) - Subsidiary of Sponsor (SPTL)
Indigrid Investment Managers Limited (IIML) - Investment manager of IndiGrid (formerly known as Sterlite investment manager limited)

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

(a) Parties to IndiGrid
Esoteric II Pte. Ltd (EPL) - Sponsor (w.e.f. 28 September 2020)
Sterlite Power Grid Ventures Limited (SPGVL)^ - Sponsor and Project manager of IndiGrid (upto 15 November 2020)
Sterlite Power Transmission Limited (SPTL) - Sponsor of IndiGrid (w.e.f. 15 November 2020)
Sterlite Power Transmission Limited (SPTL) - Project manager of IndiGrid (upto 30 June 2021 for all SPV other than NER)
Indigrid Limited (IGL) - Project manager of IndiGrid (for all SPVs)
Indigrid Investment Managers Limited (IIML) - Investment manager of IndiGrid (formerly known as Sterlite investment manager limited)
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

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

(c) Directors of the parties to IndiGrid specified in (a) above
Directors of SPTL:
Pravin Agarwal
Pratik Agarwal
A. R. Narayanaswamy
Zhao Haixia
Anoop Seth
Manish Agarwal (from 17 December 2021)
Avaantika Kakkar (till 02 February 2021)
Arun Todarwal Lalchand (till 24 July 2021)

Directors of IIML:
Harsh Shah (whole time director)
Tarun Kataria
Rahul Asthana
Ashok Sethi (from 20 October 2020)
Hardik Shah (from 30 November 2021)
Jayashree Vaidhyanathan (from 30 November 2021)
Ami Momaya (from 27 January 2022)
Late Shashikant Bhojani (till 22 July 2020)
Pratik Agarwal (till 14 January 2022)
Sanjay Omprakash Nayar (till 27 January 2022)

Key Managerial Personnel of IIML:
Harsh Shah (CEO and whole time director)
Jyoti Kumar Agarwal (Chief Financial Officer wef 16 September 2020)
Swapnil Patil (Company Secretary)

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

Directors of Esoteric II Pte. Ltd.:
Tang Jin Rong (from 19 February 2021)
Ngan Nim Ying (from 05 April 2021)
Madhura Narawane (from 26 January 2022)
Wong Wai Kin (till 19 February 2021)
Terence Lee Chi Hur (till 19 February 2021)
Ooi Yi Jun (till 19 February 2021)
Velasco Azanus Cecilio Francisco (till 26 January 2022)

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

Firm in which director of sponsor is partner:
Cyril Amarchand Mangaldas (till 02 February 2021)

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Consolidated Notes to Financial Statements for the year ended 31 March 2022

*During the previous year, Electron IM Pte. Ltd purchased 40% stake in Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) from Sterlite Power Transmission Limited.

On 02 July 2021, Sterlite Power Transmission Limited has further transferred a stake of 14% to Electron IM Pte. Ltd. post which Electron IM Pte. Ltd. holds 74% of stake in IIML. Further, on 14 January 2022, Sterlite Power Transmission Limited has further transferred remaining stake of 26% to Electron IM Pte. Ltd. post which Electron IM Pte. Ltd. holds 100% stake in IIML.

^ Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef 15 November 2020.
^^ Sterlite Grid 4 Limited ('SGL 4') has been merged with Sterlite Power Transmission Limited ('SPTL') wef 17 February 2022.

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

Particulars	Relation	2021-22	2020-21
1. Deposits given			
Sterlite Power Transmission Limited	Sponsor and Project Manager/Entity with significant influence	36.00	-
2. Adjustment in consideration for equity shares of PKTCL on account of events mentioned in SPA			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/Entity with significant influence	50.00	-
3. Purchase of equity shares of Indigrid 1 Limited			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/Entity with significant influence	-	37.13
4. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA			
Sterlite Power Transmission Limited	Sponsor and Project Manager/Entity with significant influence	(0.58)	-
5. Consideration for equity shares of Indigrid 2 Limited on account of events mentioned in SPA			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/Entity with significant influence	18.53	-
6. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA			
Sterlite Power Grid Ventures Limited* Sterlite Power Transmission Limited	Sponsor and Project Manager/Entity with significant influence	(4.46)	-
7. Purchase of equity shares of ENICL			
Sterlite Power Grid Ventures Limited* Sterlite Power Transmission Limited	Sponsor and Project Manager/Entity with significant influence	-	6.17
8. Adjustment in consideration for equity shares of ENICL on account of events mentioned in SPA			
Sterlite Grid 4 Limited	Entity with significant influence	(0.57)	-
9. Purchase of equity shares of GPTL			
Sterlite Grid 4 Limited	Entity with significant influence	-	906.36
10. Purchase of loan to GPTL			
Sterlite Grid 4 Limited	Entity with significant influence	-	2,252.28
11. Purchase of equity shares of NER			
Sterlite Grid 4 Limited	Entity with significant influence	5,179.33	14,090.65
12. Consideration for equity shares of NER on account of events mentioned in SPA			
Sterlite Grid 4 Limited	Entity with significant influence	10.05	-
13. Received towards indemnification of liabilities			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/Entity with significant influence	-	15.36
14. Earn Out Expenses			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/Entity with significant influence	-	796.62

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Particulars	Relation	2021-22	2020-21
15. Rights Issue of unit capital			
Sterlite Power Transmission Limited #	Sponsor of IndiGrid	44.72	-
Esoteric II Pte. Ltd	Sponsor/Entity with significant influence over the Trust	3,285.28	-
16. Distribution to unit holders			
Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited#	Sponsor of IndiGrid	14.09	537.73
Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)	Investment manager of IndiGrid	6.55	2.08
Esoteric II Pte. Ltd	Sponsor/Entity with significant influence over the Trust	2,100.73	1,646.03
Pratik Agarwal	Director of Sponsor (SPTL) and Investment Manager	1.05	2.39
Harsh Shah	Whole time director of Investment Manager	0.18	0.12
Swapnil Patil	Company Secretary of Investment Manager	0.06	0.03
Sonakshi Agarwal	Relative of director	0.24	0.19
Jyoti Agarwal	Relative of director	0.30	0.25
Sujata Asthana	Relative of director	1.55	1.01
Arun Todarwal	Director of Sponsor (SPTL)	0.05	0.08
A. R. Narayanaswamy	Director of Sponsor (SPTL)	0.25	0.19
Mala Todarwal	Relative of director	0.05	0.06
17. Trustee fee			
Axis Trustee Services Limited (ATSL)	Trustee	3.32	3.01
18. Legal and professional services taken			
Cyril Amarchand Mangaldas	Firm in which director of sponsor (SPGVL) is partner	-	10.80
19. Purchase of project stores			
Sterlite Power Transmission Limited	Promoter of project manager	-	0.25
20. Project management fees			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/Entity with significant influence	-	
Sterlite Power Transmission Limited		1.06	0.27
21. Investment management fees			
Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)	Investment Manager	434.12	330.71

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

(Rs in Million)

Particulars	Relationship	31 March 2022	31 March 2021
Project Manager fees payable			
Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited	Sponsor and Project Manager	1.22	10.08
Investment Manager fees payable			
Investment management fees payable (formerly Sterlite Investment Managers Limited)	Investment Manager	96.75	92.19
Payable towards project acquired			
Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited/Sterlite Grid 4 Limited	Sponsor and Project Manager/Entity with significant influence	1,180.70	1,704.94
Management fees payable			
Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited	Sponsor and Project Manager/Entity with significant influence	0.16	0.16
Deposits given			
Sterlite Power Grid Ventures Limited*/Sterlite Power Transmission Limited	Sponsor and Project Manager/Entity with significant influence	36.00	-

*** Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef 15 November 2020**
# Sterlite Power Transmission Limited had subscribed to rights issue of the Trust and allotted 0.41 million units. Subsequently, SPTL has disinvested 0.25 million units on 09 June 2021 and 0.16 million units on 10 June 2021. Further SPTL has disinvested remaining 2.04 million units on 07 September 2021.

Details in respect of related party transactions involving acquisition of InvIT assets as required by Para 4.4(b)(iv) of Section A of Annexure A to SEBI Circular dated 20 October 2016 are as follows:

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

For the year ended 31 March 2021:
(A) Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations):

(Rs in million)

Particulars	NER	GPTL
Enterprise value	51,175	11,638
Method of valuation	Discounted Cash Flow	
Discounting rate (WACC):	7.40%	7.96%

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

Acquisition of Gurgaon Palwal Transmission Limited (GPTL):
Pursuant to the share purchase agreements dated August 28, 2020 ("SPA") executed among Sterlite Power Grid Ventures Limited*, Sterlite Grid 4 Limited, Axis Trustee Services Limited, Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) and Gurgaon Palwal Transmission Limited ('GPTL') for acquisition of equity stake in GPTL, Indigrid has acquired 49% of paid up equity capital of GPTL with effect from August 28, 2020.

Under the Agreements, the Trust has the following rights:
a. Right to nominate the majority of the directors on the Board of Directors of GPTL.
b. The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of GPTL in a manner favourable for the interests of IndiaGrid Trust.
c. Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of GPTL at a later date (on expiry of the respective mandatory shareholding period).
d. Pledge on the remaining 51% equity stake in GPTL, of which 2% is pledged to lenders of GPTL.
e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in GPTL.

The acquisition of equity shares of GPTL was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of NER II Transmission Limited (NER):
Pursuant to the share purchase agreements dated 05 March 2021 ("SPA") executed among Sterlite Power Transmission Limited, Sterlite Grid 4 Limited, Axis Trustee Services Limited, Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) and NER II Transmission Limited ('NER') for acquisition of equity stake in NER, Indigrid has acquired 49% of paid up equity capital of NER with effect from 25 March 2021. As of 31 March 2021, the Trust has paid additional consideration equivalent to 25% of the total consideration which would be adjusted towards payable for acquisition of 25% of equity stake.

Under the Agreements, the Trust has the following rights:
a. Right to nominate the majority of the directors on the Board of Directors of NER
b. The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of NER in a manner favourable for the interests of IndiaGrid Trust
c. Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of NER at a later date (on expiry of the respective mandatory shareholding period).
d. Pledge on the remaining 51% equity stake in NER.
e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in NER.

The acquisition of equity shares of NER was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Note 31: Capital and other Commitments

(a) The Group has entered into a Framework agreement on 30 April 2019 with Sterlite Grid Ventures Limited ('SPGVL')* for acquisition of Khargone Transmission Limited ('KgTL').

(b) The Group has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group has to transmit power of contracted capacity and ensure [illegible]ailability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.

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(c) The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years

(d) The Group has capital commitment (net of advances) of Rs. 1,622.86 million (31 March 2021 : Rs. 50.15 million) pertaining to ongoing capital work in progress.

(e) The Group has entered into Power Purchase Agreement ('PPA') with Solar Energy Corporation of India Limited ('SECI'), where IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) is required to sell power at a pre-fixed tariff of Rs. 4.43/kWh for a period of 25 years from the Commercial operation date to SECI.

(f) The Group has entered into an Implementation and Support Agreement with Andhra Pradesh Solar Power Corporation Private Limited (APSPCL). Annual O&M charges are payable for the period of 25 years from the commercial operation date to APSPCL.

(g) The letter of intent for development of Kallam Transmission Limited (KTL) is awarded to consortium of IGL1 and IGL2 ("IndiGrid Consortium") by the REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) on 30 November 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid Consortium acquired the project on 28 December 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on 27 June 2023.

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

Note 32: Derivative Instruments

Bhopal Dhule Transmission Company Limited (BDTCL) has entered into the following derivative instruments:
(a) The following are the outstanding Forward Exchange Contracts entered into by the Company, for hedge purpose.

Year ended	Currency Type	Foreign Currency (In million)	Amount (Rs. In million)	Buy/Sell	No. of contracts (Quantity)
Hedge of foreign currency loan from financial institution					
31 March 2022	US $	27.69	2,086.50	Buy	2
31 March 2021	US $	30.45	2,238.42	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	March 31, 2022	March 31, 2021
Currency type	US $	-
No. of contracts	1.00	-
Amount (USD 'million)	1.39	-
Period of Contract	31 March 2021 to 30 August 2022	-
Floating rate	USD 6 Month Libor + 2.10% to 3.80%	-
Fixed rate	7.02% on INR principal	-

The company has entered into cross currency interest rate swap contract on the foreign currency loan, whereby the foreign exchange rate for principal and interest payments has been fixed at INR 74.74/ USD and the interest rate fixed at 7.02% 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 7.02% on the foreign currency loan converted to INR at INR 74.74/USD and receive interest at USD 6m LIBOR + 2.10% to 3.80% on the foreign currency loan amount.

Note 33: Contingent liability

Particulars	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
Claim against the company not acknowledged as debt		
- Entry tax demand*	432.59	432.59
- VAT/CST Demand #	23.69	33.52
- Other Demands^	406.18	248.14
Total	862.46	714.25

*Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. Out of the total demand Rs. 138.75 million (31 December 2021: Rs. 138.75 million; 31 March 2021: Rs. 138.75 million) pertains to Jabalpur Transmission Company Limited ('JTCL'), Rs. 165.80 million (31 December 2021: Rs. 165.80 million; 31 March 2021: Rs. 165.80 million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') and Rs. 13.30 million (31 December 2021: Rs. 13.30 million; 31 March 2021: Rs. 13.30 million) pertains to RAPP Transmission Company Limited ('RTCL') which is pending with High Court, Jabalpur.

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. The total demand Rs. 1.33 million (31 December 2021: Rs. 1.33 million; 31 March 2021: Rs. 1.33 million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') which is pending with Commissioner (Appeals).

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Chhattisgarh. The total demand Rs. 113.41 million (31 December 2021: Rs. 113.41 million; 31 March 2021: Rs. 113.41 million) pertains to Jabalpur Transmission Company Limited ('JTCL') out of which Rs. 51.55 million (31 December 2021: Rs. 51.55 million; 31 March 2021: Rs. 51.55 million) is pending with the Chhattisgarh High Court, Rs. 40.50 million (31 December 2021: Rs. 40.50 million; 31 March 2021: Rs. 40.50 million) is pending with Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.) and Rs. 21.36 million (31 December 2021: Rs. 21.36 million; 31 March 2021: Rs. 21.36 million) the notice for assessment has been received in the month of October 2020 for which the Group has applied for a certified copy of the Assessment Order on 29 October 2020 and is still awaiting a copy of the same.

Sales tax demand of Rs. 17.99 million (31 December 2021: Rs. 17.99 million; 31 March 2021: Rs. 17.99 million) for Indigrid Limited (IGL) pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms for FY 2015-16. The Group has filed an objection against the order with Assistant Commissioner of Delhi VAT Authorities.

VAT demand notice of Rs. 5.70 million (31 December 2021: Rs. 5.70 million; 31 March 2021: Rs. 5.70 million) for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to Jharkhand VAT Act, 2005. The Group has received the notice for assessment in the month of January 2020 and various submissions along with the requisite details and documents were made to the officer. The Group further applied for a certified copy of the Assessment Order on 01 October 2020 and is still awaiting a copy of the same.

VAT demand notice of Rs. Nil. (31 December 2021: Rs. 9.83 million; 31 March 2021: Rs. 9.83 million) for Jabalpur Transmission Company Limited (JTCL) pertains to Chhattisgarh, VAT Act, 2005. The Group has received the notice for assessment in the month of October 2020.

^During the financial year 2019-20, land owners have filed a case with the District Court, Jhajjar, Haryana towards compensation and interest thereon for the value of land over which the transmission line is passing. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Further, these litigations are barred by limitations. Based on the legal advice, the Group does not anticipate any liability against the same and has disclosed a contingent liability of Rs. 20.12 million (31 December 2021: Rs. 20.12 million; 31 March 2021: Rs. 20.12 million).

It also includes an amount of Rs. 173.39 million (31 December 2021: Rs. 163.75 million; 31 March 2021: Rs. 228.02 million) for claims from farmers for additional Right of Way (RoW) compensation made against one of the subsidiaries.

Further it includes an amount of Rs. 212.67 million (31 December 2021: Rs. 212.67 million; 31 March 2021: Nil) for claims from one of the erstwhile EPC contract vendors against two of the subsidiaries.

Dues pertains to IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) (ISPL1) (SPV) and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) for ambiguity in GST rates applied for solar panels . Such dues if payable , would be eligible for additional tariff as per PPA with Solar energy corporation of India (SECI).

The Group has not provided for disputed liabilities disclosed above arising from entry tax demands which are pending with different authorities mentioned above for its decision. The Group is contesting the demands and the Group management, including its legal advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the consolidated financial statements for the demands raised. The Group management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position.

During the previous year, one of the vendor involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited ('ENICL') in relation to turnkey construction contract executed by it earlier years which is pending before Arbitral Tribunal. Pursuant to share purchase agreement dated 23 March 2020, the Group has obtained corporate guarantee of INR 500 million from SPGVL* in respect of said arbitration. Further, all cost, expenses, liabilities and taxes with respect to the arbitration will be to the sole account of SPGVL*. The Group management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the consolidated financial results.

* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL') wef 15 November 2020.

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

Note 34: Segment reporting

The Groups's activities comprise of owning and investing in transmission SPVs and solar SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS - 108 have not separately been given.

Under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as Central Transmission Utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of trade receivables pertaining to transmission and solar charges is receivable from PGCIL.

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (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	9.05	23.25
Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (31 March 2021: Nil). Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimations received from the "suppliers" / information available with the Company regarding their status under the Micro, Small and Medium Enterprises Act, 2006.

Note 36: Leases

Indigrid Limited (IGL) has lease contract for office building used in its operations which have lease term of 5 years with lock-in-period of 3 years. Further IGL's obligations under its leases are secured by the lessor's title to the leased assets. The lease liability has been measured by using the incremental borrowing rate.

IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) has taken leasehold land which has lease term of 25 years from the commercial operation date (COD) in relation to which the company is required to pay a fixed annual operating and maintenance expenses for using common infrastructure facilities. The lease liability has been measured by using the incremental borrowing rate as on date of first time IndAS adoption.

IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) has taken leasehold land which has lease term of 25 years from the commercial operation date (COD) in relation to which the company is required to pay a fixed annual operating and maintenance expenses for using common infrastructure facilities. The lease liability has been measured by using the incremental borrowing rate as on date of first time IndAS adoption.

Maturity analysis of lease liabilities:

(Rs. In million)

Particulars	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2022					
Lease liability	2.78	8.55	29.19	1.11	41.63
Total	**2.78**	**8.55**	**29.19**	**1.11**	**41.63**
31 March 2021					
Lease liability	3.40	10.36	32.12	-	45.88
Total	**3.40**	**10.36**	**32.12**	**-**	**45.88**

Note 37: Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

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

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

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

(A) Market risk

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

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 2022, there are no borrowings of the Group at floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency borrowings and payables in foreign currency (if any).

(B) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at 31 March 2022 and 31 March 2021, the credit risk is considered low since substantial transactions of the group are with its subsidiaries.

The Group through its subsidiaries is engaged in transmission business under BOOM (Build, Own, Operate and Maintain) model and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). The Group also holds transmission infrastructure pertaining to Jhajjar KT Transco Private Limited which operates on a Build Operate and Transfer ("BOT") basis. Being transmission licensee, the Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the Group has not considered any expected credit loss on the financial assets in the nature of trade receivables. During the various periods presented, there has been no change in the credit risk of trade receivables. However, this assessment may 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 31 March 2022 is the carrying amounts of trade and other receivables, cash and cash equivalents and other assets as disclosed in Note 5, 6, 7, 8, 9 and 10 respectively. However, the credit risk is low due to reasons mentioned above.

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(C) Liquidity risk

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

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

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2022						
Borrowings	-	20,852.50	2,925.95	41,295.82	68,274.10	1,33,348.45
Trade payables	-	426.17	35.48	23.77	0.87	486.29
Other financial liabilities (excluding derivative instruments and lease liabilities)	-	1,116.08	3,937.74	-	-	5,053.82
Derivatives #	-	13.23	-	-	-	13.23
Total	-	**22,408.06**	**6,899.17**	**41,319.59**	**68,274.97**	**1,38,901.79**

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
31 March 2021						
Borrowings	-	-	-	4,876.67	1,31,188.03	1,36,064.70
Trade payables	-	225.33	-	-	-	225.33
Other financial liabilities (excluding derivative instruments)	-	1,189.30	12,956.51	-	-	14,145.81
Derivatives #	-	73.45	155.39	-	-	228.84
Total	-	**1,488.08**	**13,111.90**	**4,876.67**	**1,31,188.03**	**1,50,664.68**

Note 38: Capital management

For the purpose of the Groups's capital management, capital includes issued unit capital and all other reserves attributable to the unit holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise unit holder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the distribution to unitholders (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders), return capital to unitholders or issue new units. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio optimum. The Group includes within net debt, interest bearing loans and borrowings and other payables less cash and cash equivalents, other bank balances and short term investments.

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Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Borrowings	1,33,348.45	1,36,064.70
Less: Cash and cash equivalents, other bank balances and short term investments	(15,041.24)	(27,838.10)
Net debt (A)	1,18,307.21	1,08,226.60
Unit capital	65,903.15	53,145.69
Other equity	(11,720.89)	(6,379.84)
Total capital (B)	54,182.26	46,765.85
Capital and net debt ((C) = (A) + (B))	1,72,489.47	1,54,992.45
Gearing ratio (A)/(C)	69%	70%

Financial Covenants
In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

Note 39: Post Employment Benefits Plan

Indigrid Limited , Indigrid Solar-I (AP) Private Limited, Indigrid Solar-II (AP) Private Limited and RAPP Transmission Company Limited

The Group has a defined benefit gratuity plan. The gratuity benefits payable to the employees are based on the employee's service Every employee who has completed five years or more of service gets a gratuity on departure at last drawn salary at the time of leaving.
The employee do not contribute towards this plan and the full cost of providing these benefits are met by the group. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Defined benefit obligation at the beginning of the year	1.96	-
Transferred from immediate holding company / subsidiary of immediate holding company*	-	-
Current service cost	2.52	1.96
- Interest Cost	0.13	-
Benefit paid directly by the employer	(0.15)	(0.03)
Remeasurements during the period due to:	-	-
Actuarial (gain)/loss due to change in financial assumptions	(0.03)	-
Actuarial (gain)/loss on obligation due to experience	0.60	0.03
Present value of defined benefit obligation at the end of the year	4.99	1.96

* Pertains to employees transferred from Sterlite Power Transmission Limited and its wholly owned subsidiary Sterlite Power Grid Ventures Limited.

Details of defined benefit obligation

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Present value of defined benefit obligation	4.99	1.96
Fair value of plan assets	-	-
Benefit liability	4.99	1.96

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Current service cost	2.52	1.96
Interest cost on defined benefit obligation	0.13	-
Past service cost	-	-
Net actuarial (gain) / loss recognised	0.53	-
Expected return on plan assets	-	-
Contribution by employer	-	-
Net benefit expense	3.19	1.96

Net employee benefit expense recognised in the other Comprehensive income:

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Actuarial (gain)/loss on obligation for the year	0.53	0.03
Net (income)/expense for the year recognised in OCI	0.53	0.03

Amounts for the current and previous year are as follows:

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Defined benefit obligation	4.99	1.96
Plan assets	-	-
Surplus / (deficit)	(4.99)	(1.96)
Experience adjustments on plan liabilities	-	-
Experience adjustments on plan assets	-	-

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Discount rate	6.90%	6.82%
Expected rate of return on plan asset	-	-
Employee turnover	10.00%	4.00%
Salary escalation rate (p.a)	7.00%	7.00%
Actual rate of return on plan assets	-	-
Retirement age (years)	58	58

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantative sensitivity analysis for significant assumptions as at 31 March 2022 and 31 March 2021 is as shown below:

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Projected benefit obligation on current assumptions	4.99	1.96
Effect of +1% Change in discount rate	(4.22)	(0.22)
Effect of -1% Change in discount rate	4.88	0.26
Effect of +1% Change in salary escalation rate	4.88	0.25
Effect of -1% Change in salary escalation rate	(4.22)	(0.22)

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Within the next 2 years	0.92	0.07
Between 3 and 5 years	1.27	0.20
Between 6 and 10 years	2.29	1.13
Beyond 11 years	-	3.86
Total expected payments	4.48	5.26

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Parbati Koldam Transmission Company Limited

The Company has a defined benefit gratuity plan. The gratuity benefits payable to the employees are based on the employee's service. Every employee who has completed five years or more of service gets a gratuity on departure at last drawn salary at the

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Defined benefit obligation at the beginning of the year	6.05	-
Transferred from immediate holding company / subsidiary of immediate holding company*	-	0.15
Current service cost	0.41	0.82
- Interest Cost	0.41	0.55
- Past service cost	-	-
Benefit paid directly by the employer	(0.40)	-
Remeasurements during the period due to:	-	-
Actuarial (gain)/loss due to change in demographic assumptions	(0.06)	-
Actuarial (gain)/loss due to change in financial assumptions	(0.04)	0.57
Actuarial (gain)/loss on obligation due to experience	(1.34)	(4.04)
Present value of defined benefit obligation at the end of the year	5.02	6.05

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

Details of defined benefit obligation

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Present value of defined benefit obligation	5.02	6.05
Fair value of plan assets	(11.90)	(11.21)
Benefit recognized as advance gratuity	(6.87)	(5.17)

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Current service cost	0.41	0.82
Interest cost on defined benefit obligation	0.41	(0.10)
Past service cost	-	-
Net actuarial (gain) / loss recognised	(1.44)	-
Expected return on plan assets	-	-
Contribution by employer	-	-
Net benefit expense	(0.62)	0.71

Net employee benefit expense recognized in the Other Comprehensive Income:

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Actuarial (gain)/loss on obligation for the year	(1.44)	(3.47)
Return on plan assets , excluding interest income	-	(0.92)
Change in asset ceiling	-	-
Net (income)/expense for the year recognized in OCI	(1.44)	(4.39)

Changes in Fair Value of plan assets:

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Opening value of plan assets	11.24	-
Transferred due to acquisition of entity*	-	9.64
Actuarial (gain)/loss on obligation for the year	0.76	-
Interest cost/(income) on plan assets	-	0.66
Actual return on plan assets less interest/(income) on plan assets	(0.11)	0.92
Closing Balance of Fair Value of Plan Assets	11.90	11.21

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

Amounts for the current and previous year are as follows:

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Defined benefit obligation	(5.02)	(6.05)
Plan assets	11.90	11.21
Surplus / (deficit)	6.87	5.17

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Discount rate	6.90%	6.58%
Expected rate of return on plan asset	-	-
Employee turnover	10.00%	4.00%
Salary escalation rate (p.a)	7.00%	7.00%
Actual rate of return on plan assets	-	0.92
Retirement age (years)	58	58

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantative sensitivity analysis for significant assumptions as at 31 March 2022 and 31 March 2021 is as shown below:

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Projected benefit obligation on current assumptions	6.05	6.05
Effect of +1% Change in discount rate	(4.70)	(0.55)
Effect of -1% Change in discount rate	5.40	0.65
Effect of +1% Change in salary escalation rate	5.39	0.65
Effect of -1% Change in salary escalation rate	(4.69)	(0.56)

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

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Within the next 2 years	1.03	0.95
Between 3 and 5 years	1.99	0.76
Between 6 and 10 years	1.76	2.23
Beyond 11 years	-	10.13
Total expected payments	4.78	14.08

The weighted average durations to the payment of these cash flows is 12 years at the end of the reporting period.

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Note 40: List of subsidiaries which are included in consolidation and IndiGrid's effective holding therein are as under:

Name of the Entity	Country of incorporation	Effective ownership as on 31 March 2022	Effective ownership as on 31 March 2021
Directly held by the Trust:			
Indigrid Limited ("IGL")	India	100%	100%
Indigrid 1 Limited ("IGL1")	India	100%	100%
Indigrid 2 Limited ("IGL2")	India	100%	100%
Patran Transmission Company Limited ("PTCL")	India	100%	74%
East-North Interconnection Company Limited@	India	100%	100%
Gurgaon-Palwal Transmission Limited ("GPTL")*	India	49%	49%
Jhajjar KT Transco Private Limited ("JKTPL")^^	India	100%	100%
Parbati Koldam Transmission Company Limited ('PrKTCL') ##	India	74%	74%
NER II Transmission Limited ("NER") @@	India	49%	49%
IndiGrid Solar-I (AP) Private Limited(formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ^^^	India	100%	-
IndiGrid Solar-II (AP) Private Limited(formerly FRV India Solar Park-II Private Limited) ^^^	India	100%	-
Indirectly held by the Trust (through subsidiaries):			
Bhopal Dhule Transmission Company Limited ("BDTCL")	India	100%	100%
Jabalpur Transmission Company Limited ("JTCL")	India	100%	100%
Purulia & Kharagpur Transmission Company Limited ("PKTCL")	India	100%	100%
RAPP Transmission Company Limited ("RTCL")	India	100%	100%
Maheshwaram Transmission Limited ("MTL")	India	100%	100%
NRSS XXIX Transmission Limited ("NTL")	India	100%	100%
Odisha Generation Phase-II Transmission Limited ("OGPTL")	India	100%	100%
Kallam Transmission Limited ("KTL")@@@	India	100%	0%

*The Trust acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from 28 August 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" (SPTL)) and Sterlite Grid 4 Limited ('SGL4'), (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 28 August 2020 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in GPTL and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in GPTL from the Selling Shareholders. The Trust has beneficial interest based on the rights available to it under the SPA.

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^^ The Trust acquired 74% of paid up equity capital of Jhajjar KT Transco Private Limited ('JKTPL') with effect from 28 September 2020 from Kalpataru Power Transmission Limited, Techno Electric & Engineering Company Limited, (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 29 May 2020 ("SPA") and acquired the remaining 26% equity stake in JKTPL on 03 October 2020.

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

@@ The Trust also acquired 49% of paid up equity capital of NER II Transmission Limited ("NER") with effect from 25 March 2021 from Sterlite Power Transmission Limited (SPTL)) and Sterlite Grid 4 Limited ('SGL4'), (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 05 March 2021, as amended on 25 March 2021 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in NER and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in NER from the Selling Shareholders. As of 31 March 2021, the Trust has paid additional consideration equivalent to 25% of the total consideration as an advance which would be adjusted towards payable for acquisition of 25% of equity stake. The Trust has beneficial interest based on rights available to it under SPA.

^^^The Trust also acquired 100% of paid up equity capital of IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited) ('ISPL1') and IndiGrid Solar-II (AP) Private Limited (formerly FRV India Solar Park-II Private Limited) ('ISPL2') with effect from 13 July 2021 from FRV Solar Holdings XI B.V. and Fotowatio Renewable Ventures S.L (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 18 December 2020 ("SPA").

@@@The letter of intent for development of Kallam Transmission Limited (KTL) is awarded to consortium of IGL1 and IGL2 ("IndiGrid Consortium") by the REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) on 30 November 2021 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain model. IndiGrid Consortium acquired the project on 28 December 2021 pursuant to Share Purchase Agreement ("SPA"). The project is currently under development with scheduled commissioning on 27 June 2023.

Note 41: Long Term Incentive Plan
Long Term Incentive Plan 2020 and 2021- Indigrid Limited

During the year ended 31 March 2021, Indigrid Limited launched a Long-Term Incentive Plan 2020 ("Scheme"). This Scheme has been formulated by the Nomination and Remuneration Committee and approved by it at its meeting held on 25 May 2020 and approved by the Board at its meeting held on 25 May 2020. The Scheme is established with effect from 01 April 2020 and shall continue to be in force until: (i) its termination by the Board, or (ii) the date on which all of the Unit Linked Rights available for issuance under the Scheme have been issued or have lapsed, or have been cancelled by the Nomination and Remuneration Committee, and the Nomination and Remuneration Committee does not intend to re-issue such lapsed or cancelled Unit Linked Rights. During the year ended 31 March 2022, the Group has allotted the value of 0.12 million units of India Grid Trust to its employees under the Scheme

The Board, at its meeting held on May 26, 2021, has resolved to issue to Employees under the Scheme 2021, Unit Linked Rights, in one or more tranches, whereby each such Unit Linked Right confers the right on the Grantee to receive Value in terms of this Scheme 2021.

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Opening balance as at the beginning of the year	11.29	-
LTIP granted during the year	15.23	10.52
LTIP cancelled during the year	(0.12)	(0.15)
Payment towards LTIPs vested	(6.93)	-
Balance	19.47	10.37
Provision for distribution per unit	2.89	0.92
Closing balance as at the end of the year	22.36	11.29

During the year, the Company has granted 0.12 million units of India Grid Trust to eligible employees under the Long-Term Incentive Plan 2020 and 2021 ("Scheme") as approved by the Nomination and Remuneration Committee and by the Board at the meetings held on 28 April 2020. Management has made provision of Rs. 11.29 million for 0.12 million units of India Grid Trust granted during the year under this scheme.

Long Term Incentive Plan 2021 - Parbati Koldam Transmission Limited

During the year ended 31 March 2022, the Company launched a Long-Term Incentive Plan 2021 ("Scheme"). This Scheme has been formulated by the Nomination and Remuneration Committee and approved by it at its meeting held on 19 January 2021 and approved by the Board at its meeting held on 17 May 2021. The Scheme is established with effect from 01 April 2021 and shall continue to be in force until: (i) its termination by the Board, or (ii) the date on which all of the Unit Linked Rights available for issuance under the Scheme have been issued or have lapsed, or have been cancelled by the Nomination and Remuneration Committee, and the Nomination and Remuneration Committee does not intend to re-issue such lapsed or cancelled Unit Linked Rights. During the year ended 31 March 2022, the Company has allotted the value of 0.01 million units of India Grid Trust to its employees under the Scheme.

Particulars	31 March 2022 (Rs. in million)	31 March 2021 (Rs. in million)
Opening balance as at the beginning of the year	-	-
LTIP granted during the year	0.45	-
LTIP cancelled during the year	-	-
Payment towards LTIPs vested	-	-
Balance	0.45	-
Provision for distribution per unit	0.07	-
Closing balance as at the end of the year	0.52	-

During the year, the Company has granted 0.01 million units of India Grid Trust to eligible employees under the Long-Term Incentive Plan 2021 ("Scheme") as approved by the Nomination and Remuneration Committee and by the Board at the meetings. Management has made provision of Rs. 0.52 million for 0.01 million units of India Grid Trust granted during the year under this scheme.

Vesting of Unit Linked Rights shall be subject to the conditions that the Grantee is:
a. in continuous employment with the Company;
b. is not serving any notice of resignation/ termination on the date of such Vesting (except in the case of (a) death; (b) Permanent Incapacity suffered by the Grantee; or (c) Retirement; and
c. is not subject to any pending disciplinary proceeding.

The Value of the pay-out would be determined as per following formula:
Value of the vested Unit Linked Rights = Number of Unit Linked Rights Vested * 30 days closing volume weighted average# of IndiGrid market price + (Distribution* earned on the unvested units).

Volume weighted average price of per unit is the 30 days closing average of IndiGrid market price (From 02 March 2022 to 31 March 2022).

* Distribution pay-out is subject to actual declaration accumulated on units and approval of India Grid Trust.

On 20 May 2022, the Board of directors of the Investment Manager approved a distribution of Rs. 3.1875 per unit for the period 1 January 2022 to 31 March 2022 to be paid on or before 15 days from the date of declaration.

Note 42: Regulatory Deferral Account Balances

Regulatory Assets / (Liability) with respect to entity Parbati Koldam Transmission Limited:
In accordance with the Guidance Note on Rate Regulated Activities issued by ICAI, the reconciliation of the Regulatory Assets / (Liabilities) of the Group as on March 31, 2022 is as under:

(Rs. in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Regulatory Asset / (Liability)		
Opening Balance	-	-
Add: Accrued during the period		
For Current Period / Year		
- Return on Equity	-	-
Regulatory Asset / (Liability) on account of Deferred Tax	(6.93)	(131.20)
Less: Income Tax on Deferred Tax	1.21	22.92
Total (1+2)	(5.72)	(108.27)
	-	-
Less: Payable / (Recoverable) from beneficiaries	5.72	108.27
Closing Balance (A+B+C)	-	-
Deferred Tax Liability		
Opening Balance	656.57	787.76
Add: Deferred Tax Liability during the period / year	(6.93)	(131.20)
Total	649.64	656.56
Less: Recoverable from beneficiaries	(649.64)	(656.56)
Closing Balance	-	-

(i) Determination of Transmission service charges (TSC) chargeable by PrKTCL to its consumers is governed by CERC Tariff Regulation, 2019, whereby CERC determines the Transmission service charges wherein PrKTCL earns assured return of 15.5% p.a. post tax on CERC approved equity in the business. The rate review on account of grossing up with the actual tax rate or "truing up" process during the tariff period is being conducted as per the principle stated in CERC Regulations to adjust the tariff rates downgrade or upgrade to ensure recovery of actual tax paid and assured return on equity.

(ii) During the truing up process, revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities which would be recovered / refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, PrKTCL also determines regulatory assets/regulatory liabilities in respect of each accounting period on self true up basis.

Market Risk

PrKTCL is in the business of developing the Transmission Line for supplying the eletricity to beneficiary, therefore no demand risk anticipated because the License issued by the CERC for 25 years. The Project is constructed under Cost Plus Contract.

SRBC & CO LLP * CHARTERED ACCOUNTANTS *

India Grid Trust

Regulatory Risk
(i) PrKTCL is Operating under Regulatory Environment governed by Central Electricity Regulatory Commission (CERC). Tariff is subject to Rate Regulated Activities.
(ii) PrKTCL determine revenue gaps (i.e. surplus / shortfall in actual returns over returns entitled) in respect of their regulated operations as given in the Guidance Note on Rate Regulated Activities and based on the principles laid down under the relevant tariff regulations / tariff orders notified by the CERC and the actual or expected actions of the regulators under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the respective years for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments / accruals representing revenue gaps are carried forward as regulatory defferal account debit / credit balances which would be recovered / refunded through future billing based on future tariff determination by the regulators in accordance with the respective electricity regulations.

(iii) The key risks and mitigating actions are also placed before the Audit Committee of PrKTCL. PrKTCL's risk management policies are established to identify and analyze the risks faced by PrKTCL, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and PrKTCL's activities.

(iv) PrKTCL's risk for Regulatory Assets are monitored by the Regulatory Team under policies approved by the Board of Directors. The Team identifies, evaluates and protect risks in close cooperation with PrKTCL's operating units. The board provides principles for overall risk management, as well as policies covering specific areas.

(v) Regulatory Assets recognized in the Books of Accounts of PrKTCL are subject to True up by CERC as per Regulation.

Net tax recoverable from beneficiaries:
1. In accordance with the CERC tariff regulation for determination of tariff, the income-tax paid is considered for tariff determination (truing up). Accordingly, PrKTCL has considered deferred tax liability as on 31 March 2022 as Net tax recoverable from beneficiaries.

2. As per the Standard, deferred tax on timing differences which reverse during the tax holiday period should not be recognised. For this purpose, the reversal during the tax holiday period is adjusted against the deferred tax liability created till FY 2021-2022. Therefore, the reversal of timing difference during the tax holiday period, would be considered to be out of the timing difference as at 31 March 2022 and reversed during the period ended 31 March 2022.

Note 43: Impact of COVID-19

The ongoing spread of COVID-19 has impacted business in various countries including India and there have been disruptions to regular business operations due to COVID response measures undertaken in certain geographies. The management has assessed impact on business and financial risks on account of COVID-19 on the financial statements of the Group. Considering that the subsidiaries of the Group are engaged in the business of transmission of electricity which is considered as an "Essential Service", the management believes that the impact of COVID-19 is not significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Further, the management will continue to monitor and assess impact of economic conditions arising due to COVID-19. The impact of COVID-19 may differ from that expected at the date of approval of the financial statements.

Note 44: Other Information
(i) The Trust does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
(ii) The Trust does not have any transactions with Companies struck off.
(iii) The Trust have not traded or invested in Cryptocurrency or Virtual Currency during the financial year.

(iv) The Trust does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

As per our report of even date

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

per Huzefa Ginwala
Partner
Membership Number : 111757
Place : Pune
Date : 20 May 2022

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

Harsh Shah
CEO & Whole Time Director
DIN: 02496122
Place : Mumbai
Date : 20 May 2022

Swapnil Patil
Company Secretary
Membership Number : 24861
Place : Mumbai
Date : 20 May 2022

Jyoti Kumar Agarwal
Chief Financial Officer
Place : Mumbai
Date : 20 May 2022