



# Growing Undeterred

ANNUAL REPORT  
2020-21

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# Growing Undeterred

## India's energy needs set to rise

India has arrived at the centre of the world energy stage. It will be the main driver of rising demand for energy over the next two decades, accounting for 25% of global growth. It is set to overtake the European Union as the world's third-largest energy consumer by 2030, according to the International Energy Agency (IEA). Its energy demand is seen increasing more than that of any other country over the next two decades.

As India recovers from the COVID-induced slump, it is re-entering a very dynamic period in its energy development. An expanding economy, population, urbanisation and industrialisation will result in India's energy needs growing by three times the global average, leading the country to see the largest increase in energy demand of any country. As its GDP expands, IEA sees India's primary energy consumption doubling to 1,123 Million tonnes of oil equivalent by 2040.

## Modernising the national transmission grid

Transmission and distribution in India have entered a new phase of growth, considering the Government's mission of "Power for All" and with the emphasis on green energy power generation. A key prerequisite to continue India's renewable energy investment ambitions is the need to build out and modernise India's national transmission grid, accelerating the enormous progress achieved over the last decade.

The domestic power transmission segment is expected to attract investments worth INR 3.5 Trillion over the next five years. In line with a shift in policy focus from conventional sources to renewable power sources, the focus of the transmission segment is towards augmenting infrastructure for evacuation of power generated by renewable energy projects.

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

## IndiGrid's ability to add value

Being India's first power sector infrastructure investment trust, IndiGrid is well positioned to seize the massive potential in the burgeoning renewable and power transmission sectors. Despite volatility in the capital markets, IndiGrid's track record of accretive acquisitions and resilient operations helped it in underpinning its goal of increasing shareholder returns, sustainably and responsibly. Our strong balance sheet, prudent asset management, operational excellence and AAA-rated cash flows have helped us to maintain our operations without impacting the distributions.

We are growing undeterred, powered with KKR's investment expertise, and intend to accelerate our momentum of growing the underlying portfolio to enhance unit-holder returns. Our planned acquisition pipeline, systematic and gradual diversification into renewables and deepening investor base on equity and debt side place us in a steadfast position. With revenue-generating assets and new acquisitions, we remain committed to address the challenge of growing transmission network in India, offering our unique proposition. We maintain a continual focus on providing superior risk adjusted total returns with stable cash yield and growth, moving ahead with the mission to achieve INR 300 Billion of assets.



# Message to Unitholders



FY 2020-21 has been marked by many key transformations. I am happy to report that despite external challenges, IndiGrid maintained its growth momentum in FY 2020-21 and reported a 35% growth in revenue and 27% growth in cash flows on the back of accretive acquisitions and operational resilience.



## Dear Unitholders,

**FY 2020-21 was an extraordinary year by any measure – a year of global pandemic, a year of tremendous volatility and a year in which every one of us faced difficult personal challenges. As I begin this address reflecting on FY 2020-21 and marking the onset of FY 2021-22, I am overwhelmed with a feeling of pride and gratitude for your unflinching support and dedication. I feel extremely proud of what IndiGrid team has achieved – collectively and individually in the year gone by, putting us at the cusp of a sustainable growth journey.**

Despite the impact of COVID-19, we, at IndiGrid, have taken this year with positive energy and kept growing and learning undeterred. We have overcome these unprecedented times through a focus on growth and resilience. Our growth over the past year has been a cumulative outcome of the efforts of every person associated with us – our employees and stakeholders, including sponsors, investors, regulators, and the government. As we battle through the more destructive second wave of COVID-19, we continue to look at responsible and constructive ways of responding to the situation, by taking care of all our employees and stakeholders, while working tirelessly to maintain crucial parts of the national grid without disruption.

I thank you for your continued support as a unitholder and am happy to share with you, that despite external vagaries, FY 2020-21 marked a phase of accelerated growth for IndiGrid. IndiGrid maintained its growth momentum in FY 2020-21 and reported a 35% growth in revenue and 27% growth in cash flows during the period on the back of accretive acquisitions and operational resilience. Today, our asset portfolio consists of 40 transmission lines with a total network length of 7,570 circuit kilometres, 11 substations with 13,550 MVA transformation capacity and 100 MW of solar power plants across 18 states and one Union Territory. Our total assets under management have leapfrogged to over INR 210 Billion on the back of five acquisitions worth INR 75 Billion during the last year.

### **FY 2020-21: A Transformational Year**

FY 2020-21 has been marked by many key transformations, creating a launchpad to leapfrog our growth story. I am

especially proud of how we stepped up collectively as an organisation to make the most of the opportunities presented to us during this period. In brief, FY2021 has indeed been a watershed year in our journey with some landmark events like the largest transmission asset deal in India, KKR getting onboarded as a Sponsor, and the inception of our digital transformation journey with IBM. FY 2020-21 will also be remembered for several “Firsts” such as the acquisition of our first solar project, first cost plus inter-state transmission project, first intra-state transmission project, among others. We shall discuss these in detail as we move along.

During the year under review, our focus remained on maintaining the highest levels of availability and safety, growing our asset portfolio, enhancing the financial performance and ensuring highest standard of corporate governance. In terms of the financial performance of the year, revenue and EBITDA grew by 35% YoY and 26% YoY, respectively, on the back of accretive acquisitions and robust annual availability of over 99.5%. For the year, we reported a jump of 27% YoY in Net Distributable Cashflow to INR 9,179 Million, supported by robust collections during the year.

### **Resilient Operations amidst COVID-19**

The COVID-19 situation in the country has been worsening with the emergence of the second wave. However, I am confident that this is different from 2020. The situation of 2020 had several unknowns as against 2021 with substantially better understanding about the virus, better-equipped medical community, and ongoing vaccination.



As I say this, I would also request all of you to continue taking utmost care and follow the precaution guidelines both at home and outdoors to ensure the safety of yourself as well as your loved ones. As far as the Indian economy is concerned, the outbreak of the pandemic offered a grave challenge. It upended the Indian economy, suspended business activities, and brought about unprecedented slowdown across industries. The lockdown announced by the Central and State Governments impacted the demand temporarily on account of limited commercial operations. However, we witnessed a sharp recovery once the lockdown conditions eased. Though IndiGrid's revenue is linked to the availability of grid and not actual electricity consumption, resumption of the industrial activity is a strong positive for the power sector and the entire economy.

During FY 2020-21, we focussed on improving the reliability of our network through various initiatives and maintained a consistent average availability of more than 99.5% across our asset portfolio. Even as the drop in revenue collections in Q1 of FY 2020-21 increased the working capital requirement temporarily, our overall collections for the entire financial year stood at 101%, signalling a normalcy in collection cycle. We ended the financial year with the average Days Sales Outstanding (DSO) days of ~41, lowest in past few years.

We, at IndiGrid, have also built strong internal protocols and business continuity measures to ensure minimal disruption to our operations and the community. We steered the tough environment by further fortifying our strengths and leveraging new opportunities. Besides protecting our current business base, we geared up to make the organisation more efficient to take on short-term challenges. As a responsible organisation, we continued to look for ways to support our employees and stakeholders through several vaccination drives, extended medical cover, and COVID-19 support groups, as per the Government guidelines.

#### **Strong execution on asset acquisitions**

FY2021 has also been a special year with over INR 69 Billion of acquisitions across different types of transmission assets from a diversified set of developers. During the first half of the financial year, we completed two acquisitions with assets aggregating nearly INR 14 Billion. We completed the acquisition of a Framework Asset, Gurgaon Palwal Transmission Limited ("GPTL") for ~INR 10.80 Billion from Sterlite Power, and of Jhajjar KT Transco Private Limited ("JKTPL") for ~INR 3.10 Billion from Kalpataru Power and Techno Electric. While GPTL is a strategic asset for ensuring reliable power supply in the NCR areas, JKTPL marks the acquisition of IndiGrid's first intra-state transmission project. During the second half of the financial year, we completed



## IndiGrid’s strong balance sheet, prudent asset management and operational excellence are underscored during a global crisis like the COVID-19 pandemic. These strengths, combined with AAA-rated cash flows, have allowed us to maintain resilient operations and grow distributions sustainably.

the acquisition of our first cost-plus transmission project i.e. Parbati Koldam Transmission Company Limited (“PrKTCL”) from Reliance Infrastructure for a total enterprise value of ~INR 9 Billion. We closed the year with consummation of the largest single asset deal in the Indian transmission sector with the acquisition of NER- II transmission project from Sterlite Power for ~INR 46.25 Billion, as a part of the Framework Agreement. With these acquisitions, our total Assets Under Management witnessed a 71% growth – from INR 120 Billion at the end of FY 2019-20 to ~INR 205.46 Billion at the end of FY 2020-21.

In July 2021, we completed the acquisition of 100% stake in two solar assets with cumulative capacity of 100 MW (AC) from Fotowatio Renewable Ventures at an enterprise value of ~INR 6.60 Billion, taking the total AUM to over INR 210 Billion. The acquisition of our first solar asset is an important milestone as this marks the first renewable energy acquisition by any InvIT in the country. Our plan continues to be to focus on the accretive acquisition of stable solar projects, with long-term stable cash flows, good quality plants, long contracts, strong PPA frameworks, and financially strong and highly creditworthy counterparties.

### Consistent Growth in Distribution

IndiGrid’s track record of accretive acquisitions, resilient operations and a strong balance sheet have allowed us to underpin our goal of sustainably and responsibly growing returns for our investors despite volatility in the capital markets. This is also evidenced by the increased annual distribution per unit (DPU) in FY 2020-21 to INR 12.20 from INR 12.00 a year ago. With several accretive acquisitions in the last year, we have increased the distribution guidance further to INR 12.75 per unit in FY 2021-22. This is the fourth instance of DPU increase by IndiGrid since its listing. This

is also in line with our strategy of providing superior risk-adjusted returns by delivering predictable DPU and growing it by 3-4% year-on-year.

We have distributed a total of INR 45.77 per unit to our unitholders over the last four years or 83% absolute return since the IPO (total return includes price change and distributions from listing to June 30, 2021). This makes IndiGrid one of the most attractive yield platforms in India with an annualised delivered total return to unitholders of ~16%.

### Improving Balance Sheet Strength

IndiGrid’s strong balance sheet, prudent asset management and operational excellence are underscored during a global crisis like the COVID-19 pandemic. These strengths, combined with AAA-rated cash flows, have allowed us to sustainably maintain operations without any impact on distribution. During the year, we successfully managed COVID-19 related uncertainties by maintaining adequate liquidity to mitigate any working capital impact of delay in collections.

Another focus area during FY 2020-21 was to substantially diversify our sources of debt, reduce the incremental cost of borrowing and elongate tenures in incremental facilities. This is evidenced by a reduction of ~67 basis points in our average cost of borrowing, which stood at 7.93% at the end of FY 2020-21, as compared to 8.6% at the end of FY 2019-20. The weighted average cost of incremental borrowing stood lower at 7.36%. The Net Debt/AUM as of March 31, 2021 stood at ~59%, giving ample headroom to fuel the next leg of growth journey.

The vote of confidence accorded by the investors through the recent success of Rights and Public NCD issue (first by

any InvIT in the country) further increases our confidence in our ability to maintain a robust balance sheet. In April 2021, IndiGrid pre-emptively raised ~INR 12.84 Billion of equity capital by way of a Rights Issue which was subscribed by over 1.25 times for funding acquisitions and creating leverage headroom for growth. Separately, we launched the Public NCD Issue in May 2021 to diversify our sources of debt and increase the debt tenure. The Public NCD Issue was subscribed ~25 times by a diversified pool of investors, resulting in triggering of the option to retain oversubscription of full tranche I issue size of up to INR 10 Billion. The average duration of the issue stood at ~8.6 years with current holders including insurance companies within days of IRDAI enablement, signifying strong demand from long-term capital.

### Strengthening the Capabilities

The year was also marked by several strategic initiatives that we undertook to strengthen the internal capabilities and create a robust infrastructure to become self-reliant. As a part of this effort, IndiGrid signed a multi-year collaboration agreement with IBM to build an artificial intelligence (AI)- enabled asset management platform – DigiGrid. The digital transformation will allow us to deploy a hybrid cloud solution with IBM Maximo Application Suite to optimise the quality and utilisation of our transmission and solar assets throughout their lifecycle, increase productive uptime through preventative and predictive maintenance, drive efficiency and reduce operating costs – ultimately delivering better value to its investors. This ties in well with our strategy to transition the project management operations in-house, leading to operational synergies.

During the period under review, we also made significant strides in promoting inclusive safety and health awareness

amongst our stakeholders and support adjoining communities. IndiGrid, through its comprehensive ESG and ESMS Framework, is fully committed to ensuring responsible growth and making a difference to all its stakeholders and the environment and society at large. This is a step forward in realising our vision of being the most admired yield vehicle in Asia.

### Policy Advocacy

We have been actively engaging with the regulatory bodies and the government since our listing to streamline regulations for deepening markets for InvITs. I must thank all the regulators including SEBI, RBI, IRDAI, PFRDA and also the Ministry of Finance for a commendable approach to proactively engage with participants and enable timely regulations to allow InvITs to succeed.

The recent move for approving reduction in trading lot size to 1 unit is a landmark step by SEBI to deepen the market for InvITs in India. This will not only lead to better liquidity and efficient price discovery, but will also provide an attractive opportunity for retail investors to earn stable yields with growth potential. The move also paves the way for increased institutional participation with greater confidence on liquidity.

The key to InvITs success is to ensure that InvITs have access to diverse and low-cost sources of capital. IRDAI and PFRDA have recently enabled insurance companies and pension funds to invest in debt securities issued by InvITs and REITs. This move could be another game-changer for the Indian InvIT landscape. Allowing pension funds and insurance companies to invest in units and debt securities of InvITs is a win-win for all, as on one hand such long-term public capital managers get an opportunity to invest in long-term steady cash flow generating high quality infrastructure assets, and



We remain committed to the four key tenets of our growth strategy – a focussed business model, value accretion, predictable distribution, and optimal capital structure. We see sizable growth opportunities for IndiGrid and expect to further ramp-up our AUM, given the attractive pipeline – both in the transmission and renewable sectors.



on the other hand, the InvITs can tap into another source of long-term capital.

### Positive Outlook

Given India's huge need for investment in infrastructure and the need to keep fiscal deficit under control, InvITs can truly become a viable form of investment platform where large amount of foreign and domestic capital can be harnessed in near future. IndiGrid, being the first power InvIT, is well positioned to seize this massive potential opportunity. We remain well capitalised, and with KKR's investment expertise, we intend to accelerate our momentum of growing the underlying portfolio to enhance unitholder returns. The planned acquisition pipeline, accretive acquisitions and deepening investor base on equity and debt side place IndiGrid in a steadfast position, despite the external challenges.

As we embark on this journey, I would like to highlight some key focus areas for the upcoming year. We remain committed to the four key tenets of our growth strategy – a focussed business model, value accretion, predictable distribution, and optimal capital structure. We see sizable growth opportunities for IndiGrid and expect to further ramp-up our AUM to INR 300 Billion, given the attractive pipeline – both in the transmission and renewable sectors.

We have focused on ensuring predictable and sustainable distribution over last 16 quarters and grown it consistently. While we continue to focus on providing superior risk-adjusted returns to our stakeholders, we are mindful of the need to maintain transparency and the highest standards of governance and build IndiGrid as a platform to target significant future growth opportunities. The past year has been pivotal in our journey, and going forward, we look

forward to ensuring responsible growth, making a difference to all our stakeholders and the environment and society at large. It gives me immense pride that we continue to evolve and follow our own Environmental, Social & Governance (ESG) framework, and positively impact the society at large around us.

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

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

Warm Regards,

**Harsh Shah**  
Chief Executive Officer



# IndiGrid – India’s First Power Transmission Yield Platform

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

## Our Key Driver

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

## Our Vision

To become the most admired yield vehicle in Asia.

## Our Mission

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



**>INR 210**  
**Billion\***

Total Assets Under Management

**18 States**  
**1 Union Territory**

Presence across India

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

Total Length Network

**AAA Rated**  
Perpetual Ownership<sup>#</sup>

**11 Substations**  
**~13,550 MVA**

Total Transformation Capacity

**~30 Years**  
Average Residual Years  
of Contract Life

**~11,500**

Towers

**~430,000**  
**MT**

Steel and Aluminium

**100 MW (AC)**

Solar Generation Capacity

NOTE

\*Value of 100% stake of all projects as per independent valuation report as of March 2021 (includes FRV acquisition made in July 2021)

<sup>#</sup>All projects except JKTPL are on BOOM model

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

# Celebrating a Journey Called IndiGrid

## KEY MILESTONES

2017	2018	2019	2020	2021
<ul style="list-style-type: none"> <li>Launched India's first Power Sector InvIT</li> </ul>	<ul style="list-style-type: none"> <li>Acquired 4 assets valued at INR 17 Billion                             <ul style="list-style-type: none"> <li>3 assets acquired from Sterlite Power</li> <li>1 asset acquired from Techno Electric</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>KKR and GIC acquired significant stakes in IndiGrid                             <ul style="list-style-type: none"> <li>Raised INR 25.1 Billion of primary capital through Preferential Issue allotment to KKR, GIC and other capital market investors</li> <li>Locked in assets worth INR 110 Billion</li> <li>Acquired 2 assets valued at INR 51 Billion</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Inducted KKR as a Sponsor</li> <li>Entered into a digital collaboration with IBM</li> <li>Announced 5 acquisitions worth INR 35 Billion</li> </ul>	<ul style="list-style-type: none"> <li>Acquired 2 Assets worth INR 55 Billion</li> <li>Entered into the largest transmission deal asset in India</li> <li>Raised equity worth INR 13 Billion through a Rights Issue</li> <li>Raised debt worth INR 10 Billion through Public NCD Issue</li> </ul>

### Total Equity Raised INR 66.36 Billion

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

### Total AUM >INR 210 Billion

- Initial Asset Portfolio - INR 37 Billion
- Acquisitions worth INR 175 Billion

### Total Returns = Distribution + Growth

- INR 45.77/unit distributed since listing till Q4 FY21; 16 quarters of consecutive distribution



# Track Record of Strong Fundamentals

## REVENUE (INR Million)

FY2018	4,480
FY2019	6,656
FY2020	12,427
FY2021	16,748

**55%**  
CAGR

## EBITDA (INR Million)

FY2018	4,155
FY2019	6,036
FY2020	11,504
FY2021	14,473

**51%**  
CAGR

## ASSETS UNDER MANAGEMENT (INR Million)

FY2018	52
FY2019	52
FY2020	120
FY2021	205

**58%**  
CAGR

## NDCF (INR Million)

FY2018	2,790
FY2019	3,330
FY2020	7,203
FY2021	9,179

**48%**  
CAGR

## DPU (INR Per Unit)

FY2018	9.6
FY2019	12.0
FY2020	12.0
FY2021	12.2

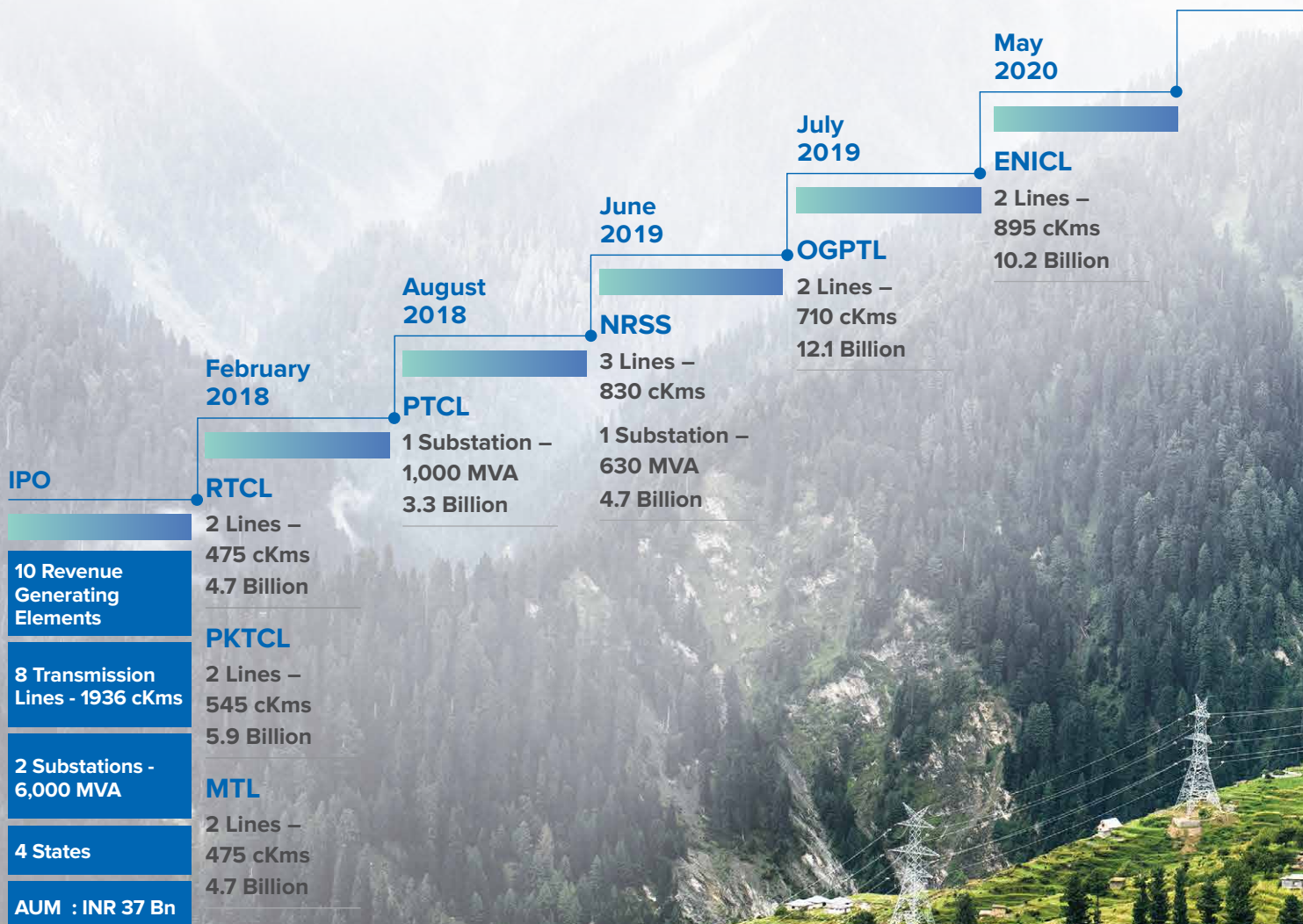
**4% YoY**  
Quarterly  
DPU  
Run-rate

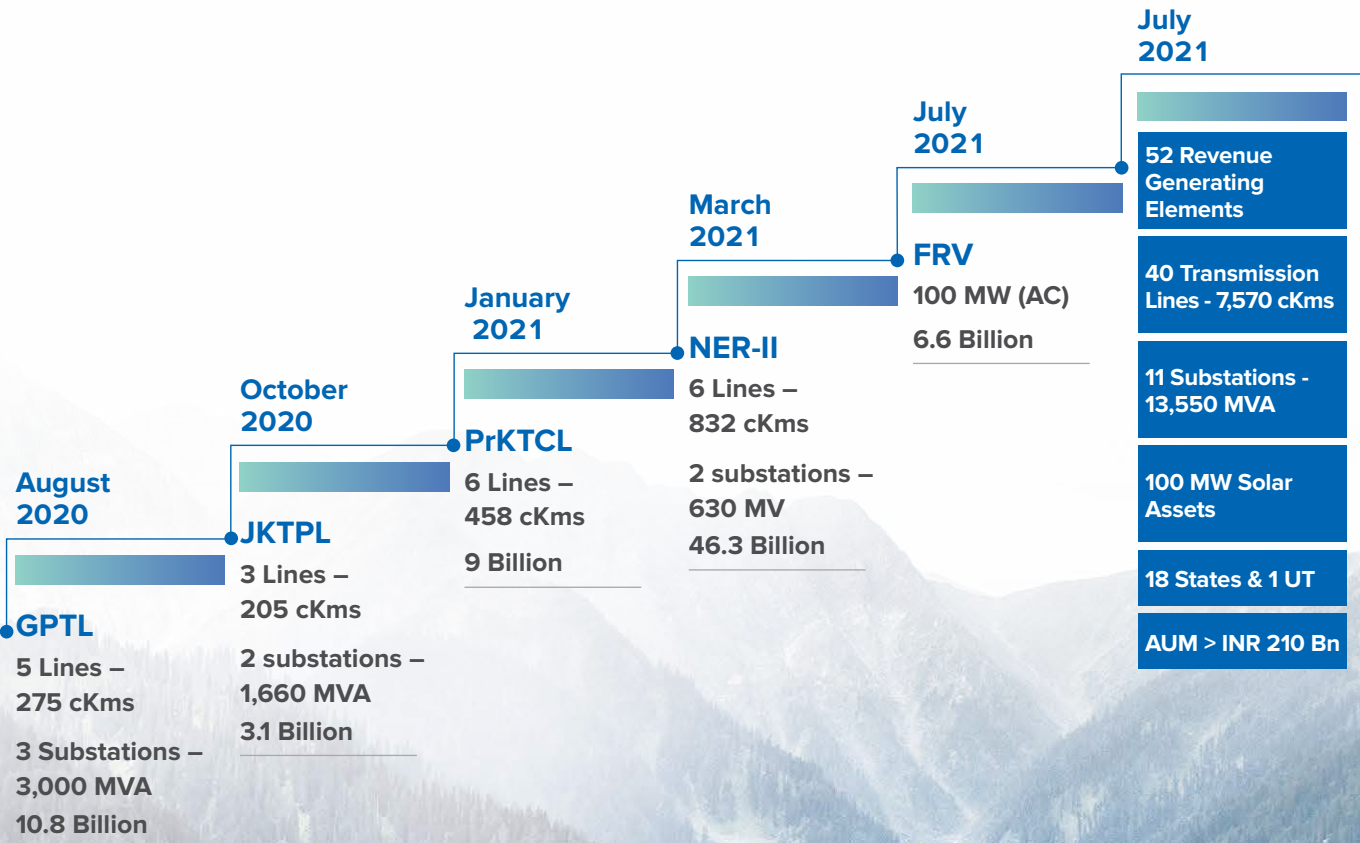
### NOTE

FY2021 includes impact of one-time adjustment on account of change in law  
FY2021 NDCF includes reserve created at SPV level

# 5x increase in AUM on the back of Accretive Acquisitions

In our short but eventful existence, we have come a long way - from two power transmission projects to 14 diversified power projects - on the back of our robust acquisition strategy which is focussed on thorough due-diligence, systematic diversification and continuous evaluation of acquisition pipeline through ROFO/Framework Agreements with quality developers.





NOTE: Value denotes the enterprise value of asset at the time of acquisition

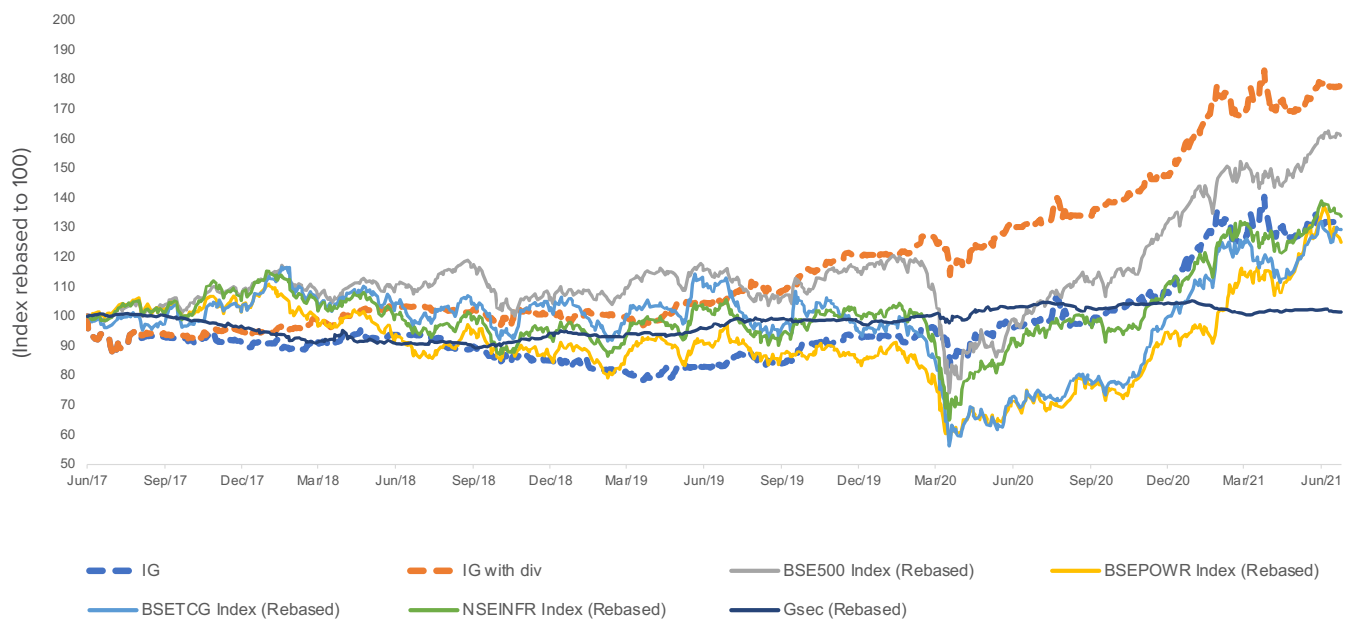
# Our Risk-Return Report Card

Total Returns = Predictable DPU + Sustainable Growth

<p><b>DISTRIBUTION SINCE LISTING</b></p> <p><b>~INR 20.60 Billion</b> Gross Distribution till date</p> <p><b>16</b> Quarters of consecutive distribution</p> <p><b>3-4% YoY</b> Growth Run-Rate</p>	<p><b>EQUITY RAISED SINCE INCEPTION: INR 66.36 BILLION</b></p> <p><b>INR 28.38 Billion</b> IPO Proceeds</p> <p><b>INR 25.14 Billion</b> Preferential Issue</p> <p><b>INR 12.84 Billion</b> Rights Issue</p>	<p><b>TOTAL RETURNS: 83%*</b></p> <p><b>INR 45.77/Unit</b> Predictable DPU</p> <p><b>~16%</b> Annualised Return</p> <p><b>0.07 Beta</b> Low Risk</p>
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\* Total Return (including distribution) is since listing of IndiGrid till June 30, 2021  
 Note: Total Distribution refers to gross distributions since listing till Q4 FY21

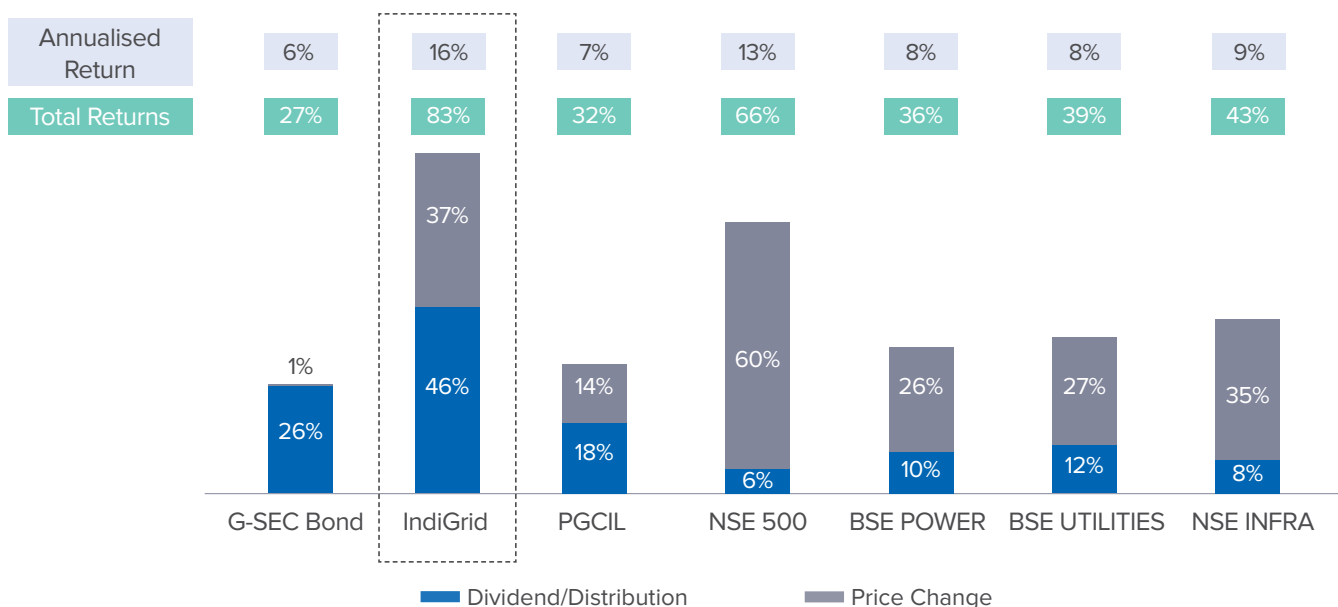
## SUPERIOR RISK-ADJUSTED RETURN



Source: Bloomberg

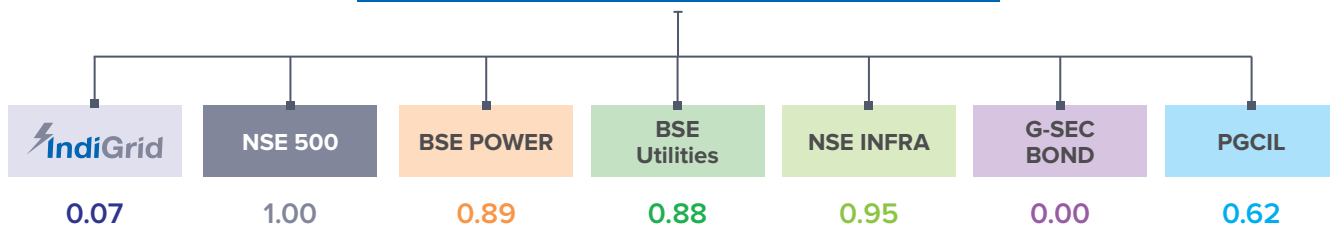


## TOTAL RETURNS SINCE IPO



NOTE:  
 G-sec Bond refers to IGB 6.79 15/05/2027  
 Total Return chart is since listing of IndiGrid till June 30, 2021  
 Source: Bloomberg

## BETA\* AS COMPARED TO NSE 500



\* Historical Beta is on weekly basis from listing till June 30, 2021  
 G-sec Bond refers to IGB 6.79 15/05/2027  
 Source: Bloomberg

## DELIVERING DISTRIBUTION AND GROWTH

Substantially higher than G-Sec Bond, NSE 500 and comparable indices

### LOWER VOLATILITY

Lower beta compared to market

### QUARTERLY DISTRIBUTION AMIDST MARKET VOLATILITY

### TOTAL RETURN

Superior returns compared to equity indices and comparable instruments

### DPU Yield of 11%

On average VWAP trading price of INR 110/Unit on NSE during FY2021

# Our Passion at Work



## FY 2020-21 : DELIVERING ON OUR COMMITMENTS

<b>OPERATIONS</b>	Average annual availability >99.50%; above norms to maximise incentives
<b>REMAINING WELL-CAPITALISED</b>	Raised INR 12.84 Billion through a Rights Issue for funding acquisitions and creating leverage headroom
<b>RAISING LONG-TERM DEBT CAPITAL</b>	Raised INR 10 Billion through a Public NCD Issue to diversify and deepen sources of debt
<b>ACQUISITIONS</b>	Completed acquisition of 4 assets – GPTL, JKTPL, PrKTCL and NER-II worth INR ~69 Billion – Completed acquisition of FRV solar asset worth INR 6.6 Billion in July 2021
<b>DISTRIBUTION</b>	INR 45.77/unit distributed to investors since listing
<b>TOTAL RETURNS</b>	Superior gross returns compared to equity indices and comparable investments at 83%*

**NOTE**

#Fund raise completed in April 2021

\*Total Returns include price change and distribution from listing to June 30, 2021

# Managing Liabilities Prudently

AAA

Credit  
Rating

~80%

Fixed rate  
borrowing

~59%

Net Debt/  
AUM

7.93%

Average  
Cost of Debt

70%

Leverage  
Cap

## LEVERAGE AND BORROWING FRAMEWORK

### AAA RATING

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

### OPTIMISE BORROWING

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

### ASSET-LIABILITY MANAGEMENT

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

### LIQUIDITY MANAGEMENT

- Maintain a combination of liquid reserve & DSRA
- Discount receivables for working capital management

### TRANSPARENCY

- Unitholders approval for borrowings over 25% of Total Assets
- Regular reviews by Investment Committee

### POLICY ADVOCACY

- Insurance companies allowed to invest in debt securities of InvITs
- PFRDA enabled NPS schemes to invest in debt securities of InvITs
- PFRDA relaxed sponsor rating requirement for investments by NPS schemes into InvIT units
- SEBI Board approved reduction in trading lot size to 1 Unit

# Our Building Blocks



# Sustainable Growth

## Environment

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



# 100%

Hazardous Waste Disposal Compliance

# 100%

HSE training

# 36,000

Training manhours

# >95%

Safe manhours

# 168,024

kWh\*

renewable units generated

# 138.17

tonnes\*

CO<sub>2</sub> avoidance

## Social

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



## Governance

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



\* from beginning till Mar'21

# Limited COVID-19 Impact



**IndiGrid’s performance was insulated from the COVID-19 shock as transmission tariffs are based on availability and not linked to power flow.**

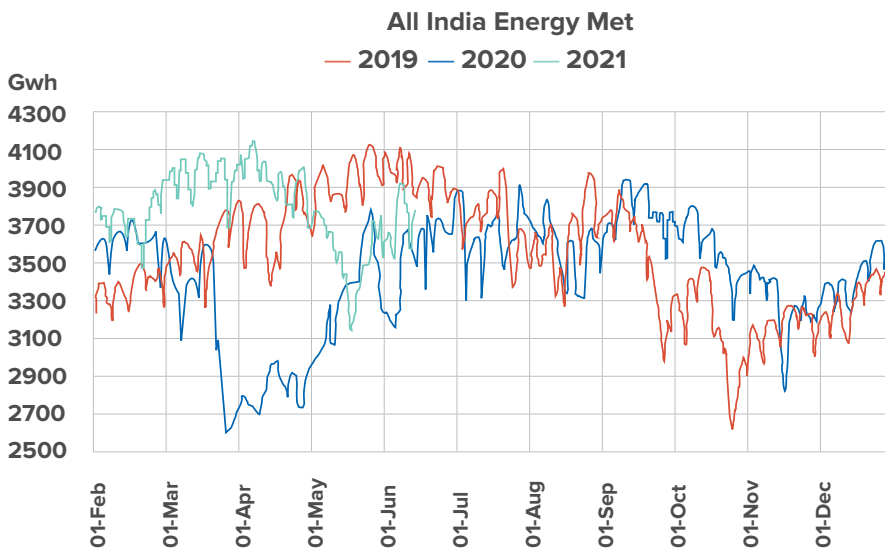
In a population of more than 1.3 Billion, the COVID-19 pandemic led to far-reaching consequences. Even as the outbreak of the virus fundamentally changed the way people live, work and socialise, IndiGrid combatted the crisis on all fronts with an agile and resilient mindset. Given our scale of expansive network and ensuing logistics and labour issues, there were teething challenges during on-the-ground maintenance and surveying. However, these were quickly mitigated as the Government listed “Power Transmission” as an essential service.

Thanks to a robust business continuity measures around human resources, disaster recovery, IT, health and safety, quality, and asset management, IndiGrid quickly adapted to the unprecedented situation stemming from the pandemic. Having alternate contingency plans in place allowed us to mitigate critical risks including supply chain collapse, inaccessible workforce, logistical lock-jam and digital breakdown. Through robust operations, we maintained power availability of over 99.50% during FY 2020-21. There was also a decline in the number of trips per line on a month-to-month basis. Our operational philosophy helped maintain strong asset reliability and limit the impact on our operations.

Another testament to our commitment to increase unitholder value on an ongoing basis is that IndiGrid executed 5 M&A transactions worth INR 75 Billion despite the challenges imposed by COVID-19 over last 12-18 months.



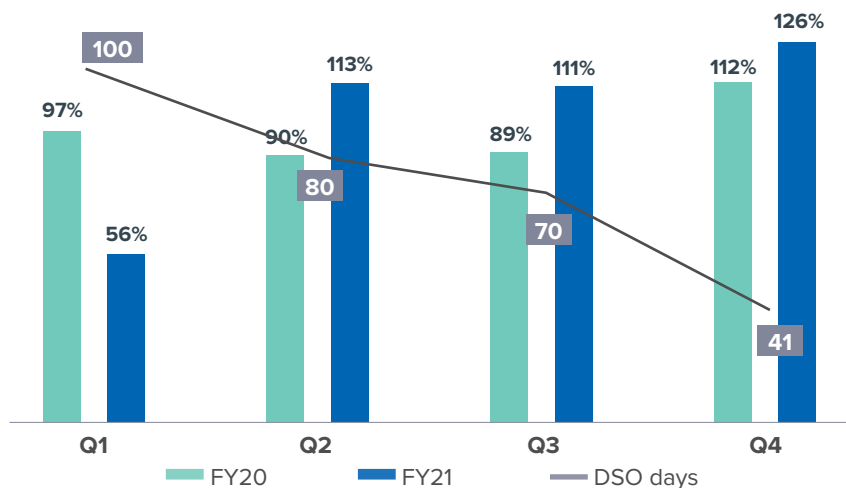
## ALL INDIA MAXIMUM DEMAND (MW)



### Impact on Power Demand

- Power demand flat YoY in FY2021; peak demand up ~4%
- Demand bounced back with resumption of activity
- Power demand slumped temporarily due to lockdowns
- Transmission tariffs are based on availability and not linked to power flow

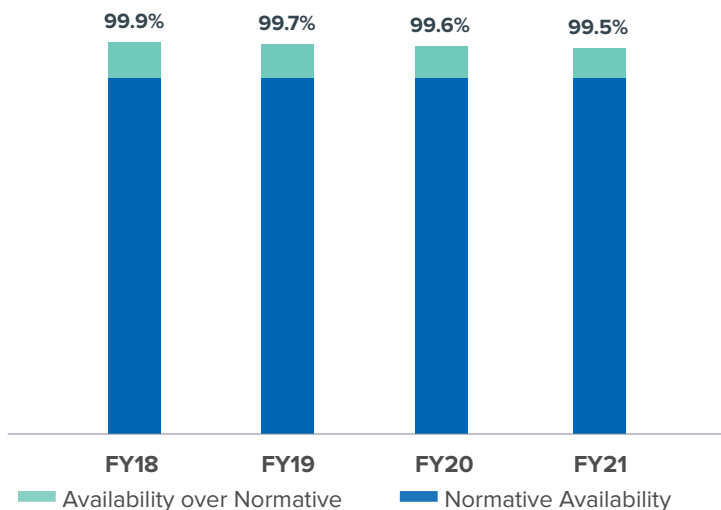
## COLLECTION EFFICIENCY %



### Impact on Collections

- Collections bounced back to at 126% in Q4 FY21 vs 111% QoQ and 112% YoY
- FY2021 Collections above 100%, improved by four percentage points YoY
- DSO days at 41 as of Mar'21 vs 52 days as of Mar'20

## AVERAGE PORTFOLIO AVAILABILITY %



### Resilient Operations

- Maintained transmission of reliable power despite COVID challenges
- Ensured safety of employees and partners via COVID taskforce which aided in securing medical aid and vaccines, in adherence to govt regulations
- All the critical O&M activities continued with restricted site teams

# Engaging With Our Stakeholders

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

## Engaging with our Stakeholders

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



## Employees

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

### Safety: Our Key Priority

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



### Build a transparent and winning culture

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

## AMC Partners & Supply Chain

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

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

## Communities

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

# Setting New Benchmarks

## FY2021 – A Transformational Year

**35%**  
Revenue Growth

**INR 69 Billion**  
Assets acquired during the financial year

**7.93%**  
Average cost of borrowing

### PORTFOLIO GROWTH

- Largest Transmission Asset Deal (NER-II) from Sterlite Power for **INR 46.25 Billion**
- First Regulated Transmission Asset (PrKTCL) from Reliance Infrastructure for **INR 9.00 Billion**
- First Intra-State Transmission Asset (JKTPL) from Kalpataru Power and Techno Electric for **INR 3.10 Billion**
- Framework Asset (GPTL) from Sterlite Power for **INR 10.80 Billion**

### IMPROVING BALANCE SHEET STRENGTH

- Raised **INR 12.84 Billion** via Rights Issue (125% subscribed) to maintain a well-capitalised balance sheet and funding future acquisitions
- Raised **INR 10.00 Billion** via Public NCD Issue (subscribed ~25 times) to diversify sources of debt
- Average cost of borrowing at **7.93%**, with average incremental borrowing rate of **~7.36%**
- Net Debt/AUM at **59%** providing sufficient headroom for growth

### RESILIENT ASSET MANAGEMENT

- Transitioning into in-house Project Management/Asset Management
- Partnership with IBM-Maximo to digitise asset management and increase reliability and efficiency
- Investments in emergency restoration system to ensure reliability
- Undertook reliability enhancement initiatives to achieve the objective of “Zero Defect”

### INDUSTRY STEWARDSHIP

- IRDAI enabled insurance companies to subscribe to debt securities issued by InvITs
- InvITs recognised as pooled investment vehicle under SARFAESI Act
- MOF-enabled FPIs to subscribe to debt securities issued by InvITs, subject to final approvals

# Being Future-Ready

## FY2022 – Key Focus Areas

### Superior Returns

Continue to grow total returns to unitholders

### Stable DPU

Increase/elongate DPU stream for unitholders

### Responsible Growth

Increased focus on ESG

### PORTFOLIO GROWTH

- Acquired FRV solar asset at an enterprise value of **~INR 6.60 Billion** in July 2021
- Inter-state transmission bids worth **INR 150 Billion** expected in FY2022
- Inter-state transmission projects worth **INR 260 Billion** identified for 20 GW renewable plants
- **INR 500 Billion** worth inter-state (TBCB) and **INR 450 Billion** intrastate bids (TBCB) to be bid over next 3-4 years
- Focus on completion of acquisition framework asset (KTL)
- FY2022 Distribution per unit guidance raised to **INR 12.75**

### IMPROVING BALANCE SHEET STRENGTH

- Focus on diversifying debt sources
- Focus on extending tenures in incremental facilities
- Aim to reduce cost of debt through refinancing and diversification
- Focus on maintaining adequate liquidity to mitigate current uncertainties

### RESILIENT ASSET MANAGEMENT

- Self-reliant O&M practices across the portfolio
- Focus on maximising incentive by maintaining >99.5% availability
- Continued investments in industry leading technology initiatives
- Ensuring world-class EHS and ESG practices across the portfolio

### INDUSTRY STEWARDSHIP

- SEBI Board approved reduction in trading lot size to 1 Unit
- PFRDA enabled NPS schemes to invest in debt securities of InvITs
- PFRDA relaxed sponsor rating requirement for investments by NPS schemes into InvIT units
- Policy initiatives like streamlining tax anomalies and actioning FPI, ECBI ending
- Focus on increasing awareness about IndiGrid and InvITs



# Corporate Overview

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# About IndiGrid

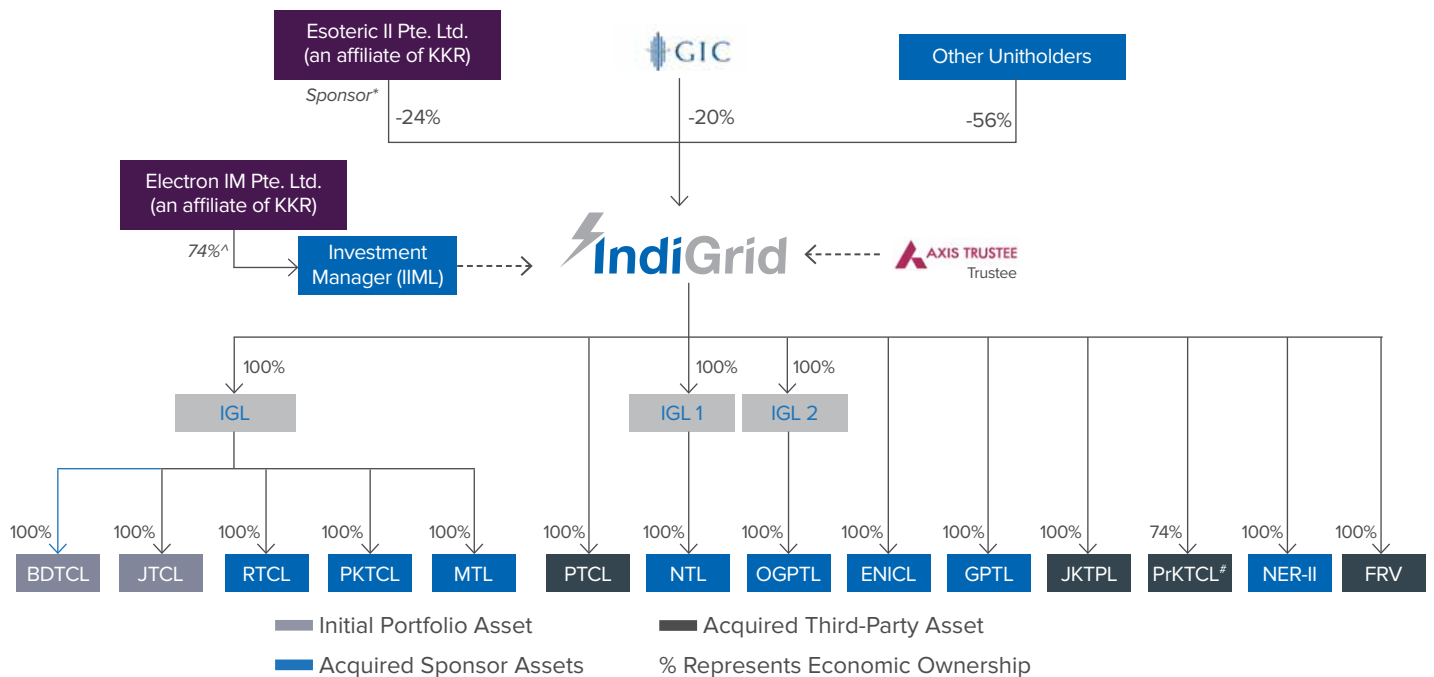
**IndiGrid has been established with an objective of providing superior risk-adjusted returns to the unitholders by owning operational power transmission and solar energy assets in India.**

Backed by KKR, IndiGrid is India's first yield platform in the power sector offering investors an attractive cash yield, supported by stable cash flows from long-term operating power assets. IndiGrid was formed in 2016 as an Infrastructure Investment Trust (InvIT) with a primary goal in mind – democratising ownership of power

infrastructure in India. We have made remarkable progress on all fronts since our listing – regulatory engagement, robust asset management, sustained portfolio expansion, superior returns and sound financial performance while maintaining the ethos of responsible and inclusive growth by providing reliable power to all and strengthening

India's infrastructure. Post the recent fund raise in 2021 through Rights Issue and Public NCD Issue, and the robust acquisition pipeline, IndiGrid is set to continue its growth momentum and achieve the vision of becoming most admired yield vehicle in India.

## INDIGRID'S CORPORATE STRUCTURE



IGL = IndiGrid Limited, IGL1 = IndiGrid 1 Limited, IGL2 = IndiGrid 2 Limited, BDTCL = Bhopal Dhule Transmission Company Limited, JTCL = Jabalpur Transmission Company Limited, RTCL = RAPP Transmission Company Limited, PKTCL = Purulia & Kharagpur Transmission Company Limited, MTL = Maheshwaram Transmission Limited, PTCL = Patran Transmission Company Limited, NTL = NRSS XXIX Transmission Limited, OGPTL = Odisha Generation Phase II Transmission Limited, ENICL = East-North Interconnection Company Limited, GPTL = Gurgaon Palwal Transmission Limited, JKTPL = Jhajar KT Transco Private Limited, PrKTCL = Parbati Koldam Transmission Company Limited, NER-II = NER II Transmission Limited, IIML = IndiGrid Investment Managers Limited, FRV = FRV Solar Assets (two SPVs)

\*Sterlite Power continues to be a sponsor with ~0.3% equity stake  
 \*PrKTCL held in a Joint Venture with Power Grid holding 26% stake  
 ^SPTL owns 26% stake in IIML

# Our Key Stakeholders

## Investment Manager INDIGRID INVESTMENT MANAGERS LTD (IIML)

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

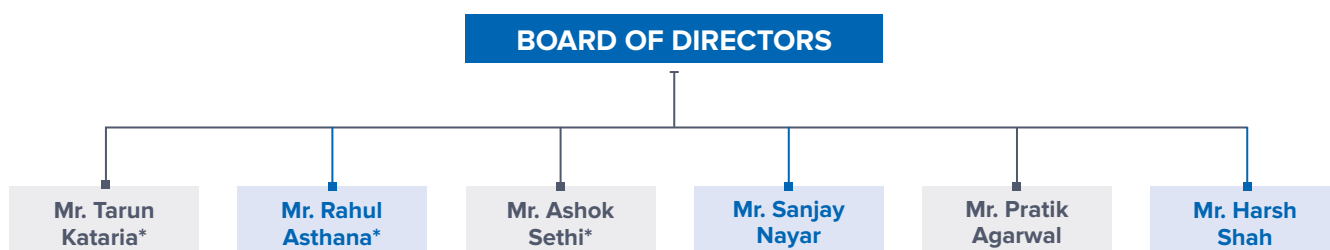
IIML executed Investment Management Agreement with IndiGrid on November 10, 2016. As per the provisions of the Investment Management Agreement, IIML is empowered to:

- Take all decisions in relation to the management and administration of IndiGrid's assets and the investments of IndiGrid
- Oversee the activities of the Project Manager in terms of the InvIT Regulations and applicable Law
- Issue and allot units, accept subscriptions to Units of IndiGrid and issue, transfer

units to Unitholders or such other persons and undertake all related activities

- Focused teams engaged in asset management, M&A, capital raising, compliance, engineering and finance & accounting

As on March 31, 2021, unitholders approval for change in control of the Investment Manager of IndiGrid is already in place. KKR currently owns 74% stake in IIML.



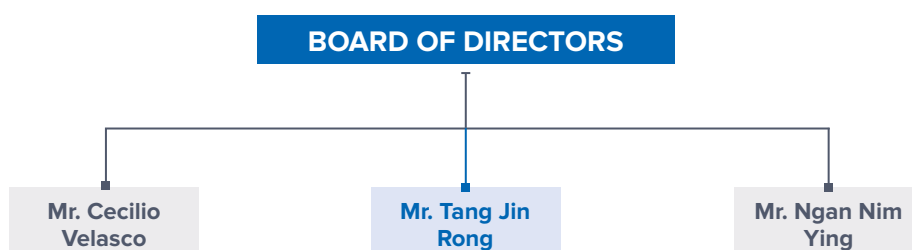
*\*Independent Director*

## Sponsor

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

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

would allow the Trust to leverage KKR's global experience of investment management, along with enhancing its corporate governance standards in line with global standards. KKR had invested INR 1,084 Crore in IndiGrid in May 2019 and currently owns an approximate 24% stake in the platform. Separately, KKR also owns 74% stake in IndiGrid Investment Managers Limited (IIML), the Investment Manager of IndiGrid.



## KKR – A LEADING GLOBAL INVESTMENT FIRM

- KKR is a leading global investment firm with over 43 years of experience and a strong track record of performance
- It manages multiple alternative asset classes, including private equity, credit, and real assets, with strategic partners that manage hedge funds
- It has USD 367 Billion of AUM globally (as on March 31, 2021), with offices in 21 cities in 16 countries across 4 continents
- Infrastructure is a core focus for KKR with ~40 investments and more than ~USD 18 billion of assets under management (as on March 31, 2021)
- KKR had established the Asia Pacific Infrastructure team to address the significant and growing infrastructure investment needs across the region

## KKR'S STRATEGY TO INVEST IN INDIA

### Favourable long-term outlook

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

### One of KKR's core markets

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

### Attractive infrastructure investment destination

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

## KKR'S ASIA PACIFIC INFRASTRUCTURE STRATEGY

### Play to KKR's competitive advantage

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

### Differentiated investment approach

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

### Capital protection with participation in growth

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

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



## KKR IN NUMBERS

### USD 367 Billion

Assets Under Management globally (As on March 31, 2021)

### 21 Cities across 4 Continents

Where we deliver our local expertise with a global perspective

### 116

Portfolio Companies in our private equity funds that generate USD 238 Billion in Annual Revenues, as of September 30, 2020

### 70%

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

### Over 40

Investment funds raised since inception, including 22 private equity funds

### 19 Million

Retirees and pensioners with exposure to KKR's investments

### 25.6%

The cumulative gross IRR generated since 1976 (net IRR of 18.9%) by KKR's private equity funds with at least 24 months of activity prior to March 31, 2021, compared to just 6.9% achieved by the S&P 500 index over the same period

### USD 24 Billion

Invested in or committed to own funds and portfolio companies alongside clients, as of March 31, 2021

### 818,000

People employed worldwide in private equity, TMT growth equity, infrastructure, real estate, global impact, core, balance sheet/stakes, and special situations portfolio companies, as of December 31, 2019

Source: <https://www.kkr.com/kkr-today>

## 2. STERLITE POWER TRANSMISSION LIMITED (SPTL)

SPTL, IndiGrid's sponsor, is a leading global developer of power transmission infrastructure with extensive experience in developing projects spanning across India and Brazil. SPTL has successfully developed projects (sold to IndiGrid, commissioned and under construction) of about 13,700 circuit kilometres and 26,100 MVA in India and Brazil. With an industry-leading portfolio of power conductors, EHV cables and OPGW, Sterlite Power also offers solutions for upgrading, uprating and strengthening

existing networks. The company has set new benchmarks in the industry by use of cutting-edge technologies and innovative financing.

Of the 15 power transmission projects in India executed by Sterlite Power, 8 have been acquired by IndiGrid till date. SPTL also has developed a portfolio of 10 transmission projects (of which 3 projects are sold) in Brazil through a total capex of over INR 10,760 Crore.

With its dedicated teams to ensure best-in-class designing, construction and maintenance of power transmission assets, coupled with the deployment of latest technologies, SPTL has been able to improve efficiency and minimise the impact on the environment during the project construction period. As of June 30, 2021 SPTL owns 0.3% stake in IndiGrid (from 15% YoY).

### BOARD OF DIRECTORS

Mr. Pravin  
Agarwal

Mr. Anoop  
Seth

Mr. A. R.  
Narayanaswamy

Mr. Pratik  
Agarwal

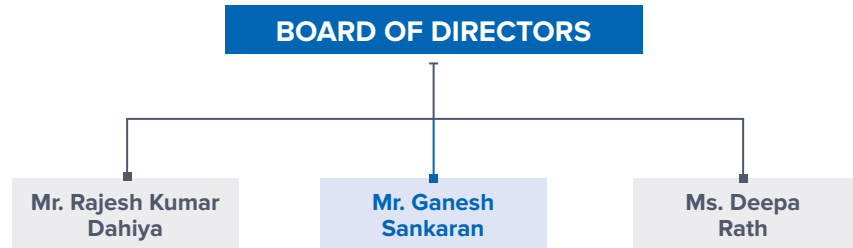
Ms. Haixia  
Zhao

## Trustee **AXIS TRUSTEE SERVICES LIMITED**

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

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

- Approve distribution to Unitholders
- Ensure compliance of rights attached to the units
- Oversee voting of Unitholders



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

## Project Manager

In FY 2020-21, Sterlite Power Transmission Limited (SPTL) and IndiGrid Limited (IGL) managed the operations and maintenance of our projects. SPTL entered into the Project Implementation and Management Agreement with IndiGrid on November 10, 2016, as amended, to:

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

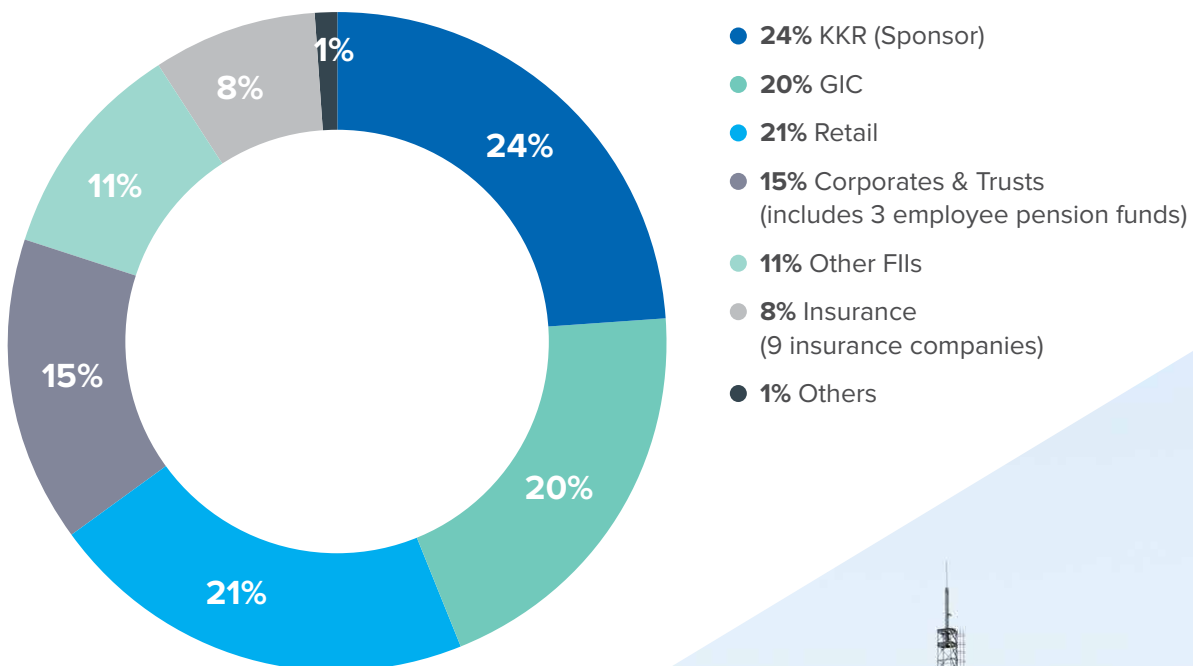
IndiGrid and SPTL decided to discontinue the Project Manager services for all IndiGrid Project SPVs (except NER). Accordingly, the Investment Manager has executed the Deed of Termination for existing PIMA and a separate PIMA was executed NER on June 30, 2021.

The Investment Manager has also executed a fresh PIMA with IGL for its appointment as a Project Manager for all Project SPVs with effect from June 30, 2021.

# Unitholders

As of June 30, 2021; total FII ownership (including sponsor) in IndiGrid is at ~55%. KKR (Sponsor) owns 24%, GIC owns ~20% while the balance 11% is held by other marquee foreign investors. DII and corporates hold ~25% of the units which includes 9 insurance companies, 4 mutual funds and 3 employee pension funds. Retail holding is at 21%, an increase of more than 4 times in value since IPO.

## UNITHOLDING PATTERN (As on June 30, 2021)



# An Esteemed Board



**MR. TARUN KATARIA**  
*Independent Director*

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



**MR. RAHUL ASTHANA**  
*Independent Director*

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



**MR. ASHOK SETHI**  
*Independent Director*

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

**MR. SANJAY NAYAR***Non-Executive Director*

Mr. Nayar has about 34 years of experience and is currently the Chairman of KKR India. He was appointed as a Non-Executive Director to the Board of the Investment Manager in 2019. Prior to joining KKR, he served as CEO of Citigroup's Indian and South Asian operations and was a member of Citigroup's Management Committee and Asia Executive Operating Committee. He is a member of the Board of US-India Strategic Partnership Forum, the Governing Board of Indian School of Business and is an Executive Member of CII PE/VC Committee. He is additionally on the board of Max Healthcare Institute Limited, Avendus Capital Private Limited and JB Chemicals & Pharmaceuticals Limited. He is also on the Advisory Board of Habitat for Humanity and is an Independent Director of Grameen Impact Investments Private Limited. Mr. Nayar has a Bachelor's degree in Mechanical Engineering from Delhi University and is an MBA in Finance from the Indian Institute of Management, Ahmedabad.

**MR. PRATIK AGARWAL***Non-Executive Director*

Mr. Agarwal has extensive experience in building core infrastructure businesses in ports, power transmission and broadband. He was appointed as an Executive Director of the Investment Manager on July 19, 2011 and was re-designated as a Non-Executive Director on July 31, 2018. He has been instrumental in transforming the way infrastructure projects – especially power transmission – are built by deploying innovative technologies such as the LiDAR survey, drone-stringing and heli-crane-based construction. He is the Chairman of Confederation of Indian Industry Core Committee on Transmissions and on the Advisory Board of India Brazil Chamber of Commerce. He holds a master's degree in business administration from London Business School and a bachelor's degree from Wharton Business School, University of Pennsylvania.

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

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

# Our Management Team



**MR. HARSH SHAH**

*Chief Executive Officer and  
Whole-time Director*

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Mr. Harsh Shah has extensive experience in infrastructure sector across bidding, financing, operations, mergers and acquisitions and regulatory policy. He was appointed as the Chief Executive Officer and Whole-time Director with effect from August 1, 2018. He was instrumental in setting up IndiGrid, India's first infrastructure investment trust in the power transmission sector. He is also a member of the SEBI Advisory Committee for InvITs and REITs. He holds a master's degree in business administration from National University of Singapore and a bachelor's degree in electrical engineering from Nirma Institute of Technology, Gujarat University.



**MR. JYOTI KUMAR AGARWAL**

*Chief Financial Officer*

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



**MS. MEGHANA PANDIT**

*Chief Investment Officer*

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



**MR. SATISH TALMALE**

*Chief Operating Officer*

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

**MR. BIGYAN PARIJA***Chief Design Officer*

Mr. Bigyan Parija is the Chief Design Officer of the Investment Manager. He holds a bachelor's degree in Mechanical Engineering from Utkal University. He has over 20 years of experience in design and engineering, project management and business acquisition in the power transmission sector. Prior to joining IndiGrid, he was the Senior Vice President - Engineering & Routing of SPGVL.

**MS. DIVYA BEDI VERMA***Deputy CFO*

Ms. Divya Bedi Verma is the Deputy Chief Financial Officer of the Investment Manager. She holds a bachelor's degree in commerce from Delhi University and is a qualified chartered accountant. She has completed the R12.x Oracle General Ledger Management Fundamentals Ed 1 LVC, R12.x Oracle Order Management Fundamentals Ed 1 LVC, R12.x Oracle E-Business Suite Essentials for Implementers Ed 1 LVC, 11i Oracle Order Management Fundamentals Ed 2 and 11i Oracle Receivables Fundamentals Ed 3 courses from Oracle University. She has over 19 years of experience in the field of managing finance operations, reporting, planning and compliances system change. She has worked in a global environment across the manufacturing, publishing and infrastructure industries. She has previously worked with Imaje India Private Limited, Elsevier and ATS Infrastructure Limited. She has received the CFO Next 100 award for exceptional contribution to the world of finance in December 2015 and December 2017.

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

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

**MR. SWAPNIL PATIL***Company Secretary &  
Compliance Officer*

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

# Our Key Strategic Enablers

IndiGrid’s key strategies have been developed around our core pillars underpinning the strategic aspects of our business and intended to build a resilient and responsible organisation. IndiGrid’s main objective is to continue to ensure transmission of reliable power to all while delivering superior risk-adjusted total returns to its unitholders.

At IndiGrid, our key strategy is to achieve our stated objectives and ensure the organisation is on the course of long-term, sustainable

and responsible growth. Owing to our resilient business model, we are growing continually and providing superior risk-adjusted returns to

unitholders. The Trust is enabling this by investing in long-term stable cash-generating power transmission and solar assets.

## OUR STRATEGIES ARE BUILT ON THE BELOW PILLARS:



### Focussed Business Model

<b>Long-term AAA-rated cash flows</b>	<ul style="list-style-type: none"> <li>■ Own operational power assets</li> <li>■ Long-term contracts with technical asset life of more than 50 years</li> <li>■ Pre-contracted availability-based tariffs</li> <li>■ Focus on acquiring high quality AAA-rated accretive acquisitions</li> </ul>
<b>Low Risk Annuity Returns</b>	<ul style="list-style-type: none"> <li>■ Limited construction risk</li> <li>■ Diversify counterparty risk</li> <li>■ Minimal counterparty risk due to the inherent tariff payment security mechanism</li> <li>■ Transmission costs form a relatively lower proportion of the total operational costs</li> </ul>

### Value Accretive Growth

<b>Growing DPU</b>	<ul style="list-style-type: none"> <li>■ FY 2020-21 DPU increased to INR 12.20 from INR 12.00 a year ago</li> <li>■ FY 2021-22 DPU guidance increased to INR 12.75 per unit</li> <li>■ Fourth instance of DPU increase by IndiGrid since its listing</li> <li>■ Delivering predictable DPU and growing it sustainably</li> <li>■ Value-accretive acquisitions aimed at stabilising and growing the DPU</li> </ul>
<b>Maximising Total Returns</b>	<ul style="list-style-type: none"> <li>■ IndiGrid’s track record of accretive acquisitions, resilient operations and a strong balance sheet have allowed us to underpin our goal of sustainably and responsibly growing returns for our investors despite the volatility of capital markets</li> <li>■ The planned acquisition of framework assets along with third-party acquisitions enable incremental growth in DPU yield as well as capital appreciation</li> </ul>



## Optimal Capital Structure

### Compliance with InvIT Regulations

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

### Maximising distribution

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

### Low cost of capital

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

## Best-in-Class Corporate Governance

### Eligibility and lock-in

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

### Independence

- Quarterly periodic valuation of assets along with physical inspection
- 50% of the Board of Investment Manager to be independent
- The Investment Committee comprises of majority Independent Directors
- Independent & Thorough Technical, Financial, Legal & Environment Due Diligence
- 60% stake in Investment Manager held by KKR

### Distribution

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

### Unitholder Rights

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

# Our Asset Portfolio

**Backed by KKR, IndiGrid is India's first power sector Infrastructure Investment Trust (InvIT), formed in 2016 with the goal of democratising ownership of the power infrastructure in India and providing reliable electricity to all. Four years ago, we embarked on our growth journey, built upon solid fundamentals of transparency, governance, and providing superior risk-adjusted returns to unitholders. In our short but eventful existence, we have come a long way – from two power transmission projects with 1,930 circuit kilometres and 6,000 MVA transformation capacity to 14 diversified power projects consisting of 40 transmission lines (~ 7,570 cKms), 11 substations (~13,550 MVA capacity) and 100 MW of solar power plants across 18 states and one Union Territory**

Since listing, our assets under management (AUM) have increased more than three-fold from INR 38 Billion in June 2017 to over INR 210 Billion in July 2021. The current portfolio has a total circuit length of approximately ~7,570 cKms (across 40 transmission lines, 7 x 765 kV lines and 30 x 400 kV lines and 3 x 132 kV lines), and 13,550 MVA (across 11 substations) of transformation capacity and 100 MW of solar power plants across 18 states and one Union Territory. Most of the portfolio assets has in place long-term TSAs of 35 years from the scheduled commercial operation date of the relevant Portfolio Asset, after which we can apply to CERC for extension if not unilaterally extended by CERC.

All our Transmission Assets are located in strategically important areas for electricity transmission connectivity, delivering power from generating centres to load centres to meet inter-regional power deficits. Once a transmission project has been commissioned, it requires relatively low levels of expenditure to operate and maintain, which means that the assets will have the benefit of owning a critical asset without incurring significant operational costs. The transmission line business enjoys a longer asset life of 50 years as compared to other infrastructure projects, such as roads. The transmission lines of the Portfolio Assets are predominantly located in areas where developing alternate lines may be challenging due to the terrain, challenges in obtaining rights of way, limited corridors and high construction costs. This puts us in an advantageous position to capitalise the opportunities to increase our power transmission capacity through the same corridor by upgrading our existing systems.

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



### SNAPSHOT OF PORTFOLIO ASSETS

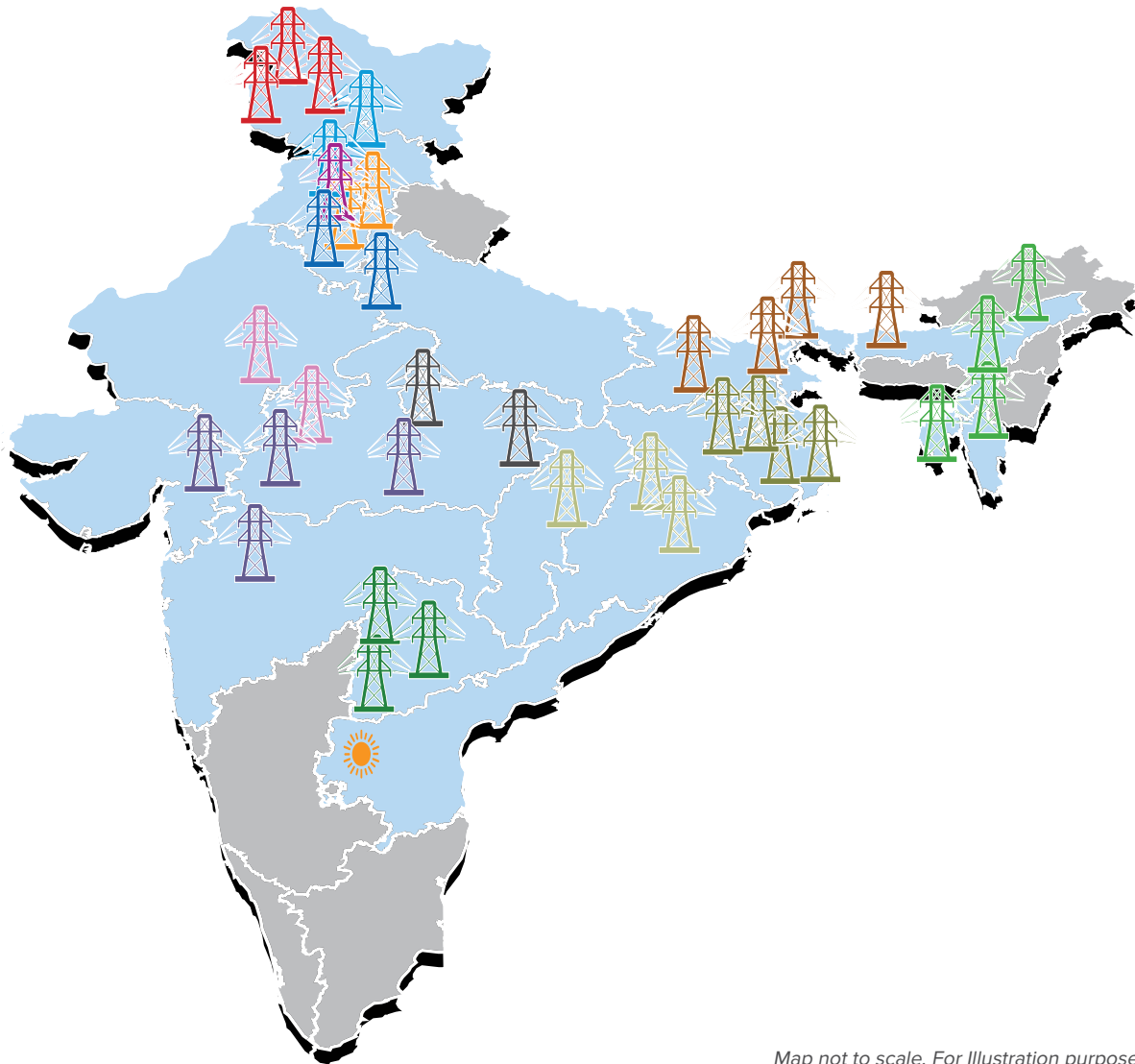
#### Diversified Portfolio

11 Inter State TBCB  
Transmission  
Projects















1 Intra State TBCB  
Transmission  
Project

1 Regulated Tariff  
Transmission  
Project

1 Solar Generation  
Project



Map not to scale. For Illustration purpose only.

-  NTL
-  JKTPL
-  RTCL
-  PrKTCL
-  PTCL
-  GPTL
-  JTCL
-  ENICL
-  NER
-  PKTCL
-  OGPTL
-  MTL
-  BDTCL
-  FRV

## ACQUISITION HISTORY

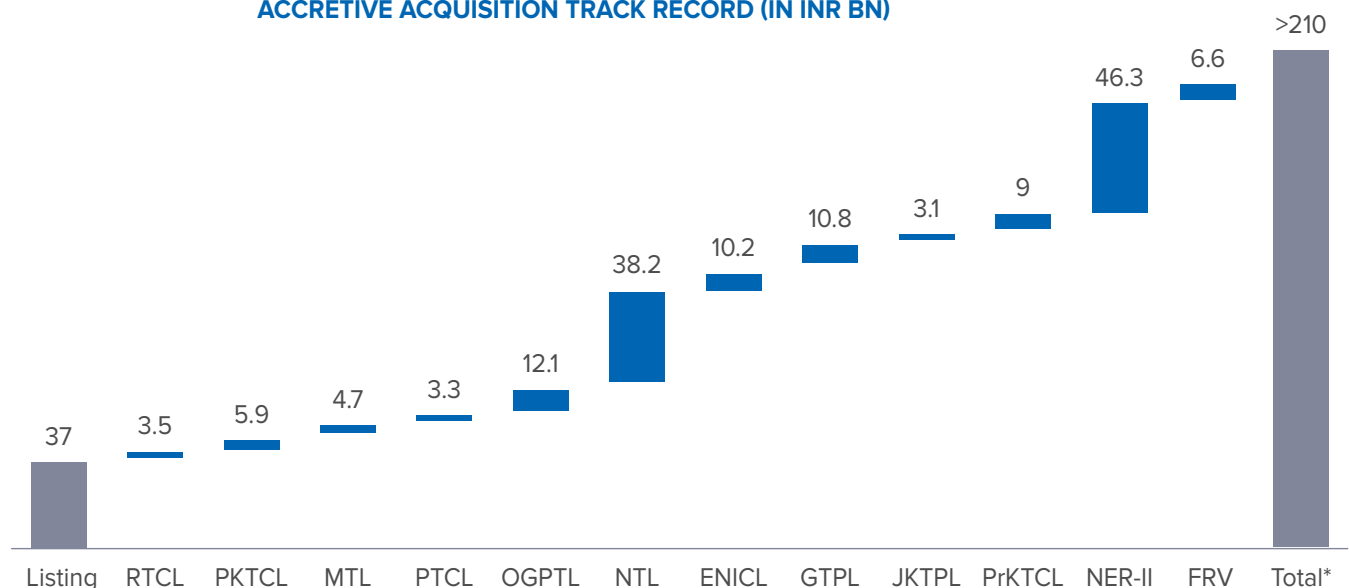
The Initial Portfolio Assets comprised of two power transmission projects located across four states in India. These projects comprise eight EHV Overhead Power transmission lines, comprising of six 765 kV transmission lines and two 400 kV transmission lines, with a total circuit length of approximately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



We also completed acquisition of 100% stake in two solar assets with cumulative capacity of 100 MW (AC) from Fotowatio Renewable Ventures (FRV) at an enterprise value of ~INR 6.6 Billion in July 2021. In view of the acquisitions, the Investment Management Agreement executed between ATSL, IIML, IGL, BDTCL and JTCL originally on November 10, 2016 has been amended & restated during the year to include acquired SPVs as parties to the agreement.

Further, the Project Implementation and Management Agreement executed between ATSL, SPTL, IIML, IGL, BDTCL, JTCL on November 10, 2016 has been amended & restated to include the SPVs as parties to the agreement, as applicable.

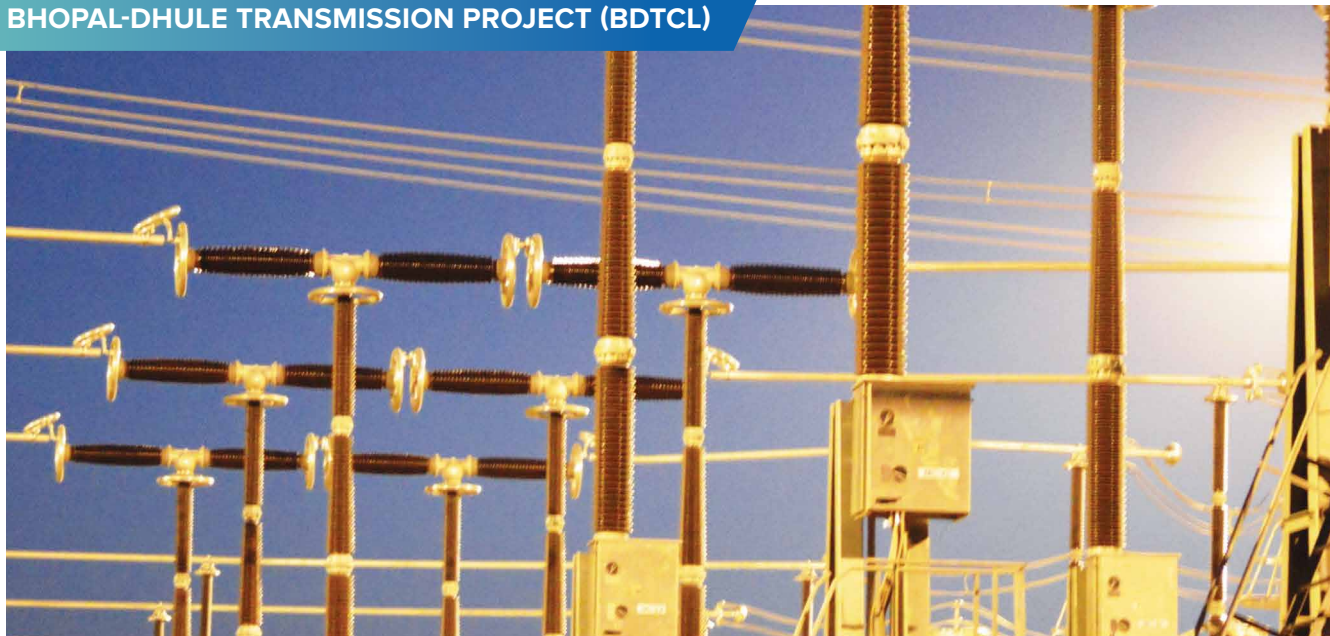
### ACCRETIVE ACQUISITION TRACK RECORD (IN INR BN)



\*Includes valuation adjustment

# Asset Portfolio

## BHOPAL-DHULE TRANSMISSION PROJECT (BDTCL)



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

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

### Annual Availability

FY15	99.8%
FY16	99.6%
FY17	99.8%
FY18	99.9%
FY19	99.9%
FY20	99.4%
FY21	99.0%

### Details of BDTCL Elements

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

**Current Status** As on March 31, 2021, the BDTCL TSA has a remaining term of ~28 years.

## JABALPUR TRANSMISSION PROJECT (JTCL)

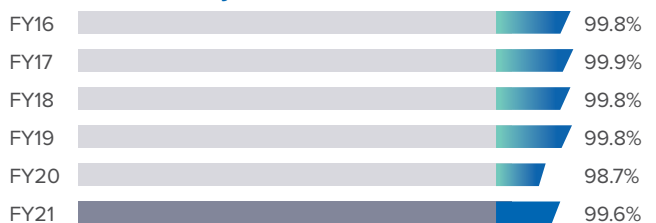


JTCL was incorporated on September 8, 2009. JTCL entered into a TSA with LTTCs on December 1, 2010 and a TSA on November 12, 2013 with PGCIL (together JTCL TSAs). The JTCL project was awarded to IGL by the Ministry of Power on January 19, 2011 for a 35-year period from the scheduled commercial operation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

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

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

### Annual Availability



### Details of JTCL Elements

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

**Current Status** As on March 31, 2021, the JTCL TSA has a remaining term ~ 28 years.

## RAPP TRANSMISSION PROJECT (RTCL)



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

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

RTCL acts as an interregional link between the Northern and the Western region by helping in evacuation of power from the power complex even in case of any grid constraints in the Northern region.

### Annual Availability



### Details of RTCL Elements

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

**Current Status** As on March 31, 2021, the RTCL TSA has a remaining term of ~30 years.

**PURULIA & KHARAGPUR TRANSMISSION PROJECT (PKTCL)**


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

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

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

**Annual Availability**

**Details of PKTCL Elements**

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

**Current Status** As on March 31, 2021, the PKTCL TSA has a remaining term of ~ 30 years.



## MAHESHWARAM TRANSMISSION PROJECT (MTL)



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

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

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

### Annual Availability



### Details of MTL Elements

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

**Current Status** As on March 31, 2021, the MTL TSA has a remaining term of ~ 32 years.

**PATRAN TRANSMISSION PROJECT (PTCL)**


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

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

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

**Annual Availability**

**Details of PTCL Elements**

Transmission Line/Substation	Route Length (cKms)	Specifications	Actual Commission Date	Expiry Term of Initial TSA
Patiala-Kaithal LILO	-	Loop in loop out of both circuits of 400 kV D/C line at Patran	November 12, 2016	November 2051
Patran Substation	223	2X500 MVA, 400/220 kV Substation with 6 nos. 400 kV Bays and 8 nos. 400 kV Bays	November 12, 2016	November 2051

**Current Status** As on March 31, 2021, the PTCL TSA has a remaining term of ~ 30 years.

## NRSS XXIX TRANSMISSION PROJECT (NTL)



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

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

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

## Annual Availability



## Details of NTL Elements

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

**Current Status** As on March 31, 2021, the NTL TSA has a remaining term of ~ 32 years.

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


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

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

**Annual Availability**

**Details of OGPTL Elements**

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

**Current Status** As on March 31, 2021, the OGPTL TSA has a remaining term of ~ 33 years.

## EAST-NORTH INTERCONNECTION PROJECT (ENICL)



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

The project addresses the critical issue of the power shortfall during non-Monsoon months, thereby bringing significant relief to the people of Assam. ENICL operates two 400 kV Double Circuit transmission lines of 909 cKms through challenging terrain in the States of Assam, West Bengal and Bihar. Commonly referred to as the Siliguri Corridor or the Chicken's Neck, the peculiarity of this stretch is that it is the

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

### Annual Availability

FY14	<div style="width: 99.2%;"></div>	99.2%
FY15	<div style="width: 99.4%;"></div>	99.4%
FY16	<div style="width: 99.6%;"></div>	99.6%
FY17	<div style="width: 99.6%;"></div>	99.6%
FY18	<div style="width: 99.7%;"></div>	99.7%
FY19	<div style="width: 99.8%;"></div>	99.8%
FY20	<div style="width: 99.4%;"></div>	99.4%
FY21	<div style="width: 98.8%;"></div>	98.8%

### Details of ENICL Elements

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

**Current Status** As on March 31, 2021, the ENICL TSA has a remaining term of ~ 14 years.

# New Acquisitions

## GURGAON-PALWAL TRANSMISSION PROJECT (GPTL)



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

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

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

### Annual Availability



### Details of GPTL Elements

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

**Current Status** As on March 31, 2021, the GPTL TSA has a remaining term of ~ 33 years.

## JHAJJAR KT TRANSCO PROJECT (JKTPL)

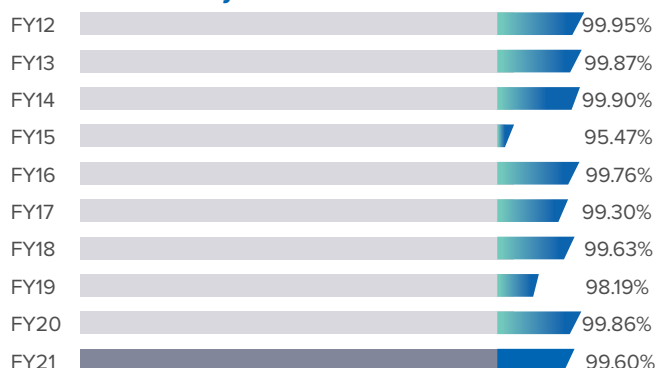


Jhajjar KT Transco Pvt Ltd. (JKTPL), is IndiGrid's first intra-state asset. JKTPL is an operational intra state asset awarded on a Design Build Finance Operate and Transfer ("DBFOT") basis, with a contractual period of 25 years and a provision of further 10-year extension. JKTPL was incorporated on May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

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

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

### Annual Availability



### Details of JKTPL Elements

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

**Current Status** As on March 31, 2021, the JKTPL TSA has a remaining term of ~ 16 years.

## PARBATI KOLDAM TRANSMISSION PROJECT (PrKTCL)

**Parbati Koldam Transmission Company Limited** (“PrKTCL”) is IndiGrid’s first cost-plus regulated asset. PrKTCL is an inter-state operational asset situated in Himachal Pradesh and Punjab, and was awarded on a Build, Own, Operate (“BOO”) basis for the transfer of electricity from Parbati II and Koldam HEPs in Himachal to Ludhiana in Punjab. The Project was a joint venture between Reliance Infrastructure and Power Grid. PrKTCL was incorporated on September 2, 2002. PrKTCL has entered into various long-term Bulk Power Agreement (BPTA) on March 4, 2010. The Project was awarded as cost plus project with a guaranteed ROE of 15.5% on the approved equity base. In January 2020, we completed the acquisition of 74% of the equity shares of PrKTCL from Reliance Infrastructure Limited. PrKTCL is now held as a joint venture between IndiGrid (74%) and Power Grid Corporation of India Limited (26%).



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

### Annual Availability



### Details of PrKTCL Elements

Transmission Line/Substation	Route Length (cKms)	Specifications	Actual Commission Date	Expiry Term of Initial TSA
LILO point of Parbati III HEP to LILO point of Parbati Pooling Station	3.5	400 kV S/C along with D/C Quad Bundle Line	August 1, 2013	FY 2049-50
Banala-Nalagarh	66	400 kV S/C along with D/C Quad Bundle Line	October 10, 2014	FY 2049-50
Banala-Koldam	63	400 kV S/C along with D/C Quad Bundle Line	October 4, 2014	FY 2049-50
Parbati II-Banala	14	400 kV S/C along with D/C Quad Bundle Line	November 3, 2015	FY 2049-50
Parbati II-Parbati III	10	400 kV S/C along with D/C Quad Bundle Line	November 3, 2015	FY 2049-50
Koldam-Ludhiana	301	400 kV D/C, Triple Bundle Line	Ckt I: August 7, 2014 Ckt II: August 14, 2014	FY 2049-50

**Current Status** As on March 31, 2021, the PrKTCL initial TSA has a remaining term of ~ 29 years.



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



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

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

### Details of NER-II Elements

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

**Current Status** As on March 31, 2021, the NER-II TSA has a remaining term of ~ 34 years.

**FRV SOLAR ASSETS (FRV)**


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

thus limiting the operational risk. The projects have been operational for more than 2 years and have a robust track record of collections with a healthy plant availability of 99.0% and grid availability of >99.8% since inception.

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

**Details of FRV Elements**

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

# Framework Asset

## KHARGONE TRANSMISSION PROJECT (KTL)



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

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

### Details of KTL Elements

Transmission Line/Substation	Location	Route Length (cKms)	Specifications	Actual / Anticipated Commission Date **	Expiry of TSA Term
LILO of Khandwa-Rajgarh Line	Madhya Pradesh, Chhattisgarh	14	400 kV D/C Line	February 2018*	July 2054
Khargone TPP Switchyard Khandwa Pool	Madhya Pradesh	49	400 kV D/C line	March 2020	July 2054
Khadwa Pool-Indore	Madhya Pradesh	179	765 kV D/C Line	March 2020	July 2054
Khandwa Pool-Dhule	Madhya Pradesh	378	765 kV D/C Line	October 2021	July 2054
Khandwa Pooling Station	Madhya Pradesh	-	3,000 MVA Transmission Capacity	March 2020	July 2054
2 Nos. of 765 kV line bays & 7x80 MVAR Switchable line reactors (1 unit as spare) along with 800 Ω NGR and its auxiliaries for Khandwa Pool – Dhule 765 kV D/C at Dhule 765/400 kV Substation	Madhya Pradesh	-	400/200 kV, 2X500 MVA	October 2021	July 2054

\*Commissioned as per schedule

\*\* As per the MOP guideline of timeline extension of 5 months to all infra projects, the revised timeline for full commissioning is now April 2021 Project progress based on CERC Validation Committee submissions.

# India's Transmission Framework

## Key Players In India's Transmission Portfolio

### INDIA GRID TRUST

**7,570 cKms**  
Transmission Line Length

**13,550 MVA**  
Transformation Capacity

*(does not include Framework Asset (KTL))  
As of July 2021*

### ADANI TRANSMISSION

**~17,276 cKms**  
Transmission Line Length

**>30,000 MVA**  
Transformation Capacity

*(Includes under-construction projects)  
As per ATL May 2021 Equity Presentation*

### STERLITE POWER (INDIA)

**~2,320 cKms**  
Transmission Line Length

**~7,000 MVA**  
Transformation Capacity

*(does not include sold assets)*

### PGCIL

**>168,000 cKms**  
Transmission Line Length

**>438,000 MVA**  
Transformation Capacity

*(As on May 31, 2021)*

*As per PGCIL Q4 FY21 Investor presentation*

Source: Company Website, Industry Research

## Other Transmission Projects in India

Project SPV	Stakeholders	Length / Capacity	Project Cost (In INR Million)
Raichur Sholapur Transmission Company Limited	Patel Engineering Limited, Simplex Infrastructures Limited & BS TransComm Limited (33.3% each)	210 cKms	3,000
Kudgi Transmission Limited	L&T Infrastructure Development Projects Limited	960 cKms	15,000
Darbhanga-Motihari Transmission Co. Ltd.	Sekura Energy	~280 cKms, 1,400 MVA	17,000
NRSS XXXI (B) Transmission Limited	Sekura Energy	~580 cKms	
Kohima-Mairani Transmission Limited	Kalpataru Power Transmission Limited, Techno Electric & Engineering Company Limited / China Light and Power	~500 cKms; 1,200 MVA	13,000
Kalpataru Satpura Transco Pvt Ltd.	China Light and Power	200 cKms	3,400
Western UP Power Transmission Company Limited	Megha Engineering	820 cKms; 6,340 MVA	70,000
South East UP Power Transmission Company Limited	Isolux Concessions	2,090 cKms; 5,000 MVA	80,000
Powerlinks Transmission Limited	PGCIL (49%), Tata Power Ltd. (51%)	2,300 cKms	7,500
Torrent Powergrid Limited	PGCIL (26%), Torrent Power Limited (74%)	710 cKms	3,500
North-East Transmission Company Limited	PGCIL (26%), ONGC Tripura Power Company Limited (26%), Govt. of Tripura (10%), Govt. of Assam (13%), Govt. of Mizoram (10%), Govt. of Manipur (6%), Govt. of Meghalaya (5%) & Govt. of Nagaland (4%)	1,320 cKms	22,000
Teesta Valley Power Transmission Limited	PGCIL (26%), Teesta Urja Limited (74%)	410 cKms	7,680
Cross Border Power Transmission Company Ltd.	PGCIL (26%), IL&FS Energy Development Company Ltd (38%), Satluj Jal Vidyut Nigam Ltd (26%) and NEA (10%)	170 cKms	2,500
Power Transmission Company Nepal Limited	NEA: 50%, PGCIL: 26%, Hydroelectricity Investment and Development Company Limited (HIDCL): 14% and IL&FS Energy: 10%	80 cKms	1,000
Bihar Grid Company Limited	PGCIL (50%), Bihar Power (Holding) Company Limited (50%)	800 cKms; 2,990 MVA	16,900
Kalinga Bidyut Prasaran Nigam Private Limited	PGCIL (50%), Odisha Power Transmission Corporation Limited (50%)	NA	NA
Jaigad Power Transco Ltd	JSW (74%), MSETCL (24%)	330 cKms	4,000
Amravati Power Transmission Company Ltd	Rattan India (100%)	215 cKms	2,500
Sinnar Power Transmission Company Ltd	Rattan India (100%)	110 cKms	1,500
Essar Power Transmission Company Limited	Essar Power Limited (100%)	905 cKms	25,000
<b>Total</b>		<b>13,330 cKms; 16,930 MVA</b>	<b>299,480</b>

# Gearing Up For Emerging Opportunities

## Total Transmission Network in India\*

# 443,371 cKms

Transmission Line Length

# 1,036,860 MVA

Transformation Capacity

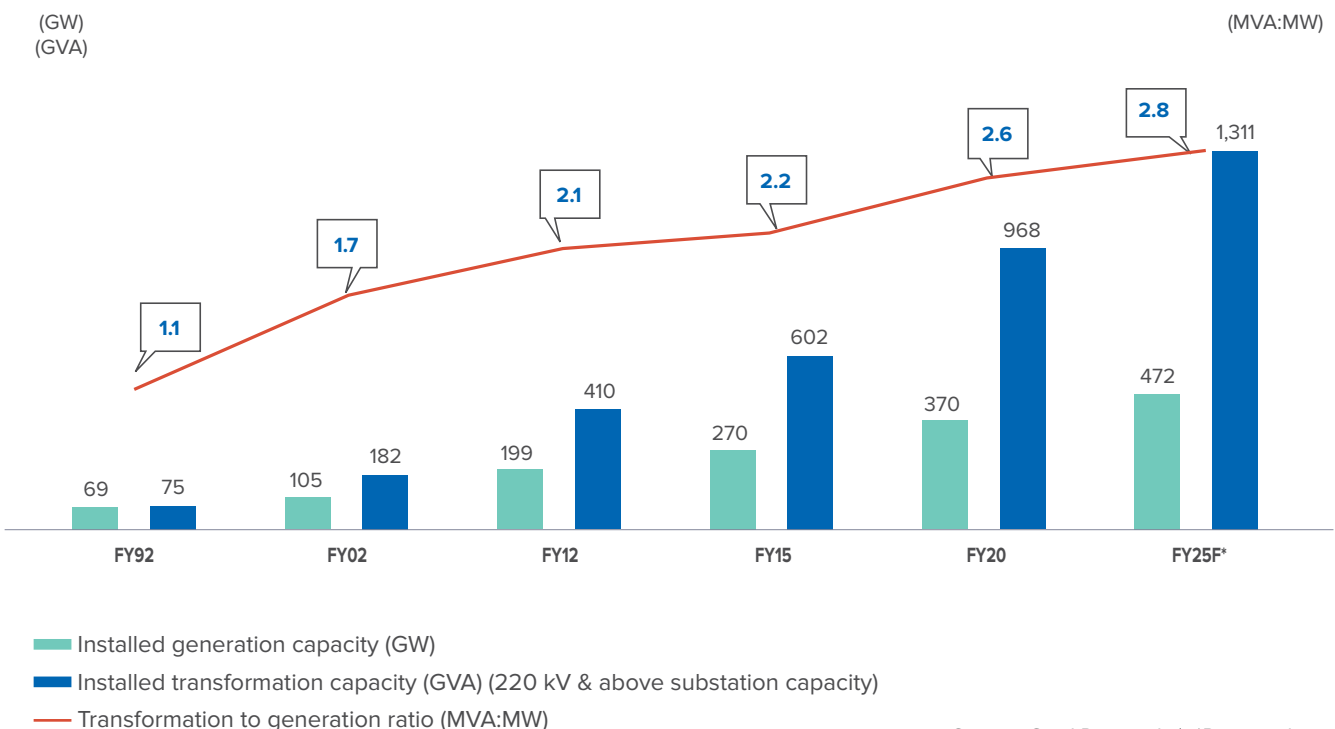
*\*Note: As per CEA progress report till June 2021 (only commissioned)*

Power transmission is an integral part of India's power sector. Although India has adequate power generation capacity, a substantial proportion of population has limited access to electricity owing to lack of proper transmission infrastructure. The total transmission line length (above 220 kV) has increased at 5.4% CAGR from fiscal

2015 to fiscal 2021 (up to Dec 2020). This increase can also be attributed to an increase in the commissioning of the 765-kV lines, growing at a CAGR of 19.9% over the same time period. 800 kV lines have also shown strong growth momentum, rising at 18.5% CAGR over the last 6 fiscals, majorly owing to strong investments by the central

sector. Subsequently, transformation capacity rose from 596,100 MVA in fiscal 2015 to 997,843 MVA in December 2020, growing at a CAGR of ~8.9% from fiscals 2015 to 2021 (up to Dec-20). In order to achieve the target of affordable and reliable electricity for all, India needs to put in place a robust power transmission network.

## OUTLOOK ON CAPACITY ADDITION IN POWER TRANSMISSION IN INDIA



Source: Crisil Research | \*Projected

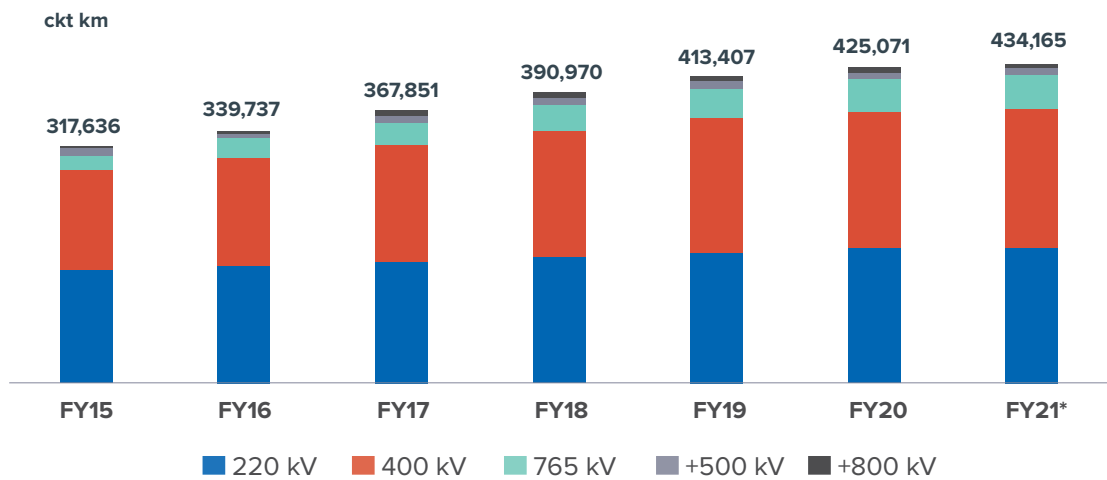
To service a large generation installed base, an investment of ~INR 3.35 Trillion is estimated over the next five years. This is expected to be driven by the need for a robust and reliable transmission system to support continued addition of generation capacity and a strong push for the renewable energy sector and rural electrification.

INR 500 Billion worth inter-state (TBCB) and INR 450 Billion intra-state bids (TBCB) are expected to be tendered over next 3-4 years creating a healthy acquisition pipeline

- Inter-state transmission bids worth INR 150 Billion expected in FY2022
- Additionally, inter-state transmission projects worth INR 260 Billion identified for 20 GW renewable plants

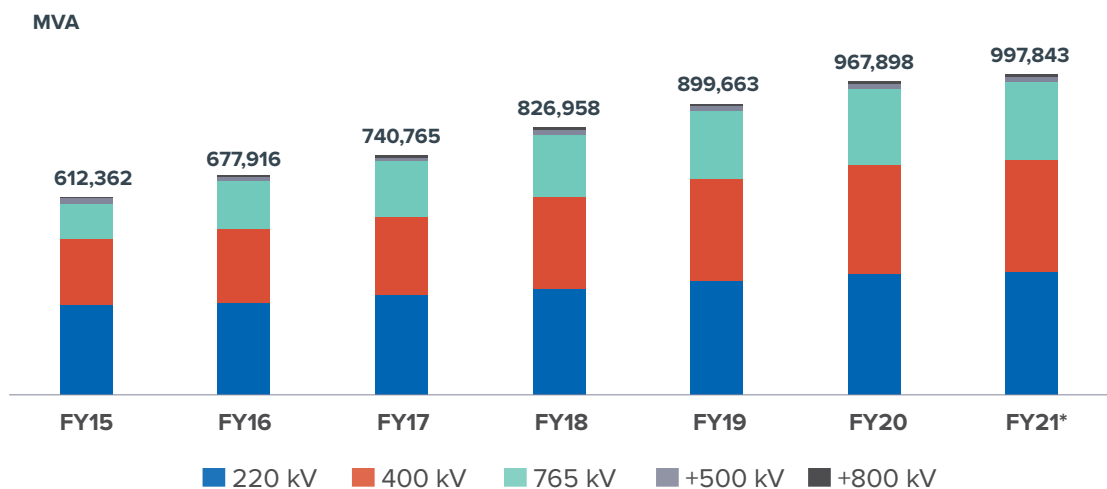
Transformation capacity of 330-350 GVA is expected to be commissioned in the next five years. In the transmission line segment, moderate growth in HV lines of 400 and 765 kV is expected due to their importance in inter-state transmission lines. Thus, MVA-MW ratio will further improve to ~2.8 by FY2025.

### Growth in Transmission System at higher voltage levels



\* Up to Dec 2020

### Robust growth in high voltage sub-station capacity (above 220 kV)



\* Up to Dec 2020







# Management Reports

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# Management Discussion and Analysis

## ECONOMIC OVERVIEW

### Global Economy

The rapid vaccine roll-out in few large economies, led by United States and China, and an increase in global trade in merchandise and manufactured goods, led United Nations to raise its projection for global economic forecast to 5.4% for 2021, in its World Economic Situation and Prospects Report. However, it warned that surging Coronavirus (COVID-19) cases and the adequate availability of vaccines in many countries could threaten a broad-based recovery. It also cautioned that this will unlikely be sufficient to lift the rest of the world's economies.

The COVID-19 pandemic left national economies counting the costs, as governments struggled with new lockdown measures to tackle the spread. Despite the development of vaccines, the second wave of infections posed serious downside risks to economies and heightened the possibility of business disruptions.

### Economic growth in 2020

The International Monetary Fund's (IMF) World Economic Outlook – April 2021, reported that the global economy contracted 3.3% during 2020. Although the contraction of activity was unprecedented, extraordinary policy support prevented even worse economic outcomes.

In its April outlook, the IMF stated that even after a full year into the pandemic, global prospects remain uncertain. New virus mutations and the accumulating human toll raise concerns. The biggest concern, by far, is that around 95 Million more people are estimated to have fallen below the threshold of extreme poverty in 2020, compared with the pre-pandemic projections. IMF forecasts global economy to bounce back in 2021 by posting a growth of 6% on the lower base of the previous year, but later moderating to 4.4% in 2022.



The relatively optimistic forecasts for the current and following year reflect the additional fiscal support by a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility.

### IMF'S WORLD ECONOMIC OUTLOOK (APR 2021)



Source: <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

The IMF, too, clarified that its outlook remains highly uncertain and depends on the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalisation and the evolution of financial conditions. Further, it observed that economic recoveries are diverging across countries and sectors, and hinge on variation in pandemic-induced disruptions and the extent of policy support. The emerging market and developing economies are expected to suffer more scarring than the advanced economies.

# India Economy

As per the government data released, the Indian economy is estimated to have contracted by 7.3% during FY 2020-21, compared with 4% in the year earlier, as the pandemic ravaged the economy. The contraction in FY2021 GDP is worse in more than 40 years. In its monthly economic report for April, the Reserve Bank of India (RBI) pointed out that the economic impact of the second wave of the pandemic was disproportionately felt by individuals eking out a daily livelihood and small businesses, both organised as well as unorganised.

## GDP growth - Worth hit with COVID-19



Source: Reserve Bank of India

The Indian economy was also adversely impacted by the pandemic. Despite India being ahead of most countries in announcing a near-total nationwide lockdown and implementing work from home measures, there was job and earning deficit, and free fall of employment, along with instability in prices. The pandemic came with uncertainty and implications on all aspects of businesses.

The Government announced a relief package of INR 1.7 Trillion, with additional support coming in from state governments and NGOs, which widened the radius of the aid. But despite expansive government spending designed to rescue thousands of severely battered businesses to blunt the pandemic's impact, India was established among the worst-performing major economies.

During FY 2020-21, India's GDP shrunk by 24.4% and 7.3% in the first and second quarters, respectively. The data reflected the deepening of India's severest recessions. However, in the third quarter, the economy witnessed a turnaround with growth coming in at 0.4%, officially signalling that India was out of a recession after two consecutive quarters of degrowth. In the fourth quarter, the Indian economy grew at 1.6%, recording a slight pick-up in GDP growth. This was the second consecutive quarter when India's economy grew in the positive territory after a negative growth in the previous two quarters. However, growth is expected to slow down materially in following quarter following the second wave, which hit Indian economy like a tsunami.

### Stimulus packages of the Government

In May 2020, to tackle the economic impact of the pandemic, the Government announced the Atmanirbhar Bharat Abhiyaan. Amongst the plethora of schemes and policies initiated, this aimed at boosting liquidity in the financial sector by announcing a INR 450 Billion partial credit guarantee scheme for NBFCs and INR 300 Billion special liquidity scheme for NBFCs and housing finance companies. It also directed banks and NBFCs to offer collateral-free loans to MSMEs to the extent of 20% of the entire outstanding credit to MSMEs, with up to INR 250 Million outstanding credit and INR 1 Billion turnover. This scheme has a four-year tenure with a moratorium of 12 months on principal payment and the Government would provide complete credit guarantee cover to lenders on the principal and interest amounts.

Later, in November 2020, the Government announced the Atmanirbhar 3.0 stimulus package with 12 measures rolled out to boost employment in the formal and informal economy, help housing infrastructure and enhancing the ease of doing business, among other things. It also announced new production-linked incentives (PLIs) under another INR 2 Trillion PLI scheme for 10 major manufacturing sectors. Further, an additional outlay of INR 180 Billion was allocated for the PM Awaas Yojana (PMAY) - Urban. This is expected to help by adding 1.2 Million houses and complete construction of 1.8 Million houses, while creating 7.8 Million additional jobs and improving the production and sale of steel and cement.

The Union Budget 2021-22, presented by Finance Minister on February 1, also contained significant increases in health and capital expenditure and proposed far-reaching reforms. The Budget announced macro-economic policies focussed on stabilising growth, boosting public infrastructure and capital expenditure. The proposals rested on six key pillars – health and well-being; physical and financial capital, and infrastructure; inclusive development for aspirational India; reinvigorating human capital; innovation and R&D; and ‘Minimum Government, Maximum Governance’. It indicated substantial government spending over the next five years and announced no major new taxes or levies.

### Outlook

In its World Economic Outlook (April 2021), IMF noted that while China has already returned to the pre-COVID GDP level and the US is expected to surpass the pre-COVID GDP level in 2021, India’s growth rate is projected to jump by an impressive 12.5% in FY 2021-22. This growth will be stronger than that of China and perhaps the only major economy to have a positive growth during the pandemic. In this event, India would become the fastest growing

economy in the world once more and the only one with double-digit growth in 2021. Gauging the situation, RBI, in its Monetary Policy Committee meeting in April 2021, projected that real GDP could be expected to grow at 10.5% in FY 2021-22. However, India’s escalating second wave of COVID-19 infections with new mutant spread is posing serious downside risks to the economy and heightened the possibility of business disruptions, in addition to the substantial loss of life and significant humanitarian concerns.

The World Bank projects India’s economy to grow at 8.3% for FY 2021-22, an upward revision from its January forecast of 5.4%, masking the damage caused by the enormous second wave of COVID-19 and localised mobility restrictions since March 2021. Economic activity will benefit from policy support, including higher spending on infrastructure, rural development and health, and a stronger than expected recovery in services and manufacturing.

However, a drawn-out COVID-19 outbreak could impede India’s economic recovery. The rise in infections and the proliferation of localised restrictions is likely to cast a shadow of uncertainty over the outlook and can affect the pace of recovery for the Indian corporate sector. It can dampen the improvement in demand conditions and delay the return to normalcy, with loss of demand particularly in contact-intensive sectors. The actual pace of vaccine roll-out to the wider population will also impact sentiment and growth.

A faster vaccination drive has the capability to offer a back-ended upside to GDP growth in FY 2021-22. Nevertheless, RBI assured that India is better prepared than before to meet the challenges posed by this resurgence in infections, as fiscal and monetary authorities stand ready to act in a coordinated manner to limit its spillovers to the economy at large and contain its fallout on the ongoing recovery.

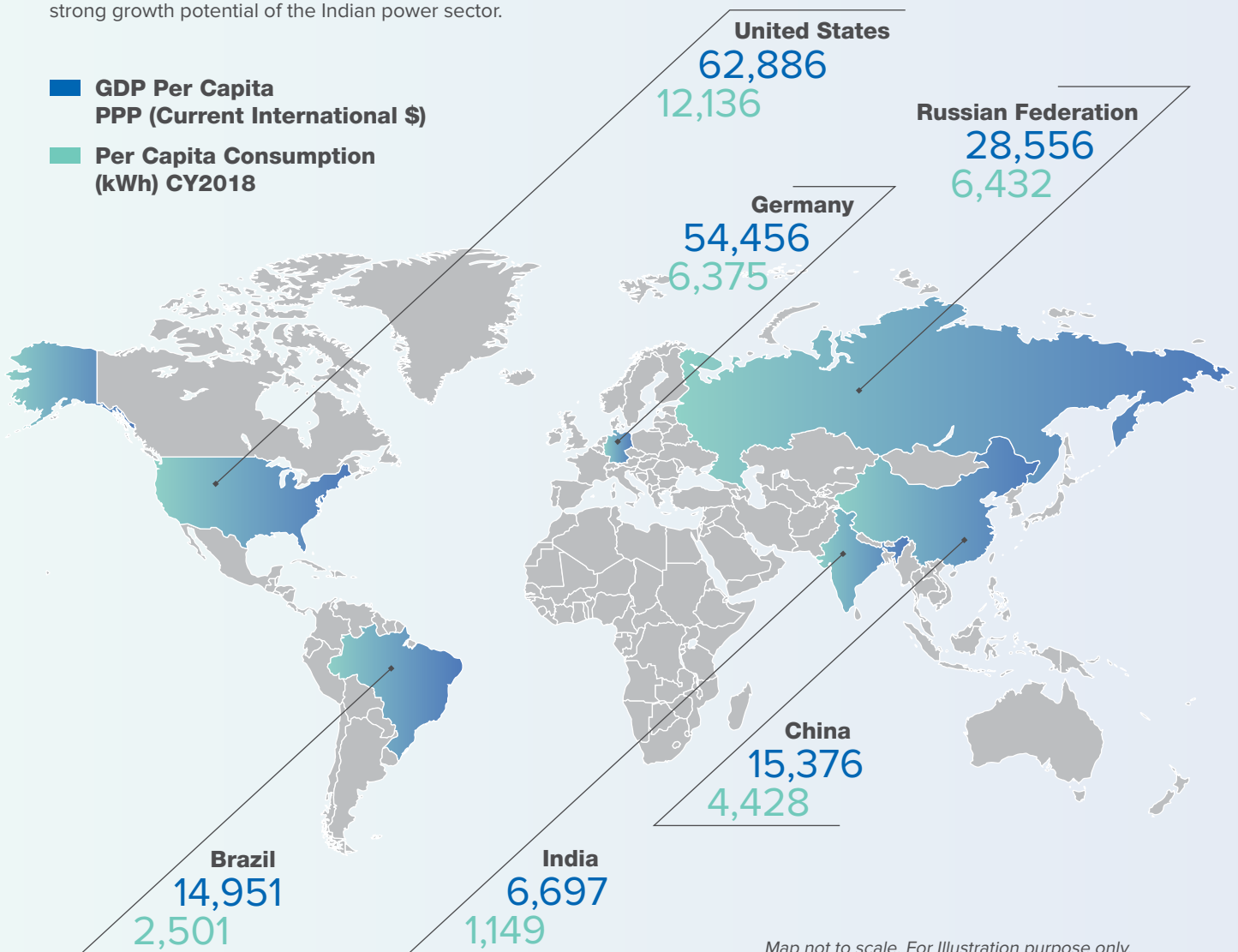


# Industry Overview

## India Power Scenario

The power industry is a core sector, fulfilling the energy requirement of several other industries and having a multiplier effect on the economy. Electricity consumption in India at ~1,201 TWh was the third highest after China (6,010 TWh) and the US (~3,900 TWh), with a 5.4% global share in 2018. In line with this, India was also the third-largest producer of electricity, after China and the US, with 5.92% global share in electricity generation in 2018. Despite being among the top three power consumers in the world, the per-capita electricity consumption in India is only 1,149 kWh in 2018 (Source: CEA). This is lowest among the BRICS (Brazil, Russia, India, China and South Africa) nations. This indicates strong growth potential of the Indian power sector.

- **GDP Per Capita PPP (Current International \$)**
- **Per Capita Consumption (kWh) CY2018**



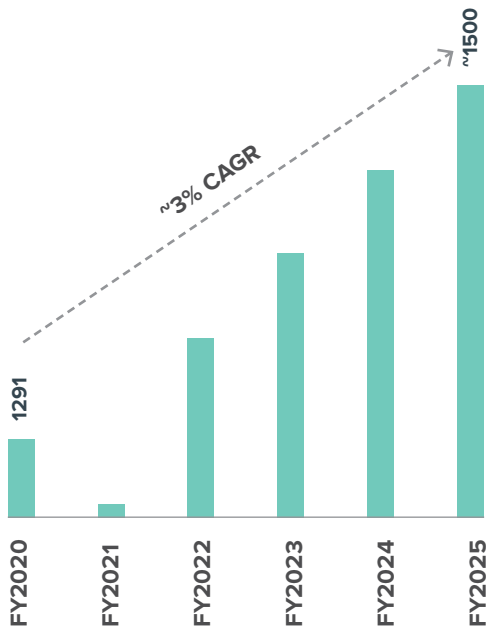
Note 1:\*\* Per capita power consumption is calculated by dividing the Total electricity consumption (From EIA) with total population (available from World Bank)

Per capita electricity consumption for India is taken from CEA

Source: World Bank, CEA, EIA, CRISIL Research

Energy requirement grew at 3.8% CAGR over fiscal 2015-20. Going forward, power demand is estimated to rise at a tepid ~3% CAGR over fiscals 2021-25, majorly because of a decline in power demand in fiscal 2021 on account of the pandemic-wrought downturn. Gradual demand recovery will be driven by a slow uptick in economy, higher residential demand owing to rapid urbanisation and high latent demand, and government push for rural electrification.

**Energy requirement growth over next five years**

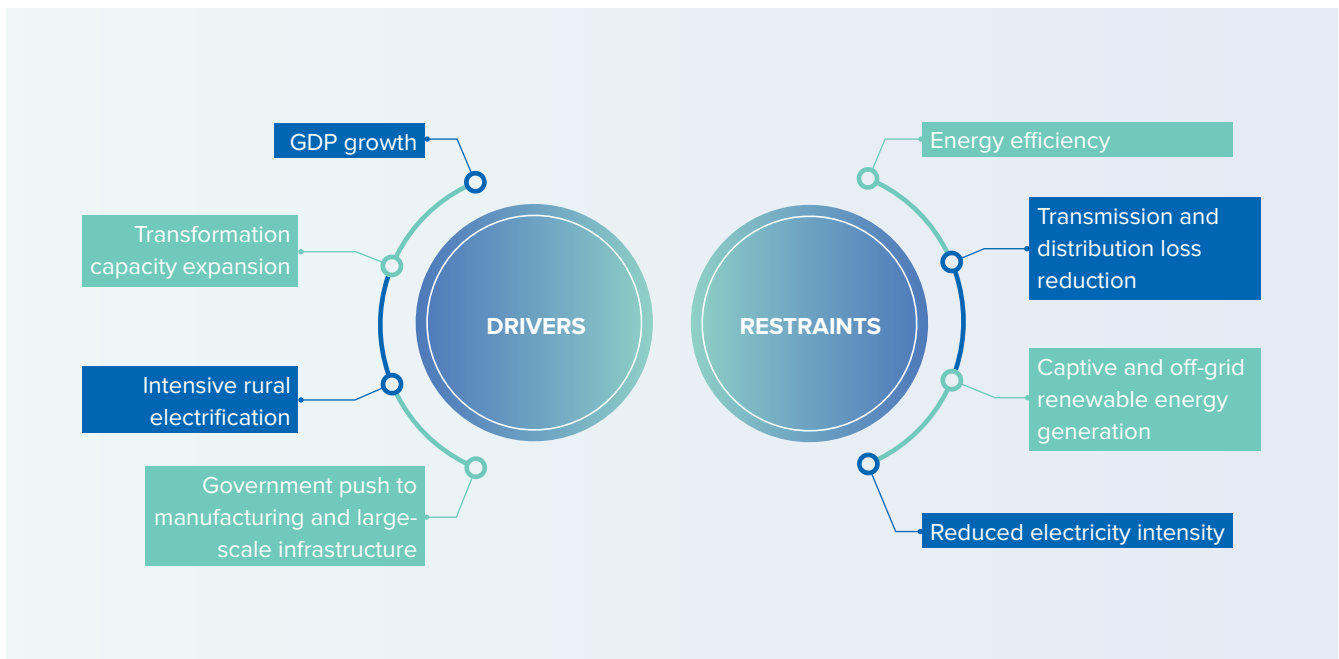


Source: CRISIL Research

The beginning of fiscal 2022 has seen power demand slip again as the nation went into second phase of lockdown to tackle the wave of COVID-19 pandemic. With industries working at limited capacities, offices locked up, and services such as retail, hospitality, and entertainment closed as a part of the containment measures, power demand registered a decline. India’s peak electricity demand fell 8.5% in the first half of FY2021 as industrial and commercial activities remained muted amid lockdowns imposed across the country to contain the COVID-19 outbreak. With relaxations now being allowed, the economy is slowly starting to open up with a consequent uptick in power demand.

With industrial & commercial activity expected to get restored to normal and economic growth is expected to make a comeback coupled with a low base effect as well as government spending on infrastructure, the power demand is expected to return to positive territory in fiscal 2022. Demand is expected to gradually pick up on the back of healthy recovery in economic growth, expansion in reach via strengthening of transmission and distribution (T&D) infrastructure, and improved power quality, thereby registering ~3% CAGR between fiscals 2021 and 2025.

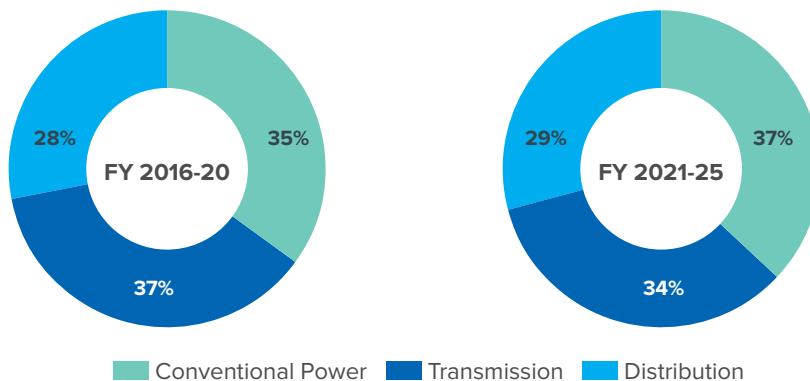
**Factors influencing power demand**



Source: CRISIL Research



## Investment in power sector



Source: CRISIL Research

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

Investment in the generation segment is expected to be marginally higher, despite lower capacity addition. The reason being higher capacity addition in the nuclear segment, which is costlier on a per MW basis. Investment in distribution is likely to be subdued in the short-to-medium term on account of the financial stress of state utilities, which accounts for more than 90% share in distribution investment. However, with the Government's focus on alleviating congestion, transmission capacities are expected to witness robust growth. About 330-350 gigavolt ampere (GVA) transformation capacity (above 220 kV level) is expected to be added between fiscals 2021 to 2025 to reach the cumulative transformation capacity of 1,300-1,350 GVA by fiscal 2025. In particular, robust growth is expected in high voltage (HV) lines of 400 kV and 765 kV due to its importance in interstate transmission lines on account of the following Government targets:

- Inter-regional transmission capacity expansion to 145 gigawatts (GW) by fiscal 2024 from 102 GW in March 2020
- Ultra-high capacity green energy corridors with expected investments worth INR 430 Billion

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

### 24/7 Power for All

The Government's schemes like DDUGJY, IPDS, UDAY and Saubhagya are aimed at providing uninterrupted power for all consumers. The Government has sanctioned INR 850 Billion to various state governments to strengthen their power infrastructure. These initiatives will improve last-mile connectivity, and solve issues related to distribution of power, billing and collection losses. Although the progress has been noticeable with almost 100% electrification of households and reduction in the technical losses, poorly devised power tariffs, and delays in release of subsidies squeezed state discoms financially affecting their efficiency in power supply. With the Government targeting 24/7 'Power for All' by 2022, demand for electricity is expected to rise. The thrust on renewable energy will ensure that the segment's share in incremental power supply will increase.



**Infrastructure development to drive power demand**

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

Source: Crisil Research

## Power Transmission in India

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


**Extra high voltage (EHV):**

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

**Medium voltage:**

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

**High voltage:**

**132 kV and  
66 kV**

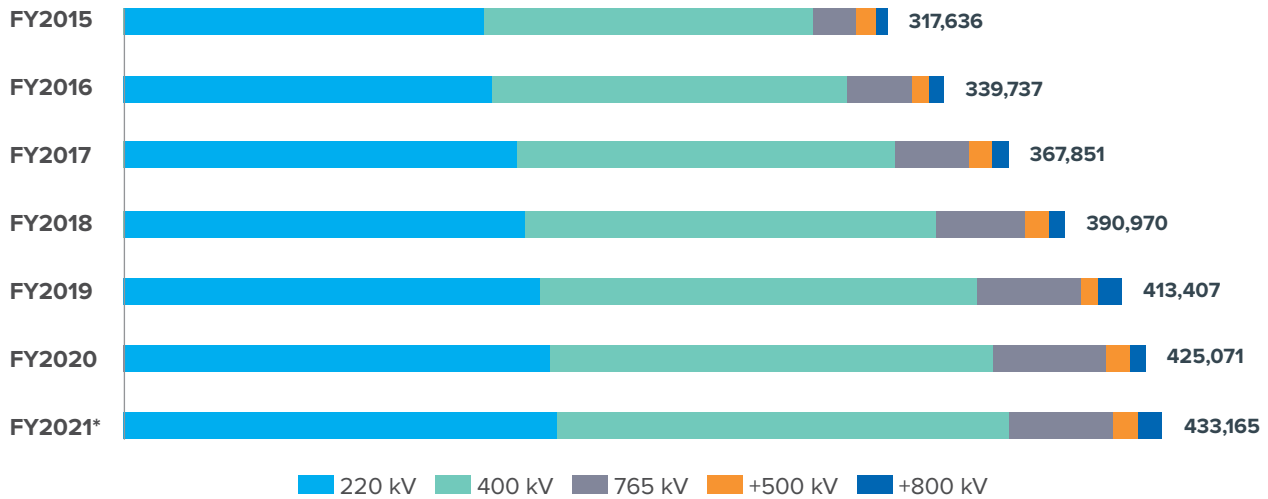
**Low voltage**

**1.1 kV,  
220 volts and below**

There has been strong growth in the transmission system at higher voltage levels and substation capacities due to increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability. Between FY 2012-13 and FY 2018-19, the transmission line length grew at a compounded annual growth rate of over 7.5% and substation capacity grew at about 11.8%.

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

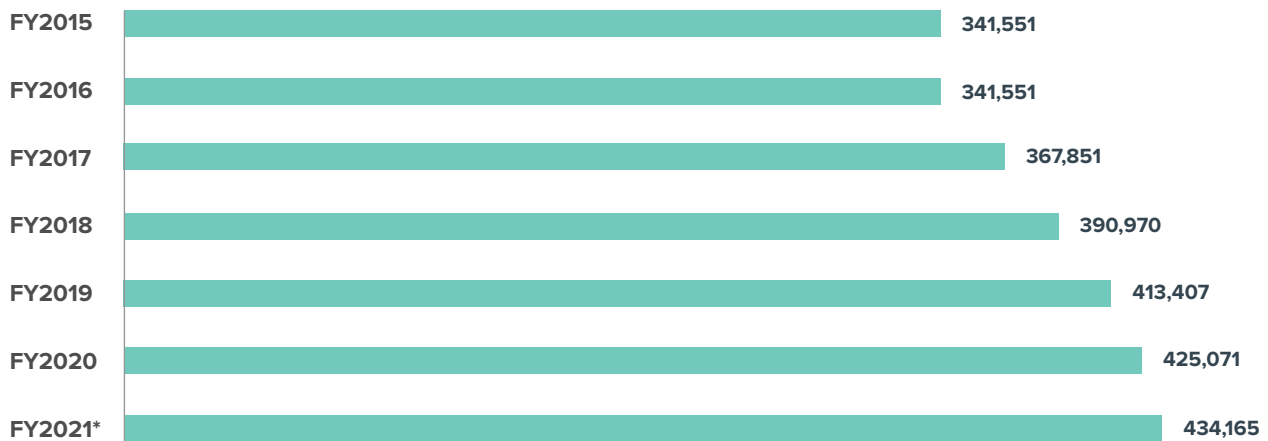
ckt km



Note: \*Till Dec 2020

Source: CEA, CRISIL Research

#### Total transmission line network (220 kV and above) (cKm)



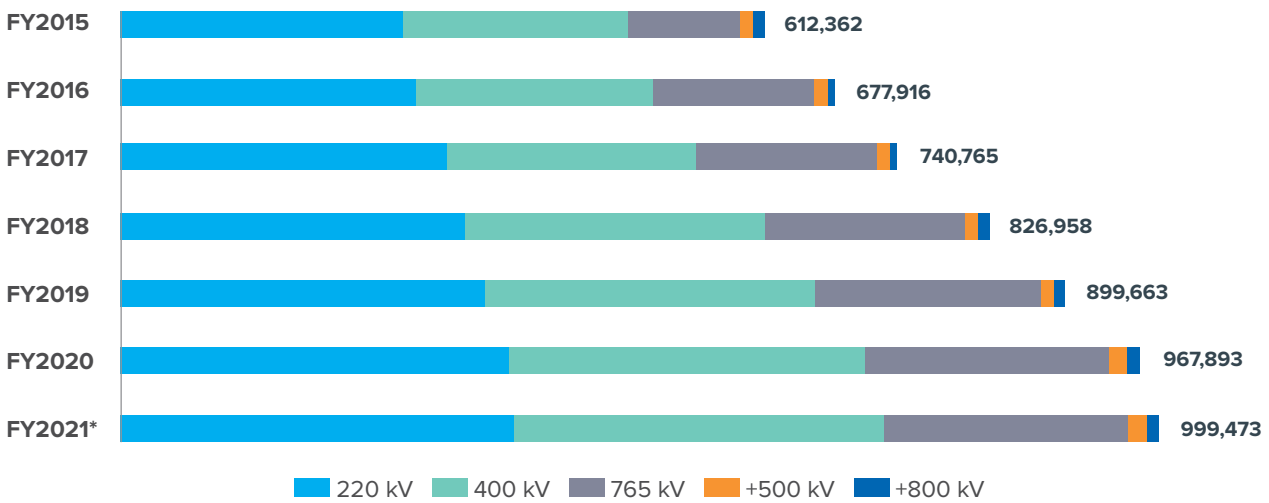
Note: \*Up to Dec 2020

Source: CEA, CRISIL Research

The total transmission line length (above 220 kV) has increased at 5.4% CAGR from fiscal 2015 to fiscal 2021\*. This increase can also be attributed to an increase in the commissioning of the 765-kV lines, growing at a CAGR of 19.9% over the same time period. 765 kV lines have higher transfer capacity and lower technical losses thereby reducing the overall number of lines and rights of way required to deliver equivalent capacity. Performance in a transmission line improves as voltage increases and as 765 kV lines use one of the highest voltage levels, they experience

comparatively lesser amount of line loss. 800 kV lines have also shown strong growth momentum, rising at 18.5% CAGR over the last 6 fiscals, majorly owing to strong investments by the central sector. Sub-station capacities in the country have grown from 612,362 MVA in fiscal 2015 to reach 997,843 MVA in fiscal 2021\*, at a CAGR of 8.4%. The growth in sub-station capacities have majorly seen traction in 220 kV, 400 kV and 765 kV segments, contributing to 28%, 36% and 33% of the incremental additions between fiscals 2015 and 2021 (up to December 2020).

### Robust growth in high voltage sub-station capacity (above 220 kV)



Note: \*Up to Dec 2020  
Source: CEA, CRISIL Research

The pace of expansion is expected to continue in the future to meet the Government's renewable energy targets and 24x7 power for all consumers. To ensure free and uninterrupted flow of power, every megawatt of new generation capacity needs a certain transformation capacity added to the system. In the Indian context, 220 kV and above level transformation to generation addition ratio (MVA:MW) has remained low over the years. At the end of March 1985, this ratio was 1.1 times and has only improved to 2.6 times by the end of March 2020. Lower transformation capacity results in line congestion, which has been visible particularly in inter-state transmission of power. Based on the 19th Electrical Power survey conducted by CEA, the total installed capacity by the end of fiscal 2022 is expected to reach ~480.4 GW. This would necessitate ~110,000 cKms of transmission lines and ~383,000 MVA of transformation capacity in substations at 220 kV and above.

With Government's focus on alleviating congestion, transmission capacities are expected to witness robust growth in transformation capacity additions during the 13th Five Year Plan. A conducive policy framework has helped the transmission sector to develop consistently at a significant

growth rate. The growth is likely to continue over the next few years to meet future peak load, which is expected to reach 235 GW by FY 2021-22. Further, significant renewable energy capacity is likely to be added in the next few years against the backdrop of the Government's 175 GW by 2022 target.



### Planned Transmission capacity additions by CEA during period 2017-22

Transmission system type/ voltage class	Unit	At the end of 12th plan (March 2017)	Required to be added during the plan period FY 2017-22	Required cKm/MVA (cumulative) at the end of plan period i.e. by FY 2021-22
<b>Transmission lines</b>				
(a) HVDC $\pm$ 500 kV/800 kV bipole	cKm	15,556	4,040	19,596
(b) 765 kV	cKm	31,240	21,603	53,843
(c) 400 kV	cKm	157,787	48,092	205,879
(d) 230/220 kV	cKm	163,268	36,546	199,814
<b>Total transmission lines</b>	<b>cKm</b>	<b>367,851</b>	<b>110,281</b>	<b>478,132</b>
<b>Substations</b>				
(a) 765 kV	MVA	167,500	109,500	277,000
(b) 400 kV	MVA	240,807	178,610	419,417
(c) 230/220 kV	MVA	312,958	95,580	408,538
<b>Total substations</b>		<b>721,265</b>	<b>383,690</b>	<b>1104,955</b>
<b>HVDC</b>				
(a) Bi-pole link capacity	MW	16,500	14,000	30,500
(b) Back-to-back capacity	MW	300	0	3,000
<b>Total HVDC</b>		<b>19,500</b>	<b>14,000</b>	<b>33,500</b>

Source: National Electricity Plan, CEA, CRISIL Research

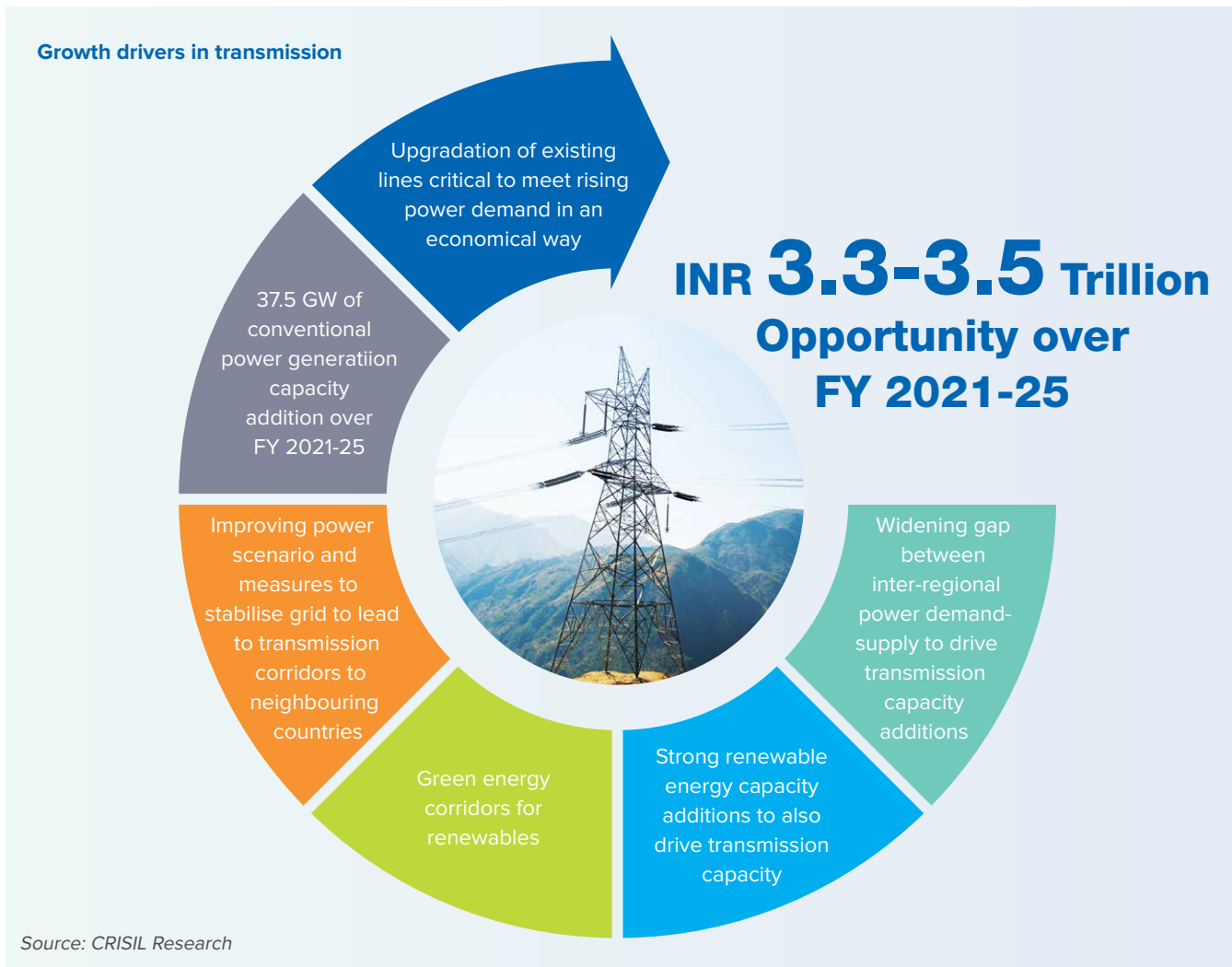
### National Electricity Plan, 2016

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

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

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





**Key drivers for development of transmission infrastructure**

**a. Renewable energy integration**

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

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

**b. Cross-border links**

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



### c. Rail electrification

Another key growth driver for transmission is expected to be the electrification of railways. Indian Railways unveiled its Railways Mission 41k initiative in January 2017 with the objective of saving INR 41,000 Crore over the next 10 years through an integrated energy management system. Under this, 38,000 route km of rail track will be electrified between FY 2017-18 and FY 2021-22, to ensure 100% electrification of its broad-gauge rail routes. In order to meet its targets, it is focussing on the setting up transmission lines, sub-stations and transformers. Around 8,000 km of transmission lines will be needed by Indian Railways to provide reliable and secure supply for the Golden Quadrilateral in the first phase. This is expected to fuel growth in the transmission segment, as well as create huge opportunities for transmission equipment manufacturers in the country.

#### Target for rail electrification (RKM)

FY2019-20	7,000
FY2020-21	10,500
FY2021-22	11,310

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

### d. Smart grid and electric vehicles

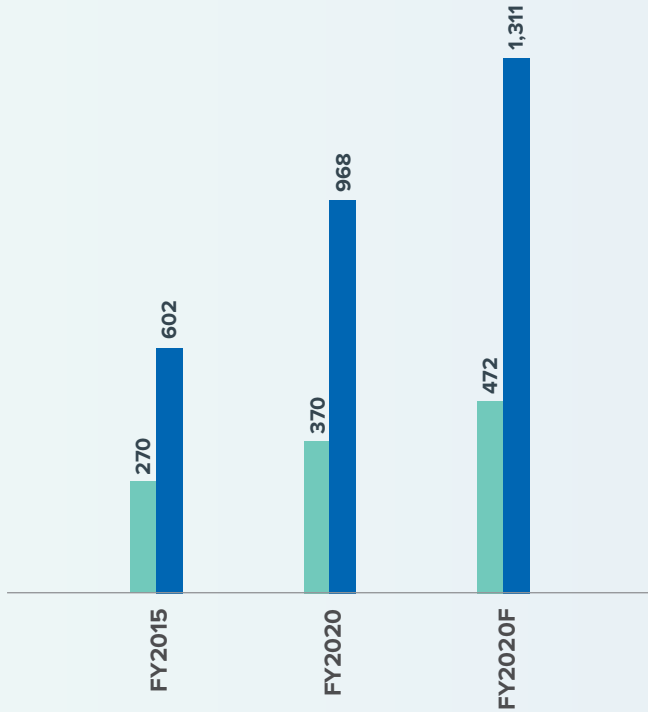
An initiative to make the transmission grid smarter has been the Unified Real Time Dynamic State Measurement project, being implemented by PowerGrid Corporation. Further, with the increasing penetration of electric vehicles in the grid over the next few years on the back of the government's ambitious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

### e. Private sector participation

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



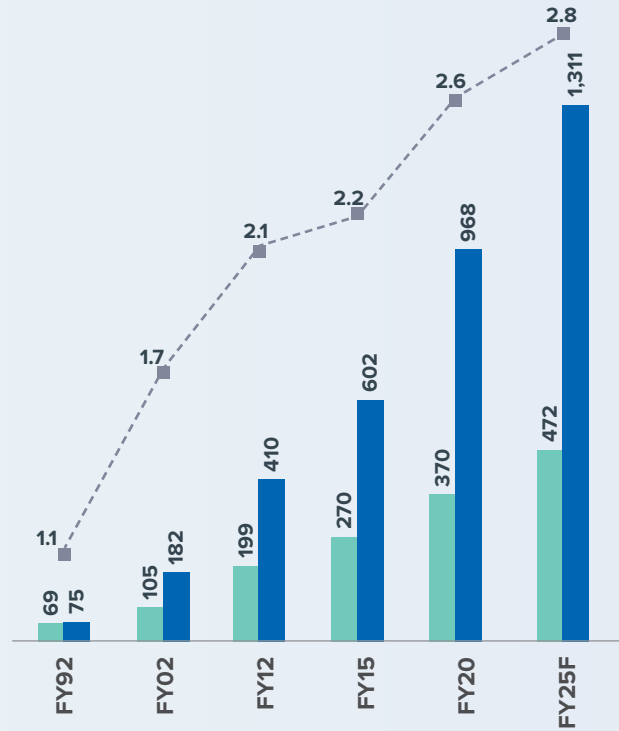
India is one of the few countries where Transmission Sector has been opened up for private participation and has garnered significant interest from private players. The initiatives undertaken by the Government and various states have led to competition in power transmission. However, the spirit of competition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

**Outlook for transmission capacity addition**


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

**Outlook on transmission capacity additions**

(MVA:MW)



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

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





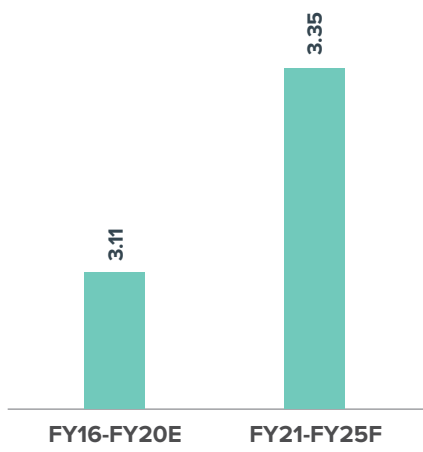
## Investment in power transmission

Investments in the T&D segments are expected to witness a growth of 12% in fiscals 2021-25 over fiscals 2016-20. Transformation capacity of 330-350 GVA is expected to be commissioned in the next five years. In the transmission line segment, CRISIL expect moderate growth (~5%-7%) in HV lines of 400 and 765 kV due to their importance in inter-state transmission lines. Higher voltage level enhances power density, reduces losses and efficiently delivers bulk power. Moreover, it reduces requirement of right of way, a key challenge facing the transmission sector. CRISIL believes the MVA:MW ratio would further improve to ~2.8 by fiscal 2025. Going forward, installed transformation capacity is expected to reach 1,311 GVA by March 2025 and

grow at a CAGR of ~6.2%. In the transmission line segment, moderate growth in HV lines of 400 and 765 kV due to their importance in interstate transmission lines.

Transmission segment investments to rise to INR ~3.35 Trillion over next five years. In order to strengthen the power system and ensure free flow of power, significant investments would be required in the T&D segment. Moreover, commissioning of additional generation capacity, rising penetration of renewable energy, regional demand-supply mismatches, upgradation of existing lines, rising cross-border power trading would necessitate huge investments in transmission sector in India.

### Expected investments in transmission segment (in INR Trillion)

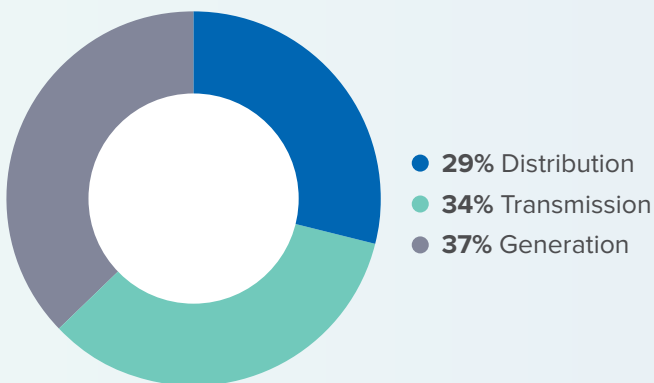


Source: CRISIL Research

To service a large generation installed base, the estimated investment in the transmission sector is expected to be ~INR 3.35 Trillion over the next five years. Investments in the sector are expected to be driven by the need for a robust and reliable transmission system to support continued generation additions and the strong push to the renewable energy sector as well as rural electrification. Rising private sector participation with favourable risk-return profile of transmission projects will also support growth in investments. Transmission investments could slow down slightly in fiscal 2021 due to COVID-19 outbreak, but are expected to rebound strongly in the subsequent year.

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

### FY21-FY25F



**Total investments: INR ~9.5-10 Trillion**

Source: CRISIL Research

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

Revenue recovery irrespective of asset utilisation limits off-take risk

Diversified counter-party risk

Collection risk offset owing to presence of CTU

Payment security mechanisms in place

Relatively low probability of default due to lack of alternatives

### KEY CHALLENGES

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

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



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


















































Returns from various infrastructure projects (other than transmission line projects) like roads, ports and power generation rely mostly on the operational performance of the assets, which in turn is dependent on factors where developers have limited control. For instance, in the roads sector (non-annuity-based project) the company's profits are dependent on collection of toll revenues, the port sector bears risk of cargo traffic, while in the case of power generation, it depends on availability of fuel and offtake by distribution companies. Further, the counterparty risk is higher in annuity-based roads projects as the sole revenue counterparty for annuity-based payments is National Highway Authority of India (NHAI), while in the case of ISTS transmission projects the revenue counterparty is a pool of

distribution and generation companies, thus reducing the counterparty risk-based on account of diversification.

Also, in the case of an inter-state transmission asset, the revenue stream is consistent based on the unitary charge (INR Million/annum) determined at the time of bidding for the entire concession period of 35 years. These charges are independent of the total power transmitted through the transmission lines, and hence, factors such as volume and traffic do not fluctuate the revenues.

Moreover, inter-state transmission assets have limited O&M costs as compared to other infrastructure assets. Typically, transmission projects incur relatively low O&M costs of 7-8% of revenues in order to ensure normative availability.

## Comparison of transmission assets with other infrastructure assets

	 Inter State Power Transmission	 Roads	 Ports	 Conventional power generation	 Solar energy power generation	 Wind energy power generation	 Commercial Real Estate
<b>Certainty of Cash Flows</b>	 Driven by long-term agreements	 Traffic risk in BOT projects	 End-user industry risk	 Offtake and cost of fuel	 Broadly driven by long term agreements	 Broadly driven by long term agreements	 Preferred by global institutional investors and HNI investors but risks of seasonality
<b>Counterparty Risk</b>	 Exposure limited to systemic risk	 Cost overruns, limit O&M impact toll collection	 Exposure to multiple end users	 Direct exposure to debt laden SEBs	 Faster clearance to payments under NWN/ SECI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months)	 Faster clearance to payments under NWN/ SECI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months)	 Regular challenges of delays and cancellations
<b>Operational Risk</b>	 Limited O&M requirements	 High O&M requirements	 Limited O&M requirements	 Substantial periodic maintenance needs	 Limited O&M requirements	 Substantial periodic O&M requirements	 Limited O&M requirements
<b>Future Growth Potential</b>	 Severe deficit in power transmission capacity	 High growth potential	 Good potential, limited by feasible locations	 Moderate potential from baseload power demand	 Governments to scale up capacity to 100 GW by FY 2022 from ~12 GW in FY2017	 Governments to scale up capacity to 60 GW by FY 2022 from ~32 GW in FY2017	 Pivoting towards hybrid models as work from home becomes more acceptable with digital means of communication
<b>Competitive Environment</b>	 Few credible players	 Highly competitive given multiple private players	 Few private players	 Highly competitive given multiple players	 Highly competitive given multiple private players	 Highly competitive given multiple private players	 Low number of large players, smaller ones merging due to impact on business
<b>Summary:</b>							

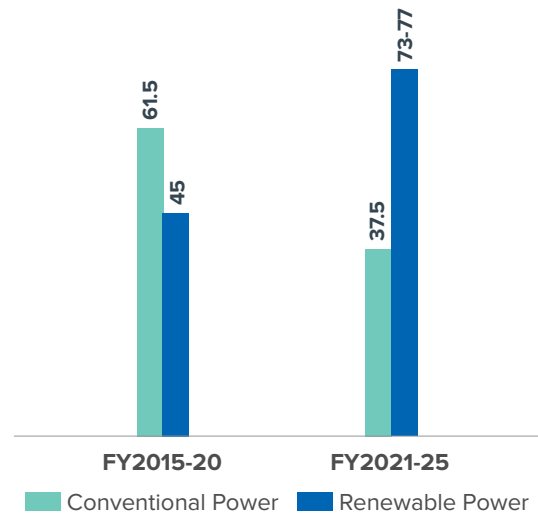
 Most Favourable  Favourable  Marginal Favourable

Source: CRISIL Research

# Renewable Energy in India

CRISIL Research expects ~73-77 GW of renewable power generation capacities to be added between fiscals 2021-25 of which around 59-61 GW are estimated from solar followed by ~14-16 GW through wind. Capacity additions in the renewable energy segment are expected to witness robust growth. Additions in both wind and solar power are expected to be driven by strong government focus, which is evident from the fiscal and regulatory incentives, viability gap funding and execution support in terms of land and evacuation infrastructure. Improved availability of low-cost finance through various instruments / sources would also support renewable energy capacity additions. In solar power, in particular, a further drop in capital costs, and consequently tariffs, are expected to drive capacity additions.

**Expected trend in power generation capacity addition (GW)**



Source: CEA, CRISIL Research

## Strong renewable capacity additions

Power generation in India is dominated by coal-based generation, contributing to ~54% of the total installed capacity in India. Further, with 198 GW installed capacity, the coal-based generation contributes to around 3/4th of total electricity generation in India. However, there has been a staggering growth in installed capacity of Renewable energy sources from 15.5 GW in fiscal 2010 to 87 GW in fiscal 2020, further reaching 89.6 GW in October 2020.

## Increase in share of renewable energy sources

	FY2015	FY2020	FY2025
<b>Total installed capacity</b>	<b>274.9 GW</b>	<b>370.1 GW</b>	
Coal	58%	54%	46%
Lignite	2%	2%	2%
Gas	8%	7%	5%
Diesel	1%	0%	2%
Nuclear	2%	2%	0%
Hydro	15%	12%	10%
Solar	1%	9%	20%
Wind	9%	10%	11%
<b>Other RES</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>

Source: CEA, CRISIL Research



Such multifold expansion plans also require large scale development in transmission sector. This is mainly because large scale grid connected solar and wind plants are usually located in the far-flung areas, where there is limited existing transmission infrastructure. Moreover, renewable energy is not well distributed across states and is in-firm in nature. We believe that robust transmission planning to optimise the high costs, utilisation levels and losses associated with transmission system to transmit the power generated to load centres is critical.

The Government plans to integrate renewable energy into the National Grid by setting up inter-state and intra-state schemes for evacuation of power from wind and solar projects termed as 'Green Energy Corridors'. The central government has tendered two 765 kV ISTS line from Banaskantha in Gujarat to Chittorgarh in Rajasthan, and another from Chittorgarh-Ajmer-Suratgarh-Moga. Further

projects for construction of 400 kV pooling substation and associated lines in the Tirunelveli and Tuticorin region for renewable energy projects were awarded in 2014-15. A single circuit 765 kV of transmission line will be able to evacuate approximately 2,500 MW of generated capacity.

The cost estimates for the transmission scheme of 66.5 GW of RE generation projects is ~43,235 Crore, based on CEA estimates. The individual schemes are being taken up for implementation of RE projects in a phased manner, i.e., 12.4 GW by December 2020 and 26.10 GW by December 2021 and 28 GW by December 2022. The transmission system for generating a total of 20 GW of solar and 9 GW of wind projects is planned in Phase-I (to be commissioned by December 2020), and another 30 GW of solar and 7.5 GW of wind projects is planned for Phase-II (to be commissioned by December 2021).



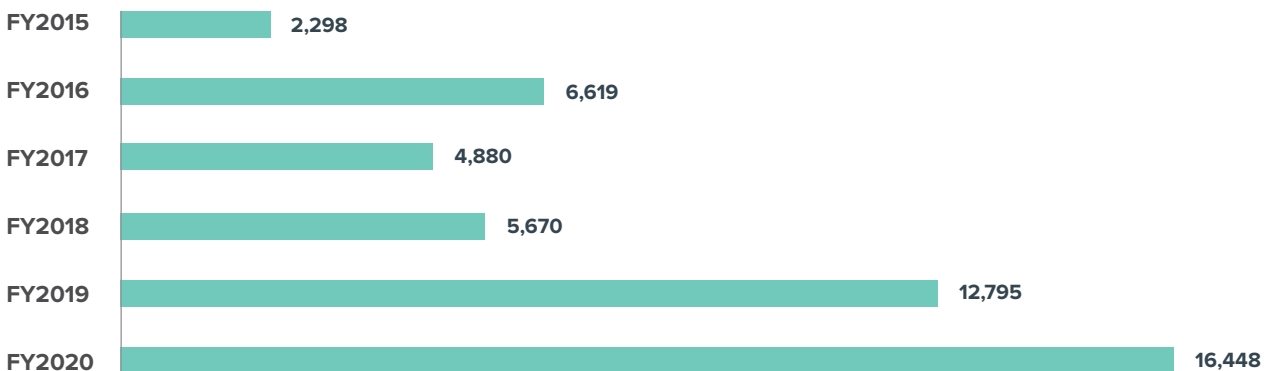


## Evolution of Solar Power in India

In the renewable energy basket as of September 2020, solar energy accounted for a share of 40.4%. Growth in the solar power sector over the last five years has been robust. As much as 31.5 GW capacity was added in the segment over fiscals 2016-20 registering a CAGR of ~80%, although on a low base. However, in fiscal 2020, the solar capacity added

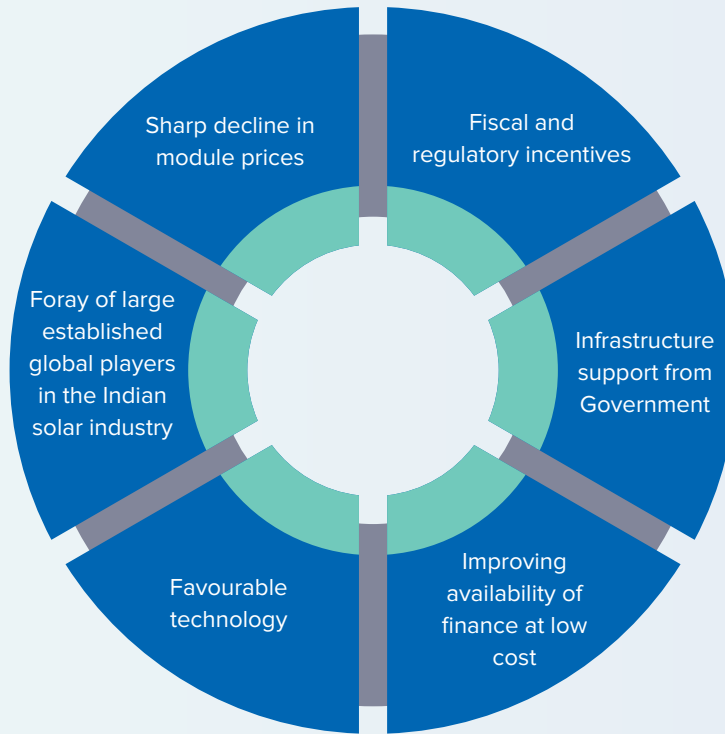
was lower at 6,447 MW (6,529 MW in fiscal 2019) as the second half saw a 9% on-year decline. The slowdown was mainly due to several policy issues – additional taxation in the form of imposition of a safeguard duty, higher GST rate, and other policy issues such as cancellations / renegotiation that adversely impacted the developer sentiment.

### Solar capacities allocated (MW)



Source: CEA, CRISIL Research

### Growth drivers for solar sector in India

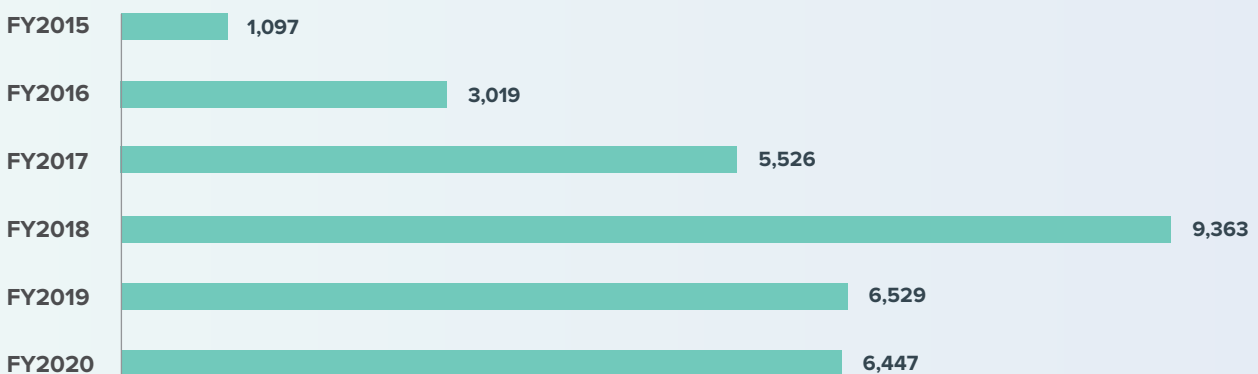


Source: CEA, CRISIL Research

### Solar – a preferred source among fuels

Power generation in India is dominated by coal-based generation, contributing to ~54% of the total installed capacity in India. Further, with 198 GW installed capacity, the coal-based generation contributes to around 3/4th of total electricity generation in India. However, there has been a staggering growth in installed capacity of Renewable energy sources from 15.5 GW in fiscal 2010 to 87 GW in fiscal 2020, further reaching 89.6 GW in October 2020.

### Solar capacity additions in India (MW)



Source: MNRE, CRISIL Research

Capacity additions in fiscal 2020 fell by 1.3% to 6,447 MW, from 6,529 MW solar capacity added in fiscal 2019. This was led by lower solar capacity addition in the second half of fiscal 2020, ~9% lower compared to second half of fiscal 2019. Rajasthan, Tamil Nadu and Karnataka witnessed the highest capacity additions in fiscal 2020 with Rajasthan alone adding ~1.9 GW and other two adding ~1.3 GW and ~1.2 GW respectively. In fiscal 2019, the state of Karnataka had seen the highest capacity additions at ~1.2 GW followed by Rajasthan and Andhra Pradesh at 0.9 GW each. Several large projects under various Karnataka solar policies, the Rewa ultra mega solar park scheme, SECI Bhadla solar park scheme and Andhra Pradesh state solar policy have commissioned over the past four quarters. Growth will be driven by Government support with an aggressive tendering roadmap outlined and being followed by the Government so far.

### FACTORS TO BOOST GROWTH IN SOLAR CAPACITY ADDITIONS

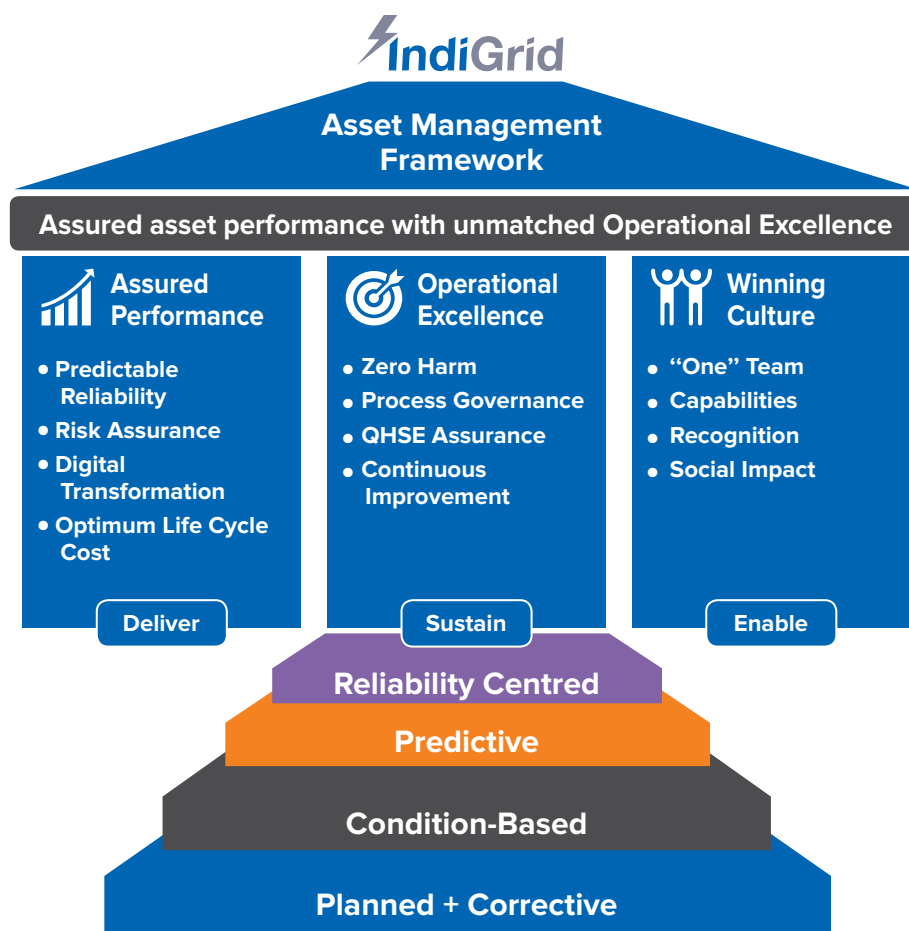
- Infrastructure support by Government – solar parks and green energy corridors
- Availability of cheaper finances from new funding avenues
- Improvement in discom financials under UDAY scheme
- Continued availability of finances for rooftop solar; decline in battery prices
- Aggressive expansion plans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





# Operational Review

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



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

## a. Deliver Assured Performance

Assured Performance is key to achieve IndiGrid Vision to meet our investor and other stakeholder expectations. Robust risk mitigation plan execution enabled by digital technologies will be key driver for success of this pillar. Digital technologies will enable transition

from conventional planned and corrective practices to advanced reliability centred predictive maintenance. Thus, strong rigor to minimise the downtime and improve mean time between failures and restoration, would certainly result in optimising total life cycle cost of ownership and unlocking the value of assets for our stakeholder.

## b. Sustain with Operational Excellence

Simplified processes, methodologies, its compliances and skill developments are the most important element of developing continuous improvement culture across the value chain of asset management functions and will

play critical role for the success of this pillar. Implementing globally benchmarked processes, standard operating procedures on EHS standards and Quality Assurance systems and with strong compliance rigor shall enable unmatched operational excellence to deliver Assured Performance.

especially of great importance because there are several stakeholders involved including IndiGrid, the Project Manager, O&M Contractors etc. Asset Management offers huge opportunity to create a social impact by supporting communities and environment located nearby our assets and will be important aspect of this strategic pillar.

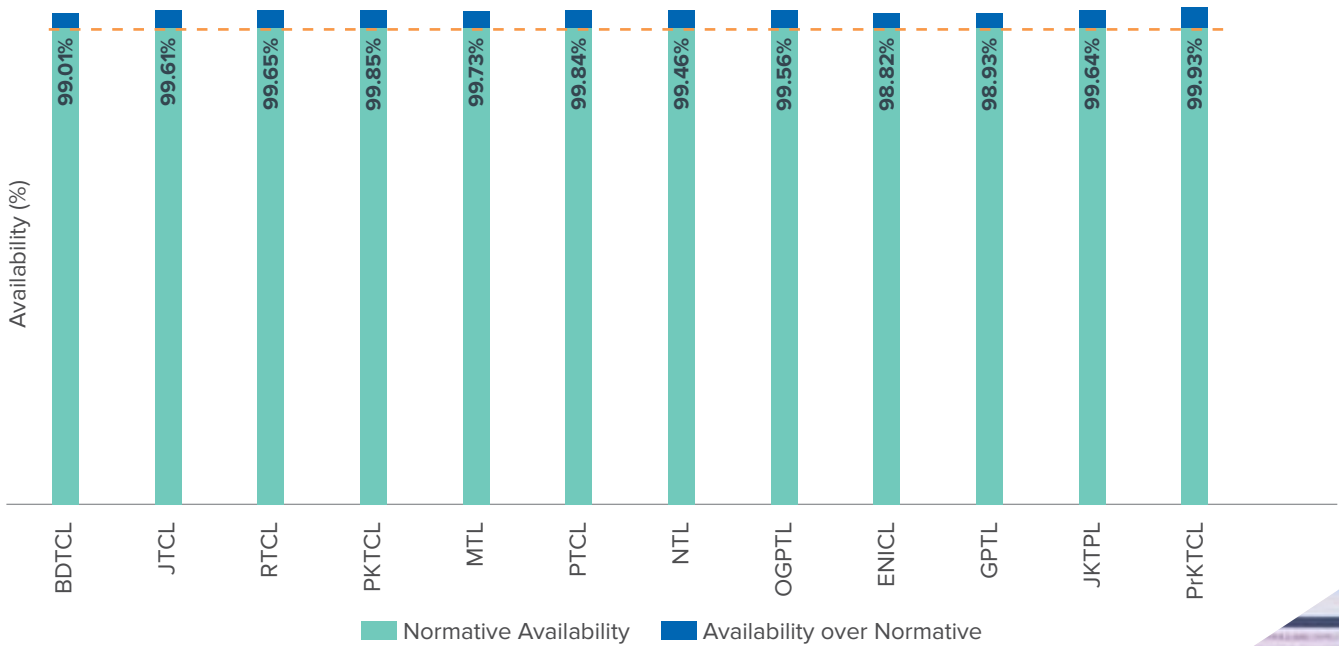
**c. Enable with Winning Culture**

This pillar becomes a strong enabler for delivering assured performance and to sustain with unmatched operational excellence. Working as “ONE TEAM” till the last-mile person involved at the project sites, developing core competencies and building self-motivating teams would be key priorities to achieve objectives for this pillar. This is

**Key Performance Highlights : FY 2020-21**

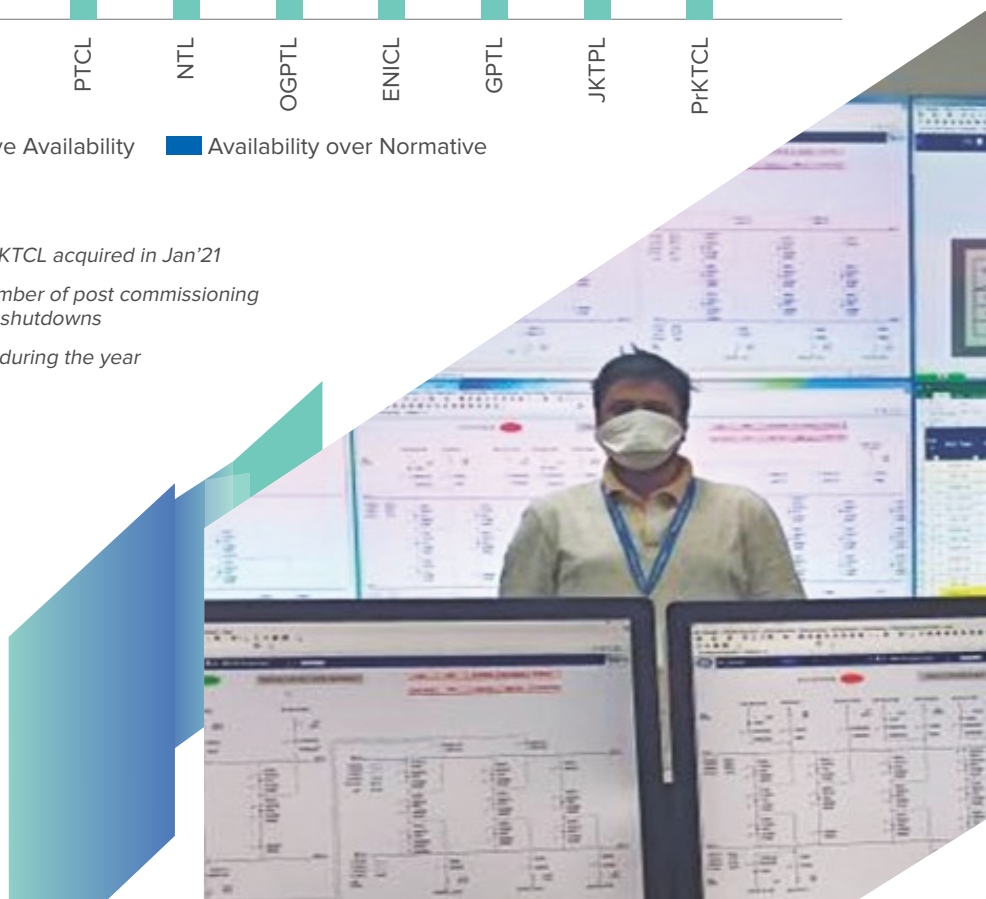
The following charts illustrates the demonstrated performance of IndiGrid assets which has consistently set benchmarks in the power transmission industry, beating pre-contracted availability-based tariffs – either under the transmission services contract or the CERC tariff guidelines.

**Average Availability FY2021**



**Notes:**

1. GPTL acquired in Aug'20, JKTPL in Sep'20 and PrKTCL acquired in Jan'21
2. FY2021 target was 99.5% considering material number of post commissioning defects were addressed by proactively taking the shutdowns
3. Indemnified events at BDTCL, ENICL, GPTL, JKTPL during the year
4. NER acquired at end of Mar'21



## KEY INDICATORS

## Average Portfolio Availability (%)

FY2020

&gt;99.5%

FY2021

&gt;99.5%

## No. of Trips/Line

FY2020

0.40

FY2021

0.31

## Safe Manhours (%)

FY2020

100%

FY2021

96%

Loss Time Incident Reporting  
(Including Fatality)

FY2020

-

FY2021

1

## Training Manhours (hrs)

FY2020

22,127

FY2021

36,000

## Solar Generation (kWh)

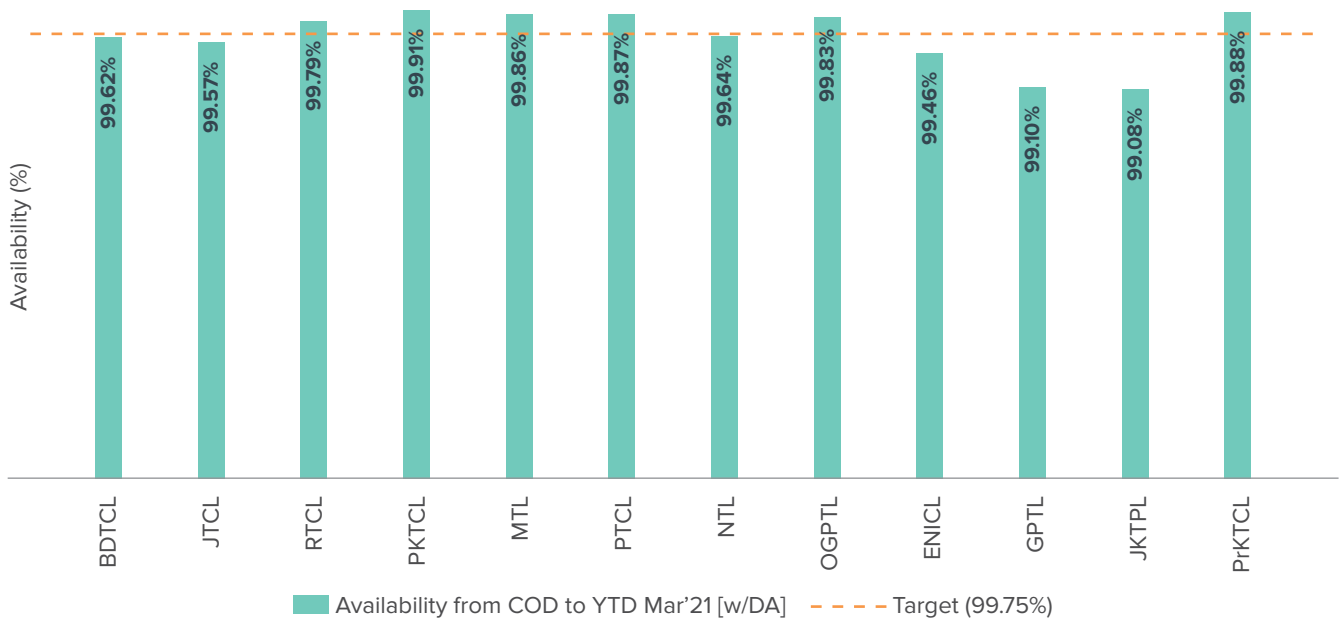
FY2020

39,870

FY2021

40,816

## Commercial operations date to March 2021 performance



Notes:

1. GPTL, JKTPL and PrKTCL acquired during the year
2. Availability loss hours in FY21 are largely indemnified at BDTCL, ENICL, GPTL, JKTPL
3. NER acquired at the end of Mar'21

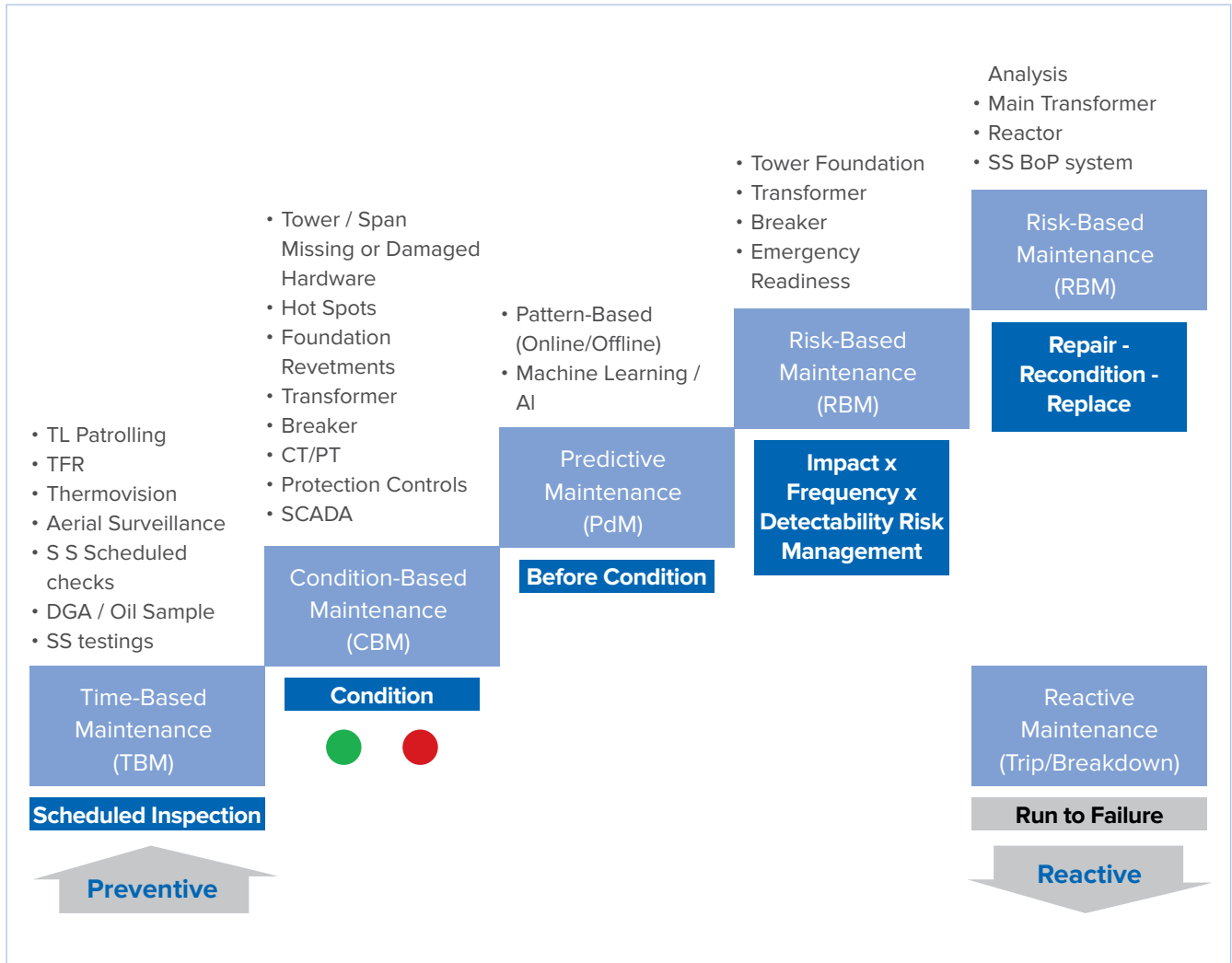
## Summary

- IndiGrid has consistently maintained availability at over 98% for its assets since inception and earned maximum eligible incentives
- Improved reliability with reduction in trips

Overall, FY2021 turned out another good performance period for IndiGrid assets from an asset management and performance perspective.

### Focus on maximising 'Reliability'

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



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

The RCM philosophy employs best practices from each of maintenance strategies such as Time-based Maintenance, Condition-based Maintenance, Predictive Maintenance with Real-time Monitoring, Risk-based Maintenance, Life Cycle

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

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

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

### Projects - FY2021 Reflections



National Safety Day celebration



NRSS Avalanche



MSRDC DA line modification



OGPTL Cross arm rectification



Dhule ICT Repair work



Emergency Readiness

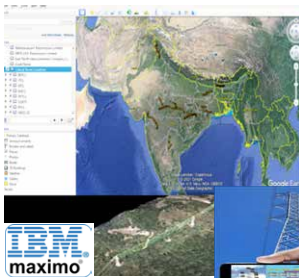


IMS Certification

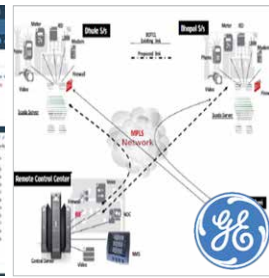


IndiGrid Gurukul: Employee Training

### DIGITAL TRANSFORMATION INITIATIVES



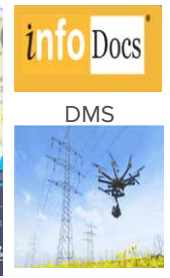
DigiGrid & ERP (SAP) Migration



Cyber Security (GE SCADA Upgradation)



Weather Alert System



Drone POC (LIDAR/ Vegetation Management)

IndiGrid operates its power transmission assets under an availability-based tariff regime, which incentivises to provide the highest possible system reliability, measured as “availability”. Availability is defined as the time in hours during a given period for which the transmission system is capable of transmitting electricity at its rated voltage, expressed as a percentage of total hours in the period. This implies that revenue for a power transmission asset is independent of actual power flow through the asset. The Central Electricity Regulatory Commission (CERC) Tariff Regulations provide specific guidance on the calculation of availability and

consider the elements in the transmission system (including transmission lines, transformers and substations) as well as the reason for any outages, with force majeure outages being excluded from the calculation. All power transmission assets of IndiGrid are fully constructed and commissioned.

For each asset, IndiGrid is required to maintain system availability of 98% in order to receive 100% of the transmission charge (comprising escalable and non-escalable charges). Incentive payments are received if the availability exceeds 98%, up to a maximum of 99.75% availability.

### Some Key Initiatives during the Year

#### Digital Transformation in partnership with IBM:

IndiGrid has signed a multi-year collaboration agreement with IBM to build an artificial intelligence (AI)-enabled asset management platform. DigiGrid, the digital transformation project with IBM, aims to digitise the entire operations of IndiGrid through its platform Maximo, recognised across the utility segment globally. At IndiGrid, we aim to deploy a hybrid cloud solution with IBM Maximo Application Suite running on the secure IBM Cloud to optimise the quality and utilisation of our assets throughout their lifecycle, increase productive uptime through preventive and predictive maintenance, drive efficiency and reduce operating costs, thereby ultimately delivering better value to the investors.

#### Other Digital & Technology Initiatives:

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

## OUR STRATEGIC INITIATIVES

### TECH INITIATIVES

- Emergency restoration system
- Drone POC
- Thermal Image Camera
- SF6 leakage detection camera
- Online DGA instrument for transformer

### CYBER SECURITY

- Cyber security strengthening
- ISO 27001 certification
- SCADA upgradation

### DIGITAL INITIATIVES

- DigiGrid (Maximo)
- Weather monitoring (Climacell)
- Document Management System (DMS)
- SAP integration

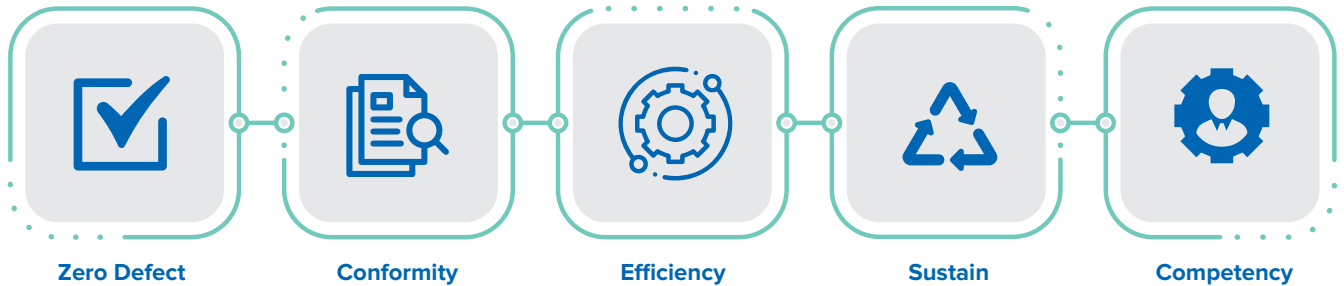
### OPERATION EXCELLENCE

- IMS Certification
- ESG benchmarking and ESMS study
- Material Management
- KPI-based contracts with partners

### Reliability Improvement Efforts:

IndiGrid has adopted a Reliability Centred Management Approach that strives for “ZERO DEFECT”. The Quality Policy aims for a continuous improvement culture through the adoption of leading practices, robust quality governance, conformance to applicable requirements and leading global standards. As part of the Reliability Improvement Efforts, under IndiGrid’s defect liquidation program, 85% towers and over 90% spans (excluding ENICL) have been made defect free till March 31, 2021.

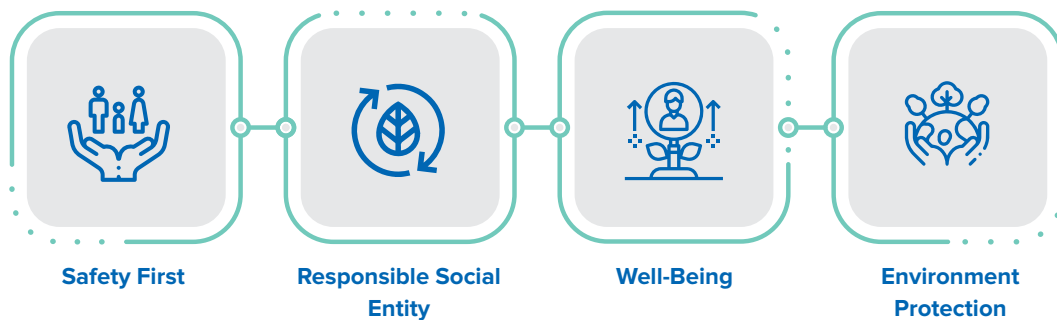
#### Key Pillars of Quality Policy



### ZERO HARM Culture:

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

#### Key Pillars of HSE Policy



## Strong Operations Asset Management Team



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

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



**MR. RAMNEEK TENG** - Vice President – Operational Excellence

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



**MR. VENKATRAMAN INUMULA** - Vice President – Regulatory & Contracts

- Over 21+ Years of Techno – Commercial- Regulatory experience in Power Sector covering Generation-Renewables & Thermal, Transmission, Distribution, Power Sales, Policy Advocacy, Business Development, Contract Management, Carbon Markets, Operation and Maintenance, Key Account & Stakeholder Management.
- Previously worked with SEMBCORP, GMR-Energy, Abhijeet-Group, Maharashtra SEB & Indorama Synthetics
- Bachelor's degree in Electrical Engineering from Nagpur University, alumnus of IMT Ghaziabad, Post Graduate Diploma in Electricity Regulation-MERC



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

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



**MR. ARYAN PANCHAL** - General Manager - IT/Digital

- 20+ years of experience in the core IT – Information systems, IT infrastructure, IT Applications – SAP/ Oracle/Maximo and Cybersecurity
- Previously worked with K Raheja Corp, Ashok Piramal Group, Emco, Kalpataru, Allcargo Global
- Master of Business Administration (MBA) in IT & Systems from ICFAI



**MR. SATEESH KUMAR** - General Manager – Quality Assurance

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



# Financial Review



## Consolidated Financials - IndiGrid

(INR Million unless otherwise stated)

Particulars	FY21	FY20	FY19	FY18*
Revenue from Operations	16,748	12,427	6,656	4,476
EBITDA	14,473	11,504	6,036	4,155
EBITDA Margin	86%	93%	91%	93%
NDCF	9,179 <sup>^</sup>	7,203	3,330	2,793
PAT	3,347	5,057	1,539	2,104
Net Debt/AUM	59%	50%	47%	45%
DPU (INR/Unit)	12.20	12.00	12.00	9.56*
NAV as per Independent Valuer (INR/Unit)	146.26	102.26	96.55	101.87

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

<sup>^</sup>Includes reserves created during the year

## REVENUE, EBITDA AND PAT

Revenue grew by 35% in FY2021 from a year ago on account of acquisition of five transmission assets: GPTL, JKPTL, PrKTCL, NER during the preceding 12 months and full period impact of ENICL, NTL and OGPTL.

In FY2021, the EBITDA margin was ~86% for power transmission assets, down from ~93% YoY. Key cost components included costs incurred towards annual maintenance contracts, insurance, professional and regulatory fees.

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

## NDCF AND DPU

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

dividend income and principal repayment. IndiGrid is required to distribute 90% of the cash flows received to its unitholders. During the year, the Net Distributable Cash Flow increased by 27% to INR 9,179 Million.

DPU amounts to the cash flows distributed on a “per unit” basis to the unitholders. The trust distributed DPU of INR 12.20 per unit in FY2021. Total cash distribution to unitholders in FY2021 was at INR ~7,480 Million.

## ASSETS UNDER MANAGEMENT

Registered valuer, Mr. S. Sundararaman, carried out valuation as an independent valuer and valued IndiGrid’s assets at INR 205.46 Billion, as of March 31, 2021.

Post March 2021, we completed acquisition of 100% stake in two solar assets with cumulative capacity of 100 MW (AC) from Fotowatio Renewable Ventures (FRV) at an enterprise value of ~INR 6.60 Billion. With this acquisition, the AUM increased to over INR 210 Billion.

Asset	Revenue (INR Million)				AUM (INR Billion)
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	March 31, 2021
BDTCL	2,180	2,577	2,694	3,081	20.40
JTCL	2,118	2,150	1,505	1,541	16.02
MTL	72	572	585	587	5.90
RTCL	41	457	460	460	4.20
PKTCL	65	746	756	759	6.83
PTCL	-	153	301	321	2.37
NTL	-	-	4,832	5,234	46.81
OGPTL	-	-	1,260	1,736	14.79
ENICL	-	-	33	1,473	11.96
GPTL	-	-	-	909	12.22
JKTPL	-	-	-	191	3.03
PrKTCL	-	-	-	355	8.56
NER-II	-	-	-	-	52.36
<b>Total</b>	<b>4,476</b>	<b>6,656</b>	<b>12,427</b>	<b>16,748</b>	<b>205.46</b>

In FY2021, valuation has increased from the previous half-year basis the current market conditions with the change in taxes beta and lower cost of debt, resulting into lower WACC leading to FMV being higher than the book carrying value.



## BORROWINGS

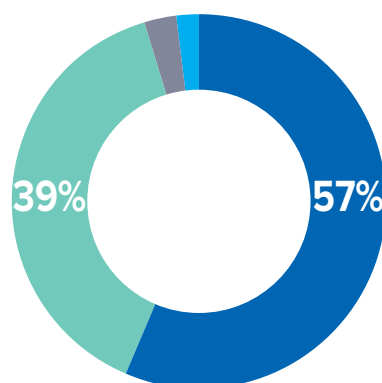
During FY21, the following borrowings have been raised:

Date of Availment	Entity	Tenor	Amount in INR Million as on March 31, 2021	Type of Instrument
16-05-2020	IndiGrid	5 Years	1,500	Term Loan
15-06-2020	IndiGrid	1.75 Years	1,000	Non-convertible Debenture
15-06-2020	IndiGrid	3 Years	2,500	Non-convertible Debenture
10-07-2020	IndiGrid	2.9 Years	1,000	Non-convertible Debenture
03-09-2020	IndiGrid	3.5 Years	4,000	Non-convertible Debenture
12-11-2020	IndiGrid	3.63 Years	2,500	Non-convertible Debenture
29-12-2020	IndiGrid	4.5 Years	1,500	Non-convertible Debenture
29-12-2020	IndiGrid	5 Years	1,000	Non-convertible Debenture
31-12-2020 & 25-03-2021	IndiGrid	13 Years	7,500	Term Loan
15-03-2021	IndiGrid	15 Years	6,300	Term Loan
25-03-2021	IndiGrid	15 Years	5,000	Term Loan
25-03-2021	IndiGrid	10 Years	6,000	Term Loan
25-03-2021	IndiGrid	5 Years	1,500	Term Loan
25-03-2021	IndiGrid	3 Years	15,000	Non-convertible Debenture
25-03-2021	IndiGrid	4 Years	6,500	Non-convertible Debenture
25-03-2021	IndiGrid	5 Years	5,000	Non-convertible Debenture
31-03-2021	IndiGrid	17 Years	3,600	Term Loan

In May 2021, IndiGrid also raised INR 10.00 Billion by way of Public Issue of Debt Securities. All the above-mentioned NCD/MLD are listed on the BSE Limited. The maturity of the term loan varies between 5-17 years. On account of the borrowing raised during the year, consolidated borrowings as on March 31, 2021 stood at INR 128 Billion (after netting off the borrowing raised for prepayment in April for GPTL and NER).

IndiGrid enjoys a AAA corporate credit rating; its debt facilities at the asset level are also rated AAA. This is on account of low operating risk resulting in stable cash flows. The break-up of borrowing by sources as of March 31, 2021 is as follows:

### Sources of Gross Borrowings (INR 128.08 Billion)



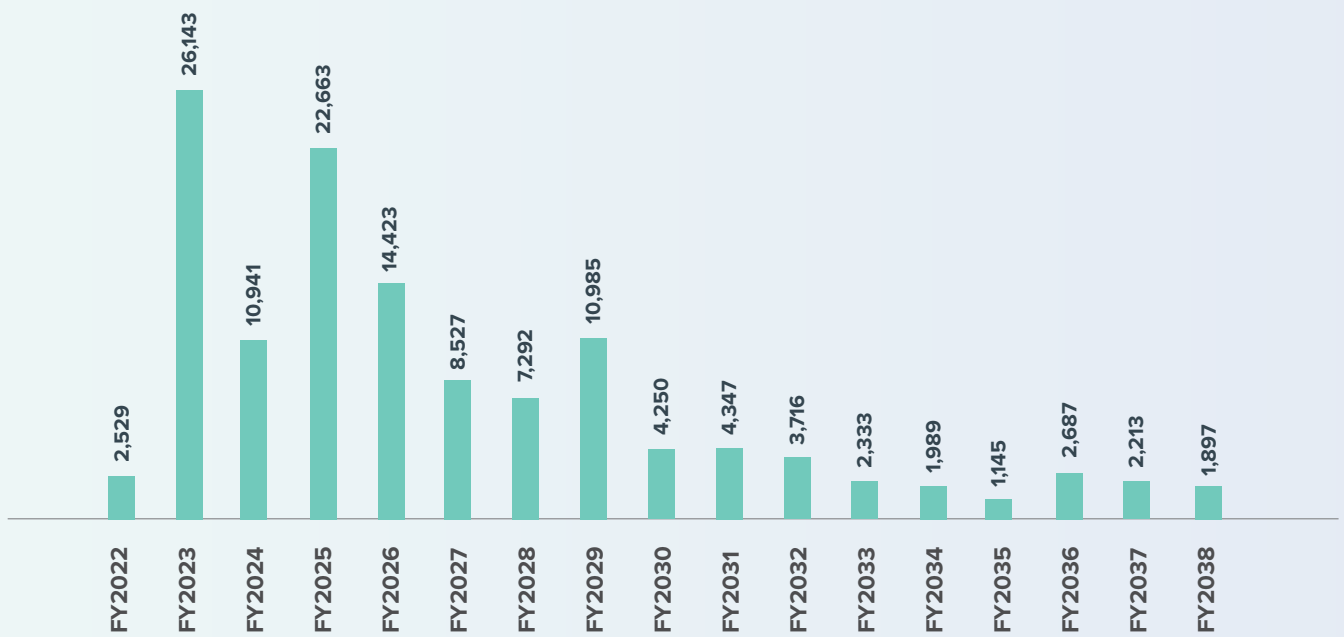
- NCD - INR 72.56 Billion
- Bank - INR 49.50 Billion
- MLD - INR 3.75 Billion
- ECB - INR 2.27 Billion

Rating Agency	Rating For	Rating	Date	Rating Rationale
<b>CRISIL</b>	IndiGrid	CCR AAA/Stable, CRISIL AAA/Stable & PP- MLD AAAR/Stable	April 26, 2021	<ul style="list-style-type: none"> <li>■ Stable revenue of the operational SPVs</li> <li>■ Cash flow stability because of strong counterparties</li> <li>■ Strong financial risk profile</li> </ul>
<b>India Ratings</b>	IndiGrid	IND AAA/Stable IND A1+	June 07, 2021	<ul style="list-style-type: none"> <li>■ Stable operating performance</li> <li>■ Diversified ownership</li> <li>■ Timely equity raise supported financing acquisition</li> <li>■ High-quality underlying assets</li> <li>■ Moderate debt structure</li> <li>■ Liquidity indicator - adequate</li> </ul>
<b>ICRA</b>	IndiGrid	ICRA AAA/Stable	March 18, 2021	<ul style="list-style-type: none"> <li>■ Availability linked payments under the long-term TSA</li> <li>■ Stable performance of power transmission assets</li> <li>■ Assured offtake under long-term TSA</li> <li>■ Strong payment security</li> <li>■ Healthy debt coverage metrics</li> <li>■ Structural features like presence of Debt Service Reserve, cash trap triggers and payment mechanism</li> </ul>
<b>ICRA</b>	BDTCL	ICRA AAA/Stable	March 18, 2021	<ul style="list-style-type: none"> <li>■ Pooling benefit from being part of the India Grid Trust</li> <li>■ Availability linked payments under the long-term TSA for BDTCL</li> <li>■ Stable performance of power transmission assets</li> <li>■ Assured offtake under long-term TSA</li> <li>■ Strong payment security</li> <li>■ Healthy debt coverage metrics</li> <li>■ Structural features like presence of Debt Service Reserve, cash trap triggers and payment mechanism</li> </ul>
<b>CRISIL</b>	BDTCL	CRISIL AAA/Stable	May 12, 2021	<ul style="list-style-type: none"> <li>■ Low offtake risks as per contractual terms of TSA</li> <li>■ Stable cash flow under PoC pool mechanism</li> <li>■ Strong financial risk profile as part of IndiGrid</li> </ul>
<b>India Ratings</b>	BDTCL	IND AAA/Stable	October 30, 2020	<ul style="list-style-type: none"> <li>■ Price risk mitigated</li> <li>■ IndiGrid's high-quality underlying assets</li> <li>■ Adequate Liquidity indicator - IndiGrid &amp; BDTCL</li> <li>■ Stable operating performance</li> <li>■ Strong debt structure</li> <li>■ Low counterparty risk</li> </ul>
<b>ICRA</b>	OGPTL	ICRA AAA/Stable	March 18, 2021	<ul style="list-style-type: none"> <li>■ Pooling benefit from being part of the India Grid Trust</li> <li>■ Availability linked payments under the long-term TSA for OGPTL – Stable performance of power transmission assets</li> <li>■ Assured offtake under long-term TSA</li> <li>■ Strong payment security</li> <li>■ Healthy debt coverage metric</li> <li>■ Structural features like presence of Debt Service</li> </ul>
<b>India Ratings</b>	PrKTCL	IND AAA/Stable	May 12, 2021	<ul style="list-style-type: none"> <li>■ Stable operations and predictable revenue</li> <li>■ Strong tariff collection mechanism addresses Counterparty risks</li> <li>■ Adequate liquidity</li> <li>■ High tariff visibility</li> <li>■ Comfortable debt structure</li> <li>■ Moderate operating cost variability</li> </ul>

## Key Metrics

**7.93%**Weighted Average  
Cost of Debt**AAA**Rating by CRISIL,  
ICRA, India Ratings**~80%**Fixed Rate  
Borrowing

## Repayment / Refinancing Schedule as of March 2021\* (INR Million)



Note: Information as of March 31, 2021 (excluding loan repayments in first week of April'21)

\*Chart is not drawn to scale

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

# Key Business Strategies

<p><b>Leverage Policy</b></p>		<ul style="list-style-type: none"> <li>■ Active and prudent liability management</li> <li>■ Focussing on long tenure loans with fixed cost of borrowing</li> <li>■ Distribute the repayment schedule evenly to avoid bunching up</li> <li>■ Diversify sources of debt</li> </ul>
<p><b>Liquidity Management</b></p>		<ul style="list-style-type: none"> <li>■ Maintain a combination of liquid reserve &amp; DSRA</li> <li>■ Minimum liquidity level to increase in line with increasing AUM</li> </ul>
<p><b>Acquisition Strategy</b></p>		<ul style="list-style-type: none"> <li>■ Acquire value accretive assets with low risk, long-term contracts, strong counterparties and steady cash flows</li> <li>■ Profile of the platform to be transmission-centric, with gradual and systematic diversification into solar</li> <li>■ Independent &amp; thorough technical, financial, legal and environment due diligence</li> </ul>
<p><b>Distribution Framework</b></p>		<ul style="list-style-type: none"> <li>■ Grow DPU in sustainable and steady manner to ensure predictable cash flows to investors</li> <li>■ Minimum 90% of cash generated to be distributed</li> <li>■ Quarterly distribution to the unitholders after meeting debt service obligations in a tax-efficient manner</li> </ul>
<p><b>Transparent Reporting</b></p>		<ul style="list-style-type: none"> <li>■ Quarterly publication of financial statements including NAV and other key metrics</li> <li>■ Quarterly disclosures on business and valuation reports</li> </ul>



# Risk Management and Mitigation

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

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

## a. Delay in collection

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

## b. Inability to offset cost increases

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

## c. Unforeseen changes in regulatory environment

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

## d. Force majeure

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

## Internal Control Systems

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

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

## Insurance

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

All transmission lines are insured to the extent of INR 200 Crore loss limit for standard risks like fire, storm, flood, tempest, machinery breakdown and related risks including loss of profit. The policy is subject to standard exclusions. The coverage under policy has been extended for reinstatement of value, escalation, cost of architect, surveyors, and consulting engineers, removal of debris and other clauses. All substation assets are covered on a 100% replacement value basis, including business interruption. The substation assets are covered on a replacement value basis including business interruption through a separate industrial all risk policy.

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

Parbati Koldam transmission asset was acquired in Jan'21 and it had the practice of creating insurance reserves, rather than taking insurance policy. Effective June'21, Parbati Koldam Transmission Asset has also been insured as per the existing IAR policy.

### Outlook

Over the last three years, IndiGrid's underlying performance has been robust, and it remains well capitalised (post Rights and Public NCD Issue) to grow faster than ever before. Backed by KKR and its investment expertise, we intend to keep the momentum of growing the underlying portfolio as well as enhancing unitholder returns. On the operational front, we continue to make investments in industry-leading technology initiatives to catapult IndiGrid's digital asset management, predictive analytics and emergency preparedness and become self-reliant in project management, going forward, to bring in the operational efficiencies and synergies. IndiGrid's main objective is to continue to ensure a positive impact on India's power connectivity by providing reliable power, while delivering superior risk-adjusted total returns to its unitholders. The management has guided for an increased distribution to the tune of INR 12.75 per unit for FY 2021-22, and we remain on track to deliver the same.

### Cautionary Statement

This document contains statements about expected future events, financial and operating results of IndiGrid, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of IndiGrid's Annual Report, 2020-21.





# ESG Review

## Environmental

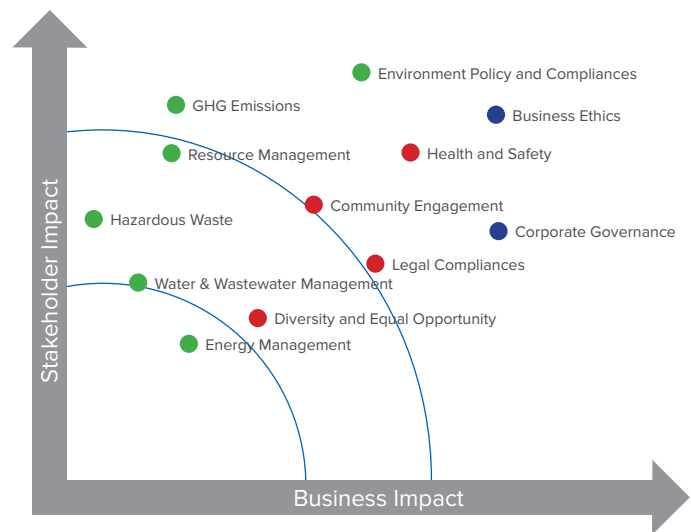
- GHG Emissions
- Resource Management
- Environmental Policy and Compliance

## Social

- Health & Safety
- Legal Compliance
- Community Engagement

## Governance

- Corporate Governance
- Business Ethics
- Critical Risk Management



## Making substantial progress in ESG

### Environment And Social Management System (ESMS)

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

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

### GHG Emissions:

- We generated 168,024 kWh units (YTD Mar-21) from our rooftop solar power plant at Bhopal and Dhule substation used for auxiliary consumption resulting in CO<sub>2</sub> avoidance of total 138.17 tonnes
- SF<sub>6</sub>, a potent GHG used in circuit breakers is arrested through systematic monitoring and immediate action
- We operate extra high voltage (EHV) lines at 400 kV and 765 kV which enables reduction in emissions by way of reducing losses

### Resource Management:

- Tree plantation carried out in lieu of vegetation management for the transmission lines
- Several of our assets are built with Multi circuit towers, Pole towers and GIS substations which reduces our land footprint and therefore impact on Land / ROW and trees

- Cost of compensatory afforestation (CA), NPV, wildlife management plan, tree cutting cost, medicinal plantation cost and other expenditure on our portfolio is ~INR 2,900 Million.

### Environment Policy and Compliance:

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

### Health & Safety:

- Over 95% Safe manhours achieved. Behaviour-based safety enabled proactive closure of unsafe and near miss conditions
- 100% of our contractors have received relevant health & safety training designed for their scope of work
- We continued to focus on aligning our practices with international standards. In FY2021, we launched new SOPs with respect to Permit to Work and other HSE SOPs with leading practices to ensure safety of every person in our portfolio
- 36,000 manhours of training across employees and partners
- Especially with COVID-19, additional precautions are implemented with respect to social distancing as well as testing

### Legal Compliances:

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

### Community Engagement:

- Our operations are across 18 states and 1 union territory and we rely on support of local communities in enabling repairs and maintenance as and when required. We focus on active engagement to avoid ROW issues
- Community engagement initiatives like constructing shelter for Nomadic tribes at NRSS and Dhule approach road and sanitation facilities around the project

### Corporate Governance:

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

### Business Ethics:

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

### Critical Risk Management:

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



## OUR ESG-RELATED INITIATIVES IN FY2021

### Environment:

- Forayed into renewable energy generation with acquisition of FRV solar asset
- Reaffirmed commitment to motto of Zero Harm to the environment through celebration on National Safety Week
- Put in place a standalone HSE policy of Zero Harm and robust incident management process
- Application of predictive Weather Intelligence, to help mitigate impact of weather changes on energy operations
- Created action plan for Wildlife Protected area - Sanctuary
- Celebrated World Environment Day, a multi-day event across assets with activities like sapling distribution, tree plantation and awareness sessions
- Conducted several drives like tree plantation, de-weeding, landscaping, waste and water management

### Communities:

- Ensuring reliable power and uninterrupted power supply for a healthier and stronger India
- Built sheds for stay during tough weather for nomadic tribes in SA line along Mughal Road
- Conducted awareness sessions for local communities during Road Safety Week, along with local police

### Employees:

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



## Being COVID-19 Ready

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

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

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



### COVID-19 READINESS:

- COVID support group formed to facilitate availability of health care resources
- COVID insurance cover is activated
- Organising vaccination resources for all employees and site persons
- COVID appropriate behaviours & preventive measures activated across the sites and offices
- All non-essential business travel curtailed during second wave
- Daily reporting of health status and travel history tracking
- Ensure 100% compliance with PPE and safety regulations
- Tie-ups with hospitals and isolation arrangements

### BUSINESS CONTINUITY MEASURES:

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



# Corporate Governance

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# YEAR IN REVIEW: FY 2020-21

**April**  
2020

**Board on April 8, 2020 approved:**

- 1) Addition of Renewable Energy to IndiGrid's investment strategy and consequent amendment to the Trust Deed
- 2) Acquisition of Gurgaon-Palwal Transmission Limited ("GPTL"), a power transmission asset, as part of the Framework Agreement
- 3) To conduct Postal Ballot to seek Unitholders approval for aforesaid transactions

**AAA credit rating re-affirmed from CRISIL, India Ratings, CARE (April 2020)**

**May**  
2020

**Outcome of Postal Ballot (May 9, 2020)**

- Approved change in investment strategy and the consequent amendment to the Trust Deed
- Approved the proposed acquisition of power transmission assets from Sponsor and matters related thereto

**Outcome of Board Meeting (May 27, 2020)**

- Approved audited standalone and consolidated financial results the year ended March 31, 2020
- Declared a distribution of INR 3.00 per unit in the form interest for Q4 FY 2019-20

**Published Valuation Report for FY 2019-20 (May 27, 2020)**

**Entered into definitive agreements for acquisition of Jhajjar KT Transco Private Limited ("JKTPL") from Kalpataru Power Transmission Limited (KPTL) and Techno Electric & Engineering Company Limited ("TEECL") (May 29, 2020).**

**August**  
2020

**Intimated termination of Inter Se agreement between Esoteric II Pte. Ltd, an affiliate of KKR & Co. Inc and SPGVL and subsequent withdrawal of intimation of desire to be designated as a Sponsor by Esoteric II Pte. Ltd. (August 3, 2020)**

**Outcome of Board Meeting (August 6, 2020)**

- Approved unaudited standalone and consolidated financial results for Q1 FY 2020-21
- Declared a distribution of INR 3.00 per unit in the form of interest for Q1 FY 2020-21

**Published Valuation Report for Q1 FY 2020-21 (August 6, 2020)**

**Intimated disclosure received from SPGVL, regarding sale of IndiGrid units (August 14, 2020)**

**IndiGrid Investment Managers Limited bought 340,200 Units of IndiGrid for ultimate consumption under Long-Term Incentive Scheme designed for employees (August 14, 2020)**

**Published Annual Report for the FY 2019-20 (August 27, 2020)**

**Completed acquisition of shareholding and management control in GPTL (August 31, 2020)**

## September 2020

### Called Third AGM of Unitholders (September 4, 2020)

Esoteric issued notice to Investment Manager to designate Esoteric as a Sponsor of IndiGrid (September 8, 2020)

The Board approved designating Esoteric as a 'Sponsor' of IndiGrid and corresponding amendment to the Trust Deed subject to Unitholder and other approvals (September 8, 2020)

Issued addendum to AGM notice to Unitholders (September 8, 2020)

IIML appointed Mr. Jyoti Kumar Agarwal as its Chief Financial Officer (September 16, 2020)

Outcome of the 3rd AGM of IndiGrid held through video conferencing (September 28, 2020)

- Adopted Financial Statements as on March 31, 2020
- Adopted Valuation Reports as on March 31, 2020
- Approved the appointment of S R B C & Co. LLP as Statutory Auditor
- Approved the appointment of Valuer
- Approved the overall limit of performance remuneration payable to directors
- Approved the amendment to Project Implementation and Management Agreement
- Approved the induction of Esoteric II Pte. Ltd. as an Inducted Sponsor of IndiGrid

Completed acquisition of shareholding and management control in JKTPL (September 28, 2020)

## October 2020

Appointed Mr. Ashok Sethi as the Independent Director on the Board (October 20, 2020)

## November 2020

### Outcome of Board Meeting (November 03, 2020)

- Approved unaudited standalone and consolidated financial results for period ended on September 30, 2020
- Declared a distribution of INR 3.00 per unit in the form of interest for Q2 FY 2020-21

Published Valuation Report for Q2 FY 2020-21 (November 03, 2020)

SPGVL merged with SPTL vide order issued by National Company Law Tribunal (NCLT). Accordingly, SPTL became one of the Sponsor of IndiGrid (November 15, 2020)

Signed share purchase agreement for acquisition of 74% in Parbati Koldam Transmission Company Limited ("PrKTCL") from Reliance Infrastructure Limited (November 28, 2020)

**December  
2020**

The name of Investment Manager changed from “Sterlite Investment Managers Limited” to “IndiGrid Investment Managers Limited” (December 14, 2020)

Signed Securities Purchase Agreement for acquisition of 100% in FRV Andhra Pradesh Solar Farm-I Private Limited & FRV India Solar Park II – Private Limited from FRV Solar Holdings XI B.V (December 18, 2020)

Principal place of business and registered office of India Grid Trust and Investment Manager of IndiGrid respectively shifted to IndiGrid’s corporate office at Mumbai (December 27, 2020)

**January  
2021**

Completed acquisition of 74% paid-up capital of PrKTCL (January 08, 2021)

Outcome of Board Meeting (January 22, 2021)

- Approved unaudited standalone and consolidated financial results for period ended on December 31, 2020
- Declared a distribution of INR 3.10 per unit in the form of interest for Q3 FY 2020-21
- Approved raising funds upto INR 14 Billion through issuance of commercial papers, public or private issuance of debt or non-convertible debentures
- Approved raising capital upto an aggregate value not exceeding INR 15 Billion by way of issue of units of IndiGrid to its eligible Unitholders on a Rights basis

Published Valuation Report for Q3 FY 2020-21 (January 22, 2021)

**March  
2021**

Signed share purchase agreement for acquisition of 100% shareholding and economic interest, in one or more tranches, in NER II Transmission Limited (March 5, 2021)

Outcome of Board Meeting (March 16, 2021)

- Approved raising funds upto INR 53 Billion in one or more tranches to be used for acquisitions, refinancing of existing borrowings and similar other purposes, through various sources including term loans, public and private issuance of non-convertible debentures

Outcome of the EGM of IndiGrid (March 19, 2021)

- Approved the proposed acquisition of power transmission asset and matters related thereto

Outcome of Board Meeting (March 23, 2021)

- Approved Rights issue size, Record Date, Issue period, entitlement ratio, etc.

Completed acquisition of 49% paid-up capital and management control of the NER-II (March 26, 2021)



**April**  
2021

**Rights Issue opens (April 06, 2021)**

**Rights Issue Closes (April 16, 2021)**

**Outcome of Allotment Committee Meeting (April 22, 2021)**

- Approved the public issue of secured, rated, listed, redeemable non-convertible debt securities (“NCDs”) having a face value of INR 1,000/- each for an amount up to INR 1 Billion (“Base Issue Size”) with an option to retain oversubscription of upto INR 9 Billion aggregating upto 10,000,000 NCDs amounting to INR 10 Billion (“Tranche 1 Issue Limit”) which is within the shelf limit of INR 10 Billion

Allotment Committee approved the allotment of 116,695,404 Rights Units to the eligible unitholders of IndiGrid for cash at a price of INR 110.00 per unit aggregating to approximately INR 12.84 Billion (April 22, 2021)

**IndiGrid Investment Managers Limited bought 68,040 Units of IndiGrid in Rights issue for ultimate consumption under Long-Term Incentive Scheme designed for employees (April 24, 2021)**

**Listing of Units issued on Rights basis (April 27, 2021)**

**NCD Public issue (Tranche-1) Opens (April 28, 2021)**

**NCD Public Issue (Tranche-1) Early Closed (April 30, 2021)**

**May**  
2021

**Outcome of Allotment Committee Meeting (May 06, 2021)**

- Approved the allotment of 1,00,00,000 secured, listed, rated, redeemable, non-convertible debt securities (“NCDs”) having a face value of INR 1,000 each aggregating to INR 10 Billion

**Listing of NCD public issue (Tranche-1) (May 10, 2021)**

**Outcome of Board Meeting (May 27, 2021)**

- Approved Audited standalone and consolidated financial results for financial year ended on March 31, 2021
- Declared a distribution of INR 3.10 per unit comprising INR 1.51 in the form of Interest, INR 0.52 in the form of Dividend and INR 1.07 in the form of Principal payment for Q4 FY 2020-21
- Approved raising of Debt upto 10.50 Billion through various sources including term loans, private placement of non-convertible debentures, and/or any other mode

**Published Valuation Report for FY 2020-21 (May 27, 2021)**

**June**  
2021

**IndiGrid Investment Managers Limited bought 144,585 Units of IndiGrid for ultimate consumption under Long-Term Incentive Scheme designed for employees (June 10, 2021)**

**SPTL sold 406,539 Units of IndiGrid through on-market transaction (June 10, 2021)**

**SPTL discontinued as Project Manager for IndiGrid Project SPVs except for NER-II (June 30, 2021)**

**Board appointed IndiGrid Limited as Project Manager for all Project SPVs (June 30, 2021)**

**July**  
2021

**SPTL created pledge over 20,39,880 Units of IndiGrid (July 02, 2021)**

**Electron IM PTE. Ltd., an affiliate of KKR & Co. Inc., (Electron) has completed acquisition of Subsequent Tranche Shares constituting 14% equity holding of IIML from SPTL. Post-acquisition, Electron holds 74% stake in IIML (July 02, 2021)**

**Completed acquisition of 100% paid-up capital and management control of FRV Andhra Pradesh Solar Farm-I Private Limited & FRV India Solar Park-II Private Limited (July 13, 2021)**

# CORPORATE GOVERNANCE REPORT



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

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

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

## IndiGrid has a three-tier governance structure:

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

## BOARD OF DIRECTORS

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

The Investment Manager has appointed Mr. Ashok Sethi as an Independent Director with effect from October 20, 2020.

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

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

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

### Board Committees

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

## INVESTMENT COMMITTEE

### Composition and Meetings

The Investment Committee comprises of the board of directors of the Investment Manager. Majority members, including the chairperson of the Investment Committee are independent directors. The company secretary of the

Investment Manager act as the secretary to the Investment Committee. The quorum shall be at least 50% of the number of members of the Investment Committee and subject to a minimum of two members.

The composition of the Investment Committee is as follows:

Name of Committee Members	Category
Mr. Tarun Kataria (Chairperson)	Independent Director
Mr. Rahul Asthana	Independent Director
Mr. Ashok Sethi	Independent Director
Mr. Sanjay Nayar	Non-Executive Director
Mr. Pratik Agarwal	Non-Executive Director

### Terms of reference of the Investment Committee

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

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

## AUDIT COMMITTEE

### Composition and Meetings

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

The composition of the Audit Committee is as follows:

Name of Committee Members	Category
Mr. Tarun Kataria (Chairperson)	Independent Director
Mr. Rahul Asthana	Independent Director
Mr. Ashok Sethi	Independent Director
Mr. Sanjay Nayar	Non-Executive Director
Mr. Pratik Agarwal	Non-Executive Director

### Terms of reference of the Audit Committee

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

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

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

### Composition and Meetings

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

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

Name of Committee Members	Category
Mr. Rahul Asthana (Chairperson)	Independent Director
Mr. Sanjay Nayar	Non-Executive Director
Mr. Pratik Agarwal	Non-Executive Director

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

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

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

## NOMINATION AND REMUNERATION COMMITTEE

### Composition and Meetings

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

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

Name of Committee Members	Category
Mr. Rahul Asthana (Chairperson)	Independent Director
Mr. Tarun Kataria	Independent Director
Mr. Ashok Sethi	Independent Director
Mr. Sanjay Nayar	Non-Executive Director
Mr. Pratik Agarwal	Non-Executive Director

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

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

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

## ALLOTMENT COMMITTEE

### Composition and Meetings

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

The composition of the Allotment Committee is as follows:

Name of Committee Members	Category
Mr. Rahul Asthana (Chairperson)	Independent Director
Mr. Ashok Sethi	Independent Director
Mr. Sanjay Nayar	Non-Executive Director
Mr. Pratik Agarwal	Non-Executive Director
Mr. Harsh Shah	Whole-time Director

#### Terms of reference of the Allotment Committee

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

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

### RISK MANAGEMENT COMMITTEE

#### Composition and Meetings

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

The composition of the Risk Management Committee is as follows:

Name of Committee Members	Category
Mr. Rahul Asthana (Chairperson)	Independent Director
Mr. Tarun Kataria	Independent Director
Mr. Ashok Sethi	Independent Director
Mr. Sanjay Nayar	Non-Executive Director
Mr. Pratik Agarwal	Non-Executive Director

#### Terms of reference of the Risk Management Committee

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

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

### BIDDING COMMITTEE

#### Composition and Meetings

The Bidding Committee comprises of the board of directors of the Investment Manager. Half of members, including the chairperson of the Bidding Committee shall be independent directors. The company secretary of the Investment Manager act as the secretary to the Bidding Committee. The quorum shall be one third of the total strength of the Committee or two members which is higher, however, presence of at least one independent director is mandatory. The Committee evaluates and considers potential investment opportunity into infrastructure assets from its development stage.

The composition of the Bidding Committee is as follows:

Name of Committee Members	Category
Mr. Tarun Kataria (Chairperson)	Independent Director
Mr. Rahul Asthana	Independent Director
Mr. Sanjay Nayar	Non-Executive Director
Mr. Harsh Shah	Whole-time Director

### Attendance for Board & Committee Meetings held during FY 2020-21

Name of Director	Board Meeting (Attended/ Entitled)	ACM (Attended/ Entitled)	NRC (Attended/ Entitled)	ICM (Attended/ Entitled)	SRC (Attended/ Entitled)	RMC (Attended/ Entitled)	BCM (Attended/ Entitled)
Mr. Tarun Kataria	8/8	7/7	3/3	7/7	-	2/2	3/3
Mr. S.H. Bhojani	2/2	2/2	2/2	1/1	1/1	-	-
Mr. Rahul Asthana	8/8	7/7	1/1	7/7	4/4	2/2	3/3
Mr. Ashok Sethi	3/5	3/4	1/1	2/4	-	0/1	-
Mr. Sanjay Nayar	5/8	5/7	3/3	5/7	3/4	1/2	3/3
Mr. Pratik Agarwal	5/8	5/7	3/3	7/7	4/4	2/2	-
Mr. Harsh Shah	8/8	-	-	-	-	-	3/3

#### Notes:

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

Mr. S.H. Bhojani demised on July 22, 2020 and Mr. Ashok Sethi was appointed as Director w.e.f. October 20, 2020.

### INFORMATION SUPPLIED TO THE BOARD

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

#### Compliance Certificate

As per SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016, a Compliance Certificate from the Chief Executive Officer and Chief Financial Officer, of Investment Manager of IndiGrid on the Financial Statements and other matters of IndiGrid for the financial year ended March 31, 2021, was placed before the Board of Investment Manager.

#### Code of Conduct

The Investment Manager has prescribed a Code of Conduct for all Board Members and employees. All the Board Members and the Senior Management Personnel of Investment Manager have affirmed their compliance with the Code of Conduct for the financial year ended March 31, 2021.

#### Investor Complaints

The status of complaints is reported to the Board on a quarterly basis. During FY 2020-21, the investor complaints received by the Company were general in nature, which were resolved within prescribed timelines. Details of Unitholders' complaints on quarterly basis are also submitted to the Trustee, stock exchanges and published on IndiGrid's website.

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

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

##### Borrowing Policy

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

##### Policy on Appointment of Auditor and Valuer

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

##### Policy in relation to Related Party Transactions and Conflict of Interests

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

##### Distribution Policy

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

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

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

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

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

##### Document Archival Policy

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

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

#### Nomination and Remuneration Policy

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

#### Whistle Blower Policy / Vigil Mechanism

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

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

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

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

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

#### SEBI Complaints Redressal System (SCORES)

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

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

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

#### Green initiative

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

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

#### Amendments to Material Contracts

During the year under review, at the time of acquisition of Assets, the IndiGrid has executed amendment to

the Investment Management Agreement and Project Implementation & Management Agreement.

Further, the Trust Deed was amended to include Esoteric II Pte. Ltd. as one of the Sponsor of IndiGrid.

#### SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the IndiGrid's operations in future.

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

#### BOARD MEMBER EVALUATION

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

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

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

To improve the effectiveness of the Board and its committees, as well as that of each individual director, a formal Board review is internally undertaken on an annual basis.

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

#### SUCCESSION PLANNING

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



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

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

### SELECTION OF INDEPENDENT DIRECTORS

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

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

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

### FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the IndiGrid's procedures and practices. Executive director and senior management provide an overview of operations, and familiarize the new non-executive directors on matters related to IndiGrid's values and commitments. They are also introduced to the organization structure, services, Group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board, major risks and risk management strategy.

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

### EXECUTIVE LEADERSHIP COMPENSATION

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

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

### Remuneration paid to Key Managerial Personnel during Financial Year 2020-21

(In INR Million)

Name	Designation	Salary and allowances	Performance Linked Incentives	Retiral benefits	Total
Mr. Harsh Shah	CEO & Whole-time Director	17.10	2.83	0.95	20.87
Mr. Jyoti Kumar Agarwal*	Chief Financial Officer	9.61	-	0.28	9.89
Mr. Swapnil Patil	Company Secretary & Compliance Officer	4.10	0.75	0.21	5.06

\*Appointed w.e.f. September 16, 2020

#### Notes:

- Performance linked incentive includes incentive paid for H2 FY 2019-20
- Performance linked incentives & LTIP payable to Mr. Harsh Shah for FY 2020-21 constitutes around 50% of total remuneration & paid in FY 2021-22
- Performance linked incentives & LTIP payable to other Key Managerial Personnel for FY 2020-21 constitutes around 35-50% of total remuneration & paid in FY 2021-22

### Details of IndiGrid Units considered for Long Term Incentive Plan (LTIP) as on June 30, 2021

Name	Designation	No. of Units considered for LTIP
Mr. Harsh Shah	CEO & Whole-time Director	149,121
Mr. Jyoti Kumar Agarwal	Chief Financial Officer	85,050
Mr. Swapnil Patil	Company Secretary & Compliance Officer	17,010

## INDEPENDENT DIRECTORS' COMPENSATION

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

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

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

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

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

The amount payable including sitting fees to all independent directors for the year ended March 31, 2021 is INR 13 Million (INR 6 Million to Mr. Tarun Kataria, INR 3.5 Million each to Mr. Rahul Asthana and Mr. Ashok Sethi). Additionally, independent directors are also reimbursed for expenses incurred in the performance of their official duties.

## GENERAL UNITHOLDER INFORMATION

### 1) Financial Year

The IndiGrid follows April-March as the financial year. To consider and approve the quarterly financial results for FY 2020-21, the meetings of the Board were held/ scheduled on the following dates/ months:

First Quarter Ended Results	August 6, 2020
Second Quarter and Half Year Ended Results:	November 3, 2020
Third Quarter	January 22, 2021
Fourth Quarter and Full Year Ended Results	May 27, 2021

### 2) Distribution

The details of Distribution declared by IndiGrid during FY 2020-21 are as follows:

Date of Board Meeting	Type of Distribution	Distribution (In INR)	Record Date
August 6, 2020	Interest payment	INR 3.00	August 12, 2020
November 3, 2020	Interest payment	INR 3.00	November 10, 2020
January 22, 2021	Interest payment	INR 3.10	January 28, 2021
May 27, 2021	Interest, Dividend and Principal payment	INR 3.10	June 02, 2021

### 3) Top 10 Unitholders as on June 30, 2021

S. No.	Name of Unitholders	Total No. of Units held	As a percentage of total outstanding Units (%)
1	Esoteric II Pte. Ltd.	16,59,01,932	23.69
2	Government of Singapore	14,01,81,111	20.02
3	Larsen And Toubro Limited	3,80,66,679	5.44
4	Schroder Asian Asset Income Fund	2,41,98,426	3.46
5	Schroder Asian Income	2,14,98,939	3.07
6	Tata AIG General Insurance Company Limited	1,38,83,562	1.98
7	Utilico Emerging Markets Trust Plc	1,37,33,874	1.96
8	Reliance Nippon Life Insurance Co Limited	1,25,68,689	1.80
9	PNB Metlife India Insurance Company Limited	80,57,637	1.15
10	Max Life Insurance Co Ltd A/C Participating Fund	64,02,564	0.91
<b>Total</b>		<b>44,44,93,413</b>	<b>63.48</b>

### 4) Unitholding of Directors & Key Managerial Personnel of Investment Manager as on June 30, 2021

S. No.	Name of Directors and KMPs	Number of Units held
1	Pratik Agarwal	166,698
2	Harsh Dinesh Shah	13,608
3	Swapnil Patil	6,804

## 5) UNIT HOLDING PATTERN REPORT OF INDIA GRID TRUST AS ON 30.06.2021

Category	Category of Unit holder	No. of Units Held	As a % of Total Outstanding Units	No. of units mandatorily held		Number of units pledged or otherwise encumbered	
				No. of units	As a % of total units held	No. of units	As a % of total units held
<b>(A)</b>	<b>Sponsor(s) / Investment Manager / Project Manager(s) and their associates/related parties</b>						
	<b>Indian</b>		0.00	-	0.00	-	0.00
(a)	Individuals / HUF		0.00	-	0.00	-	0.00
(b)	Central/State Govt.		0.00	-	0.00	-	0.00
(c)	Financial Institutions/Banks		0.00	-	0.00	-	0.00
(d)	Any Other (specify)		0.00	-	0.00	-	0.00
	Sterlite Power Transmission Limited	2,040,457	0.29	-	0.00	2,039,880	0.29
	<b>Sub- Total (A) (1)</b>	<b>2,040,457</b>	<b>0.29</b>	-	<b>0.00</b>	<b>2,039,880</b>	<b>0.29</b>
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals (Non Resident Indians / Foreign Individuals)		0.00	-	0.00	-	0.00
(b)	Foreign government		0.00	-	0.00	-	0.00
(c)	Institutions		0.00	-	0.00	-	0.00
(d)	Foreign Portfolio Investors	165,901,932	23.69	-	0.00	-	0.00
(e)	Any Other (specify)		0.00	-	0.00	-	0.00
	<b>Sub- Total (A) (2)</b>	<b>165,901,932</b>	<b>23.69</b>	-	<b>0.00</b>	-	<b>0.00</b>
	<b>Total unit holding of Sponsor &amp; Sponsor Group (A) = (A)(1)+(A)(2)</b>	<b>167,942,389</b>	<b>23.99</b>	-	-	<b>2,039,880</b>	<b>0.29</b>
<b>(B)</b>	<b>Public Holding</b>						
	<b>Institutions</b>						
(a)	Mutual Funds	2,668,869	0.38				
(b)	Financial Institutions/Banks		0.00				
(c)	Central/State Govt.		0.00				
(d)	Venture Capital Funds		0.00				
(e)	Insurance Companies	59,269,644	8.46				
(f)	Provident/pension funds	3,675,861	0.52				
(g)	Foreign Portfolio Investors	215,812,674	30.82				
(h)	Foreign Venture Capital investors		0.00				
(i)	Any Other (specify)		0.00				
	<b>Sub- Total (B) (1)</b>	<b>281,427,048</b>	<b>40.19</b>				
<b>(2)</b>	<b>Non-Institutions</b>						
(a)	Central Government/State Governments(s)/ President of India	-	-				
(b)	Individuals	140,949,365	20.13				
(c)	NBFCs registered with RBI	937,251	0.13				
(d)	Any Other (specify)		0.00				
	Trusts	481,383	0.07				
	Alternative Investment Fund	122,472	0.02				
	Non Resident Indians	7,719,138	1.10				
	Clearing Members	160,155	0.02				
	Bodies Corporates	100,439,284	14.34				
	<b>Sub- Total (B) (2)</b>	<b>250,809,048</b>	<b>35.82</b>				
	<b>Total Public Unit holding (B) = (B)(1)+(B)(2)</b>	<b>532,236,096</b>	<b>76.01</b>				
	<b>Total Units Outstanding (C) = (A) + (B)</b>	<b>700,178,485</b>	<b>100.00</b>				

Note: Sterlite Power Grid Ventures Limited (SPGVL) is merged with Sterlite Power Transmission Limited, the holding company of SPGVL with effect from November 15, 2020

**6) Listing Details**

Name and address of the Stock exchange	Security Type	Scrip Code/Symbol	ISIN code
BSE Limited (BSE)	Units	540565	INE219X23014
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	NCD	958219	INE219X07017
	NCD	958599	INE219X07025
	NCD	958827	INE219X07033
	NCD (MLD)	958876	INE219X07041
	NCD	958915	INE219X07058
	NCD	958939	INE219X07066
	NCD (MLD)	959236	INE219X07074
	NCD	959595	INE219X07082
	NCD	959596	INE219X07090
	NCD	959985	INE219X07108
	NCD	960229	INE219X07116
	NCD	960381	INE219X07124
	NCD	960382	INE219X07132
	NCD	973108	INE219X07140
	NCD(Public)	937519	INE219X07173
		937521	INE219X07181
		937523	INE219X07199
	937525	INE219X07207	
	937527	INE219X07215	
	937529	INE219X07223	
	937531	INE219X07231	
	937533	INE219X07249	
	937535	INE219X07256	
	937537	INE219X07264	
	937539	INE219X07272	
	937541	INE219X07280	
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Units	INDIGRID	INE219X23014
	NCD(Public)	INDIGRID/NA	INE219X07173
		INDIGRID/NB	INE219X07181
		INDIGRID/NC	INE219X07199
		INDIGRID/ND	INE219X07207
		INDIGRID/NE	INE219X07215
		INDIGRID/NF	INE219X07223
		INDIGRID/NG	INE219X07231
		INDIGRID/NH	INE219X07249
		INDIGRID/NI	INE219X07256
		INDIGRID/NJ	INE219X07264
		INDIGRID/NK	INE219X07272
		INDIGRID/NL	INE219X07280

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

**India Grid Trust**

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

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

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

**Registered Office and Contact Details of RTA**

KFIN Technologies Private Limited  
(Unit: India Grid Trust)  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032  
Tel: +91 40 3321 5205  
E-mail: [support.indiagrid@kfintech.com](mailto:support.indiagrid@kfintech.com)

**Investors Relations**

Ms. Meghana Pandit  
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## GENERAL DISCLOSURES

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

# SUMMARY OF INDEPENDENT VALUATION

As per Securities and Exchange Board of India (Infrastructure Investment Trust), Regulations, 2014 (InvIT Regulations), IndiGrid is supposed to carry out independent valuation for its assets. Mr. S Sundararaman, Registered Valuer, has carried out yearly financial valuation of BDTCL, JTCL, MTL,

RTCL, PKTCL, PTCL, NTL, OGPTL, ENICL, GPTL, JKTPL, PrKTCL and NER-II at the enterprise level. Enterprise value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

## VALUATION APPROACH

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

## Valuation Summary

IndiGrid has acquired four revenue generating projects in FY 2020-21, namely GPTL, JKTPL, PrKTCL and NER-II. The independent valuation of the assets as of March 31, 2021 is summarized below:

	March 21, 2021		September 30, 2020		March 21, 2020		September 30, 2019		March 21, 2019	
	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)
BDTCL	20.40	7.95%	19.12	8.39%	18.56	8.84%	19.09	8.22%	19.47	8.24% (base case)*
JTCL	16.02	8.19%	15.06	8.61%	14.43	9.09%	14.77	8.27%	14.61	8.30%
MTL	5.9	7.73%	5.76	8.13%	5.44	8.61%	5.38	7.99%	5.27	8.12%
RTCL	4.2	7.64%	4.15	8.04%	4.01	8.51%	4.17	8.28%	4.04	8.30%
PKTCL	6.83	7.64%	6.7	8.04%	6.44	8.51%	6.48	8.40%	6.39	8.32%
PTCL	2.37	7.69%	2.46	8.09%	2.37	8.56%	2.44	8.34%	2.42	8.32%
NRSS	46.81	7.57%	45.36	7.97%	43.91	8.44%	44.35	7.92%		
OGPTL	14.79	7.72%	14.64	8.12%	14.10	8.54%	13.88	8.07%		
ENICL*	11.96	8.09% to 11.28%	11.44	8.37% to 11.17%	10.95	8.91% to 12.42%**	-			
GPTL	12.22	7.67%	11.41	8.01%						
JKTPL	3.03	7.60%	2.88	8.43%						
PrKTCL	8.56	8.23%								
NER-II	52.36	7.61%								
<b>Total</b>	<b>205.46</b>		<b>139.01</b>		<b>120.21</b>		<b>110.56</b>		<b>52.20</b>	

## Note

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

\*\*PrKTCL operates under Cost Plus Mechanism where the period of services is not mentioned in TSA

Valuation report of IndiGrid assets as on March 31, 2021 issued by Valuer are annexed to this report as Annexure A and forms part of this report only. The valuation report can also be viewed on the Company's website and can be accessed via the link <http://www.indigrid.co.in/download-investor.html>

Post March 2021, we completed acquisition of 100% stake in two solar assets with cumulative capacity of 100 MW (AC) from Fotowatio Renewable Ventures (FRV) at an enterprise value of ~INR 6.60 Billion.

# UNIT PRICE PERFORMANCE

Units of IndiGrid were listed on June 06, 2017 on BSE and NSE. Unit price inched higher in FY 2020-21, with total volume of trade at approximately 236.88 million units. This translated to an average daily traded volume of approximately 0.95 million units during the period. IndiGrid distributed INR 12.20/unit for FY 2020-21.

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

## Summary of Price and volume

Particulars	BSE	NSE
<b>Price information</b>		
Unit Price at the beginning of the period (Close price of April 01, 2020)	90.85	91.40
Unit Price at the close of the period (Close price of March 31, 2021)	140.24	140.48
Highest Unit Price (NSE & BSE– March 31,2021)	144.00	145.20
Lowest Unit Price (NSE- April 1, 2020) (BSE- April 13, 2020)	88.60	88.05
<b>Volume Information</b>		
Average Daily Volume Traded during the period (in Thousands)	126	827
Total Average Daily Volume Traded (on both BSE and NSE) (in Thousands)	951	

## Summary of DPU

Period	DPU (INR/unit)
Q1 FY 2017-18	0.92
Q2 FY 2017-18	2.75
Q3 FY 2017-18	2.89
Q4 FY 2017-18	3.00
<b>FY 2017-18*</b>	<b>9.56</b>
<b>FY 2017-18 (annualised)</b>	<b>11.47</b>
Q1 FY 2018-19	3.00
Q2 FY 2018-19	3.00
Q3 FY 2018-19	3.00
Q4 FY 2018-19	3.00
<b>FY 2018-19</b>	<b>12.00</b>
Q1 FY 2019-20	3.00
Q2 FY 2019-20	3.00
Q3 FY 2019-20	3.00
Q4 FY 2019-20	3.00
<b>FY 2019-20</b>	<b>12.00</b>
Q1 FY 2020-21	3.00
Q2 FY 2020-21	3.00
Q3 FY 2020-21	3.10
Q4 FY 2020-21	3.10
<b>FY 2020-21</b>	<b>12.20</b>

\* For an operational period of 10 months





# **Financial Statements**

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# 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 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Changes in Unit Holders' 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, 2021, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows ("NDCF's") 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, 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 to 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, 2021, 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, 2021, its consolidated net assets at fair value as at March 31, 2021, 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, 2021.

### 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.

### Emphasis of Matter

We draw attention to the Note No. 20.2(h) of the consolidated financial statements as regards revenue recognition in Parbati Koldam Transmission Company Limited, a subsidiary of the Group, on which the auditor of such subsidiary has issued an emphasis of matter reproduced by us as under:

"We draw attention to the Note No- 16 of the financial statements in respect of revenue. The Company during the year has recognized the Transmission Service Charges (TSC) which is based on the final tariff order approved by the CERC and applicable as on March 31, 2019 as tariff petition for the tariff period 2019 -2024 is yet to be filed by the Company. Difference in the Revenue recognised and the tariff approved for tariff period 2019-24 shall be recognised once the tariff petition is filed by the Company and the same is approved by the CERC for the tariff period 2019-2024. The amount billed is Rs. 16,736.56 lacs. (Previous year Rs. 18,940.68 lacs).

Our opinion is not modified in respect of this matter."

### 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, 2021. 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
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**Applicability of Appendix D of Ind AS 115 ‘Service Concession Arrangement’**

*(as described in Note 26 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 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”) the transmission infrastructure for a period of 25/35 years.

In case of one of the subsidiaries - Jhajjar KT Transco Private Limited (JKTPL), unlike other subsidiaries which operate through tariff based competitive bidding process, transmission assets of JKTPL have been developed under a cost plus tariff model which includes construction, maintenance and operation of transmission lines and evacuating power from power plants. The subsidiary has entered into TSA with various Designated inter-state transmission system customers (DIC) to Build, Own and Operate (“BOO”) the transmission infrastructure for a period of 35 years.

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 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. 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 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 infrastructure at the end of the term of the arrangement, this is considered as a key audit matter.

Our audit procedures included, among others, the following:

- We obtained and read the TSAs to understand roles and responsibilities of the grantor.
- We read and evaluated the TSAs 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 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 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.

Key audit matters	How our audit addressed the key audit matter
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<p><b>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)</b> <i>(as described in Note 26 of the consolidated financial statements)</i></p>	<p>Our audit procedures included, among others, the following:</p>
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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 Build, Operate and Transfer (“BOT”) 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 determined to be a key audit matter in our audit of the consolidated financial statements.

- We evaluated terms of the TSA to understand roles and responsibilities of the grantor.
- We tested, on sample basis, the base data and supporting documents for basis of key assumptions and estimates used by the management.
- We read and evaluated the TSA to understand whether the grantor controls significant residual interest in the infrastructure at the end of the term of the arrangement through ownership, beneficial ownership or otherwise.
- We evaluated the management’s assessment process for applicability of Appendix D of Ind AS 115 for transmission projects based on the terms of the agreement and tested the judgements/ estimates relating to future cash flows over the concession period, and discounting rate used to discount expected cash flows.
- We tested the arithmetical accuracy of the valuation models.
- We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements.

**Impairment of property, plant and equipment and service concession arrangements**

*(as described in Note 3,6 and 26 of the consolidated financial statements)*

The Group owns and operates various power transmission assets. The carrying value of the power transmission assets as at March 31, 2021, included under property, plant and equipment and service concession arrangements is INR 166,851 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, 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 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 / 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.

Key audit matters	How our audit addressed the key audit matter
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<p><b>Classification of unit holders’ funds as equity</b> <i>(as described in Note 26 of the consolidated financial statements)</i></p>	<p>Our audit procedures included, among others the following:</p>
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The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders’ funds contains a contractual obligation of the InvIT to pay to its Unitholders cash distributions. The Unitholders’ funds could therefore have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 (“SEBI Circulars”) issued under the InvIT Regulations, the unitholders’ funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements.

- We obtained and read the requirements for classification of financial liability and equity under Ind AS 32 and evaluated the provisions of SEBI Circulars for classification/presentation of unit holders’ funds in the financial statements of an Infrastructure Investment Trust.
- We read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant requirements of InvIT regulations.

Considering the judgment required for classification of unit holders’ funds as equity, this is considered as a key audit matter.

<p><b>Acquisition of Transmission Special Purpose Vehicles (“SPVs”) classified as asset acquisitions</b> <i>(as described in Note 26 of the consolidated financial statements)</i></p>	<p>Our audit procedures included, among others, the following:</p>
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The Group acquires operational transmission SPVs from the Sponsor or from third parties. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 25/35 years. The only key activity for these SPVs is the maintenance of the transmission 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 wherein there are few employees.

- We read the relevant guidance under Ind AS on determining if the acquired SPV constitutes a business.
- We assessed the activities of the transmission SPVs.
- We read and assessed the Group’s accounting policy for recognition and classification on acquisition of transmissions SPV’s.
- We discussed with the management the key assumptions 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 requirements.

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

Considering the management judgement involved in determining if the acquisition of transmission SPVs constitute business or asset, it is considered as a key audit matter.

Key audit matters	How our audit addressed the key audit matter
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<p><b>Classification of Gurgaon Palwal Transmission Limited (“GPTL”) and NER-II Transmission Limited (“NER-II”) as a subsidiary (as described in Note 26 of the consolidated financial statements)</b></p>	<p>Our audit procedures included, among others, the following:</p>
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|--|--|
| <p>In the current year, the Group has entered into a share purchase agreement with Sterlite Grid 4 Limited and Sterlite Power Grid Ventures Limited (now merged with Sterlite Power Transmission Limited) (the “Selling shareholders”) for -</p> <p>a. acquisition of equity stake in Gurgaon Palwal Transmission Limited (“GPTL”) on August 28, 2020. 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. Additionally, the Group has also given a non-refundable, interest free advance to the selling shareholders comprising of 51 % of the purchase consideration which would be adjusted with the actual transfer of 51% equity stake; and</p> <p>b. acquisition of equity stake in NER II Transmission Limited (“NER-II”) on March 05, 2021 and amended on March 25, 2021. 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 74% paid up equity capital in the NER-II, out of which shares of 49% have been transferred to the Group and for balance 25% a non-refundable, interest free advance comprising of 25% of the purchase consideration as consideration to acquire 74% of total stake in NER II as at March 31, 2021. The advance of 25% would be subsequently adjusted towards purchase of 25% equity stake in NER II at a later date.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We obtained and read the share purchase agreements with the Selling shareholders for acquisition of equity stake in GPTL and NER II.</li> <li>• We obtained understanding of management’s assessment of whether the Group controls GPTL and NER II.</li> <li>• We also read and understood the Group’s accounting policy for consolidation.</li> <li>• We discussed with management the contractual terms and rights available to the Group pursuant to the Agreement.</li> <li>• We read and evaluated the requirements for consolidation of entity and recognition of non-controlling interest under Ind AS 110.</li> <li>• We read and assessed the disclosures included in the consolidated financial statements.</li> </ul> |
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Based on the contractual terms in the above agreements, the Group has following rights:

- Right to nominate majority of directors on the Board of directors of GPTL / NER II;
- Right to direct the Selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of GPTL / NER II;
- Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in GPTL / NER II;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls GPTL / NER II on the basis of the above rights under the Agreement. Accordingly, the Group has consolidated GPTL and NER II as subsidiaries respectively.

Considering the judgment required in assessing whether the Group controls GPTL / NER II, this is considered as a key audit matter.

Key audit matters	How our audit addressed the key audit matter
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<p><b>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 26 of the consolidated financial statements)</b></p>	<p><b>Our audit procedures included, among others the following:</b></p>
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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 / tariff orders.
- We tested completeness, arithmetical accuracy and validity of the data used in the calculations.
- In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation.
- We read and assessed the disclosures included in the notes to the consolidated financial statements.

### Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we will 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

as at March 31, 2021, consolidated financial performance including other comprehensive income, consolidated cash movements and the consolidated movement of the unit holders' funds for the year ended March 31, 2021, the consolidated net assets at fair value as at March 31, 2021, the consolidated total returns at fair value of the InvIT and the net distributable cash flows of the InvIT, the underlying HoldCos and each of its subsidiaries in accordance with the requirements of the InvIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Investment Manager and 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. 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, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

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

### For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

### per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 2111757AAAACR9245

Place of Signature: Pune

Date: May 27, 2021

**INDIA GRID TRUST**

# CONSOLIDATED BALANCE SHEET

**AS AT 31 MARCH 2021**

(All amounts in Rs. million unless otherwise stated)			
	Notes	31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,63,898.29	1,08,163.16
Capital work-in-progress	4	97.09	-
Financial assets			
i. Other financial assets	6	2,856.18	9.86
Other non-current assets	7	333.31	382.34
		<b>1,67,184.87</b>	<b>1,08,555.36</b>
<b>Current assets</b>			
Financial assets			
i. Trade receivables	8	2,976.55	2,458.33
ii. Cash and cash equivalents	9	26,066.29	4,088.41
iii. Bank Balances other than (ii) above	10	1,771.81	1,299.74
iv. Loans to employee	5	0.85	-
v. Other financial assets	6	2,096.22	1,282.63
Other current assets	7	257.91	235.72
		<b>33,169.63</b>	<b>9,364.83</b>
		<b>2,00,354.50</b>	<b>1,17,920.19</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Unit capital	11	53,145.69	53,145.69
Other equity	12		
Retained earnings/(accumulated deficit)		(6,379.84)	(2,659.44)
Other reserves			
Self Insurance Reserve		58.07	-
Equity attributable to Non-controlling interests		1,681.02	-
		<b>48,504.94</b>	<b>50,486.25</b>
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	13	1,36,064.70	62,637.00
Employee Benefit Obligations	16	3.94	-
Deferred tax liabilities (net)	19	921.40	602.06
		<b>1,36,990.04</b>	<b>63,239.06</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	14		
a. Total outstanding dues of micro enterprises and small enterprises		23.25	105.32
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		202.08	227.59
ii. Other financial liabilities	15	14,343.67	3,617.60
Employee Benefit Obligations	16	12.37	-
Other current liabilities	17	278.15	240.27
Current tax liability	18	-	4.10
		<b>14,859.52</b>	<b>4,194.88</b>
		<b>1,51,849.56</b>	<b>67,433.94</b>
		<b>2,00,354.50</b>	<b>1,17,920.19</b>
<b>Total liabilities</b>			
<b>Total equity and liabilities</b>			

Summary of significant accounting policies

2.2

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

As per our report of even date

**For SRBC & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003

**per Huzefa Ginwala**

Partner

Membership Number : 111757

Place : Pune

Date : 27 May 2021

For and on behalf of the Board of Directors of

Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)

(as Investment Manager of India Grid Trust)

**Harsh Shah**

CEO &amp; Whole-time Director

DIN: 02496122

Place : Mumbai

Date : 27 May 2021

**Swapnil Patil**

Company Secretary

Membership Number : 24861

Place : Mumbai

Date : 27 May 2021

**Jyoti Kumar Agarwal**

Chief Financial Officer

Place : Mumbai

Date : 27 May 2021

## INDIA GRID TRUST

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2021	31 March 2020
<b>INCOME</b>			
Revenue from contracts with customers	20	16,769.19	12,427.13
Income from investment in mutual funds		129.91	190.89
Interest income on investment in fixed deposits		135.77	102.09
Other finance income		13.63	0.32
Other income	21	93.03	65.51
<b>Total income (I)</b>		<b>17,141.53</b>	<b>12,785.94</b>
<b>EXPENSES</b>			
Employee benefit expenses	22	140.78	1.67
Transmission infrastructure maintenance charges		300.79	240.38
Legal and professional fees		145.38	117.85
Annual listing fee		6.18	6.30
Rating fee		50.71	38.64
Valuation expenses		3.05	4.89
Trustee fee		3.48	3.60
Payment to auditors			
- Statutory audit fees		11.22	7.07
- Tax audit fees		2.14	2.71
- Other services (including certification)		7.77	1.22
Other expenses	23	1,720.26	564.20
Depreciation expense	3	4,304.85	3,101.12
Finance costs	24	6,864.95	4,153.38
Impairment/ (reversal of impairment) of property, plant and equipment and service concession receivable		175.11	(456.96)
<b>Total expenses (II)</b>		<b>13,736.67</b>	<b>7,786.07</b>
Regulatory Deferral Income (refer note 40) (III)		(15.51)	-
<b>Profit before tax (I-II-III)</b>		<b>3,420.37</b>	<b>4,999.87</b>
<b>Tax expense</b>			
Current tax	19	49.85	56.96
Deferred tax		24.92	(114.29)
Income tax for earlier years		1.51	-
<b>Tax expense</b>		<b>76.28</b>	<b>(57.33)</b>
<b>Profit for the year</b>		<b>3,344.09</b>	<b>5,057.20</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(3.62)	-
<b>Other comprehensive income for the year</b>		<b>(3.62)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>3,347.71</b>	<b>5,057.20</b>
<b>Profit for the year</b>		<b>3,344.09</b>	<b>5,057.20</b>
Attributable to:			
Unit holders		3,337.09	5,057.20
Non-controlling interests		7.00	-
<b>Other comprehensive income for the year</b>		<b>(3.62)</b>	<b>-</b>
Attributable to:			
Unit holders		(2.68)	-
Non-controlling interests		(0.94)	-
<b>Total comprehensive income for the year</b>		<b>3,347.71</b>	<b>5,057.20</b>
Attributable to:			
Unit holders		3,339.76	5,057.20
Non-controlling interests		7.95	-
<b>Earnings per unit</b>			
Basic and diluted	25	5.72	9.13
Computed on the basis of profit for the year (Rs.)			
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 **SRBC & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003

**per Huzefa Ginwala**

Partner

Membership Number : 111757

Place : Pune

Date : 27 May 2021

For and on behalf of the Board of Directors of

Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)

(as Investment Manager of India Grid Trust)

**Harsh Shah**

CEO &amp; Whole-time Director

DIN: 02496122

Place : Mumbai

Date : 27 May 2021

**Swapnil Patil**

Company Secretary

Membership Number : 24861

Place : Mumbai

Date : 27 May 2021

**Jyoti Kumar Agarwal**

Chief Financial Officer

Place : Mumbai

Date : 27 May 2021

**INDIA GRID TRUST**

# CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY

**FOR THE YEAR ENDED 31 MARCH 2021**
**A. Unit capital**

(All amounts in Rs. million unless otherwise stated)

	Nos. in million	INR in million
<b>Balance as at 01 April 2019</b>	283.80	28,380.00
Changes in unit capital during the year (refer note 11)	299.69	25,140.48
Issue expenses (refer note 11)	-	(374.79)
<b>Balance as at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>
Changes in unit capital during the year	-	-
Issue expenses	-	-
<b>Balance as at 31 March 2021</b>	<b>583.49</b>	<b>53,145.69</b>

**B. Other equity**

	Attributable to unitholders			Non-controlling interest	Total other equity
	Other comprehensive income	Retained earnings/ Accumulated deficit	Self Insurance Reserve		
<b>As at 01 April 2019</b>	-	(1,613.89)	-	-	(1,613.89)
Profit for the year	-	5,057.20	-	-	5,057.20
Less: Distribution during the year (refer note below)	-	(6,102.75)	-	-	(6,102.75)
<b>Total comprehensive income</b>	<b>-</b>	<b>(1,045.55)</b>	<b>-</b>	<b>-</b>	<b>(1,045.55)</b>
<b>As at 31 March 2020</b>	<b>-</b>	<b>(2,659.44)</b>	<b>-</b>	<b>-</b>	<b>(2,659.44)</b>
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
<b>Total comprehensive income</b>	<b>2.68</b>	<b>3,337.09</b>	<b>58.07</b>	<b>1,681.02</b>	<b>5,078.85</b>
Less: Distribution during the year (refer note below)	-	(7,060.17)	-	-	(7,060.17)
<b>As at 31 March 2021</b>	<b>2.68</b>	<b>(6,382.52)</b>	<b>58.07</b>	<b>1,681.02</b>	<b>(4,640.75)</b>

**Note:**

The distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2019-20 and does not include the distribution relating to the last quarter of FY 2020-21 which will be paid after 31 March 2021.

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 **SRBC & COLLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 27 May 2021

**Harsh Shah**  
CEO & Whole-time Director  
DIN: 02496122  
Place : Mumbai  
Date : 27 May 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : 24861  
Place : Mumbai  
Date : 27 May 2021

**Jyoti Kumar Agarwal**  
Chief Financial Officer  
Place : Mumbai  
Date : 27 May 2021

## INDIA GRID TRUST

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Rs. million unless otherwise stated)

	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Net profit/ (loss) as per statement of profit and loss</b>	3,347.71	5,057.20
Adjustment for taxation	76.28	(57.33)
<b>Profit/ (Loss) before tax</b>	<b>3,423.99</b>	<b>4,999.87</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation expenses	4,304.85	3,101.12
Impairment /(reversal of impairment) of Property Plant & Equipment and service concession	175.11	(456.96)
Foreign exchange loss on borrowing	61.46	62.85
Finance cost	6,864.95	4,090.53
Income from investment in mutual funds	(129.91)	(190.89)
Interest income on investment in fixed deposits	(135.77)	(102.09)
Interest on others	(13.63)	-
<b>Operating profit before working capital changes</b>	<b>14,551.05</b>	<b>11,504.43</b>
<b>Movements in working capital :</b>		
- trade payables	(151.39)	3.08
- other current financial liabilities	862.04	194.12
- other current liabilities	(20.96)	(378.88)
- trade receivables	1,562.92	31.07
- other non-current financial asset	136.24	(5.82)
- other non-current asset	26.10	(10.72)
- other current financial asset	(407.88)	49.71
- other current assets	27.29	(12.03)
<b>Change in working capital</b>	<b>2,034.36</b>	<b>(129.47)</b>
<b>Cash generated from operations</b>	<b>16,585.41</b>	<b>11,374.96</b>
Direct taxes paid (net of refunds)	210.35	(125.92)
<b>Net cash flow from operating activities (A)</b>	<b>16,795.76</b>	<b>11,249.04</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property plant & equipment (including capital work-in-progress and capital advances)	(54,955.51)	(59,156.47)
Purchase of service concession receivable of subsidiary	(3,128.27)	-
Acquisition of other assets (net of other liabilities)	(670.67)	(779.36)
Acquisition of mutual fund investments	-	(2,604.21)
Interest income on investment in fixed deposits	135.56	41.91
Income from investment in mutual funds	129.91	190.89
Interest on others	13.63	-
Proceeds from mutual funds (net)	-	2,679.93
Investment in fixed deposits (net)	(496.51)	(1,280.08)
<b>Net cash flow from /(used) in investing activities (B)</b>	<b>(58,971.86)</b>	<b>(60,907.39)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of unit capital	-	25,140.48
Unit issue expense incurred	-	(374.79)
Proceeds of long term borrowings	54,530.79	28,248.58
Repayment of long term borrowings	(15,764.01)	(273.91)
Acquisition of borrowings	38,807.08	9,600.00
Payment of upfront fees of long term borrowings	(266.53)	(272.91)
Finance costs	(6,095.42)	(3,823.19)
Payment of distributions to unitholders	(7,057.93)	(6,101.16)
<b>Net cash flow used in financing activities (C)</b>	<b>64,153.98</b>	<b>52,143.10</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>21,977.88</b>	<b>2,484.75</b>
Cash and cash equivalents as at beginning of year	4,088.41	1,603.66
Cash and cash equivalents as at year end	<b>26,066.29</b>	<b>4,088.41</b>

**INDIA GRID TRUST**

# CONSOLIDATED CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2021**
**Components of cash and cash equivalents:**

	31 March 2021	31 March 2020
<b>Balances with banks:</b>		
- On current accounts	23,101.29	3,467.87
- Deposit with original maturity of less than 3 months	2,965.00	620.54
<b>Total cash and cash equivalents (refer note 9)</b>	<b>26,066.29</b>	<b>4,088.41</b>

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

Particulars	Long term borrowings (including current maturities)
<b>01 April 2019</b>	<b>26,172.27</b>
Cash flow	
- Interest	(3,823.19)
- Proceeds/(repayments)	37,301.76
Foreign exchange loss on borrowing	209.56
Lease liability	53.34
Accrual	4,090.53
<b>31 March 2020</b>	<b>64,004.27</b>
Cash flow	
- Interest	(6,095.42)
- Proceeds/(repayments)	81,701.71
Foreign exchange loss on borrowing	113.40
Lease liability	45.87
Accrual	6,864.95
<b>31 March 2021</b>	<b>1,46,634.78</b>

 Summary of significant accounting policies 2.1

As per our report of even date

For **SRBC & CO LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

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

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

**Swapnil Patil**  
Company Secretary  
Membership Number : 24861

**Jyoti Kumar Agarwal**  
Chief Financial Officer

Place : Pune  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

## INDIA GRID TRUST

# DISCLOSURES PURSUANT TO SEBI CIRCULARS

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

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

(Rs. in millions)

Particulars	31 March 2021		31 March 2020	
	Book value	Fair value	Book value	Fair value
A. Assets	2,00,354.50	2,37,186.21	1,17,920.19	1,27,100.52
B. Liabilities (at book value)	1,51,849.56	1,51,849.56	67,433.94	67,433.94
C. Net Assets (A-B)	48,504.94	85,336.65	50,486.25	59,666.58
D. Number of units	583.49	583.49	583.49	583.49
E. NAV (C/D)	83.13	146.25	86.52	102.26

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 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

(Rs. in millions)

Project	31 March 2021	31 March 2020
Bhopal Dhule Transmission Company Limited	20,903.57	18,781.64
Jabalpur Transmission Company Limited	16,340.59	14,490.39
Maheshwaram Transmission Limited	5,984.30	5,466.06
RAPP Transmission Company Limited	4,295.43	4,035.67
Purulia & Kharagpur Transmission Company Limited	6,964.28	6,501.67
Patran Transmission Company Limited	2,622.19	2,386.61
NRSS XXIX Transmission Limited ^	49,275.13	45,382.69
Odisha Generation Phase-II Transmission Limited ^	15,188.55	14,371.15
East North Interconnection Company Limited*	12,821.20	12,581.81
Gurgaon-Palwal Transmission Limited#	12,858.56	-
Jhajjar KT Transco Private Limited#	3,172.87	-
Parbati Koldam Transmission Company Limited#	10,226.37	-
NER II Transmission Limited#	67,695.29	-
<b>Subtotal</b>	<b>2,28,348.33</b>	<b>1,23,997.69</b>
Assets (in IndiGrid)	8,837.88	3,102.83
<b>Total assets</b>	<b>2,37,186.21</b>	<b>1,27,100.52</b>

^ The Trust had acquired Indigrd 1 Limited (IG1L) (formerly known as "Sterlite Grid 2 Limited") which is the holding company of NRSS XXIX Transmission Limited ('NTL') and Indigrd 2 Limited (IG2L) (formerly known as "Sterlite Grid 3 Limited") which is the holding company of Odisha Generation Phase-II Transmission Limited ('OGPTL') on 04 June 2019 and 28 June 2019 respectively.

\* The Trust acquired East-North Interconnection Company Limited ('ENICL') with effect from 24 March 2020.

# In the current year, 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.

## B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

(Rs. in million)

Particulars	31 March 2021	31 March 2020
Total comprehensive income (as per the statement of profit and loss)	3,347.71	5,057.20
Add: other changes in fair value (e.g., in property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	28,286.19	8,545.52
<b>Total Return</b>	<b>31,633.90</b>	<b>13,602.72</b>

### Notes:

- Fair value of assets as at 31 March 2021 and as at 31 March 2020 and other changes in fair value for the year then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.
- Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 27A.

**INDIA GRID TRUST**

# 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

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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
Cash flows received from the Portfolio Assets in the form of interest	11,370.40	10,114.90
Cash flows received from the Portfolio Assets in the form of dividend	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	78.30	177.66
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	26,912.59	6,752.28
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>38,775.18</b>	<b>17,044.84</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i and ii)	(5,206.08)	(2,941.27)
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	1.18	(56.96)
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(25,487.90)	(6,843.29)
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(30,692.80)</b>	<b>(9,841.53)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>8,082.38</b>	<b>7,203.32</b>

**Notes:**

- Does not include interest accrued but not due for year ended 31 March 2021: Rs. 348.47 million (year ended 31 March 2020: Rs. 150.51 million) related to market linked non convertible debentures ('MLDs') which is payable on maturity of these MLDs from FY 2022 to FY 2024.
- Does not include Earn - out expenses for the year ended 31 March 2021 of Rs. 117.27 million (year ended March 31, 2020: Nil).



**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 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>851.22</b>	<b>(884.64)</b>
Add: Depreciation, impairment and amortisation	(1,481.96)	436.45
Add/Less: Decrease/(increase) in working capital	50.50	4.93
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	638.24	621.04
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
- related debts settled or due to be settled from sale proceeds;	-	-
- directly attributable transaction costs;	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7) (a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	(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;	(157.16)	(160.15)
- unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>(972.29)</b>	<b>902.27</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>(121.07)</b>	<b>17.63</b>

**INDIA GRID TRUST**

# DISCLOSURES PURSUANT TO SEBI CIRCULARS

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

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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>97.41</b>	<b>(285.62)</b>
Add: Depreciation, impairment and amortisation	704.88	707.04
Add/Less: Decrease/(increase) in working capital	110.82	(80.41)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	1,321.63	1,305.15
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	(85.26)	(0.82)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	40.40	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
- deferred tax;	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	3.75	4.10
Loss on account of MTM of F/W & ECB	113.40	62.85
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)	(120.95)
<b>Total Adjustments (B)</b>	<b>2,165.83</b>	<b>1,876.96</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>2,263.24</b>	<b>1,591.34</b>

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 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>329.75</b>	<b>(1,103.49)</b>
Add: Depreciation, impairment and amortisation	(1,617.83)	(34.43)
Add/Less: Decrease/(increase) in working capital	131.83	137.41
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	2,729.80	2,541.68
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	(25.16)	(21.08)
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	-	-
<b>Total Adjustments (B)</b>	<b>1,218.64</b>	<b>2,623.58</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>1,548.39</b>	<b>1,520.09</b>

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

**INDIA GRID TRUST**

# DISCLOSURES PURSUANT TO SEBI CIRCULARS

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

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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(157.52)</b>	<b>(146.04)</b>
Add: Depreciation, impairment and amortisation	121.77	121.78
Add/Less: Decrease/(increase) in working capital	18.09	(8.21)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	581.70	568.58
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	(1.64)	-
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	-	-
<b>Total Adjustments (B)</b>	<b>719.92</b>	<b>682.15</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>562.40</b>	<b>536.11</b>

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

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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>10.80</b>	<b>27.39</b>
Add: Depreciation, impairment and amortisation	85.65	85.66
Add/Less: Decrease/(increase) in working capital	39.98	(31.37)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	334.02	345.17
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
- related debts settled or due to be settled from sale proceeds;	-	-
- directly attributable transaction costs;	-	-
- 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	(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	-	-
<b>Total Adjustments (B)</b>	<b>452.11</b>	<b>399.46</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>462.91</b>	<b>426.85</b>

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

**INDIA GRID TRUST**

# DISCLOSURES PURSUANT TO SEBI CIRCULARS

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

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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(22.74)</b>	<b>(21.19)</b>
Add: Depreciation, impairment and amortisation	142.88	142.89
Add/Less: Decrease/(increase) in working capital	53.63	0.13
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	583.68	592.69
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	(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;	-	-
- 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	-	-
<b>Total Adjustments (B)</b>	<b>776.26</b>	<b>735.71</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>753.52</b>	<b>714.52</b>

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 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(144.84)</b>	<b>(168.14)</b>
Add: Depreciation, impairment and amortisation	180.98	205.58
Add/Less: Decrease/(increase) in working capital	14.04	(7.94)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	258.78	236.71
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	(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	-	-
<b>Total Adjustments (B)</b>	<b>446.80</b>	<b>434.35</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>301.96</b>	<b>266.21</b>

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

**INDIA GRID TRUST**

# DISCLOSURES PURSUANT TO SEBI CIRCULARS

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

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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(172.27)</b>	<b>(129.37)</b>
Add: Depreciation, impairment and amortisation	-	-
Add/Less: Decrease/(increase) in working capital	19.10	(292.84)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	171.54	127.71
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
- related debts settled or due to be settled from sale proceeds;	-	-
- directly attributable transaction costs;	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7) (a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
- deferred tax;	-	-
- unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Amortization of Upfront fees	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>190.64</b>	<b>(165.13)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>18.37</b>	<b>(294.50)</b>

\* Being the date of acquisition by IndiGrid.

^ Regrouped



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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>28.31</b>	<b>598.65</b>
Add: Depreciation, impairment and amortisation	828.58	683.93
Add/Less: Decrease/(increase) in working capital	243.04	(456.11)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	4,099.21	3,484.61
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	(9.55)	(3.17)
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;	54.61	(95.30)
- 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	-	-
<b>Total Adjustments (B)</b>	<b>5,203.19</b>	<b>3,613.96</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>5,231.50</b>	<b>4,212.61</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**

# 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)

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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(87.95)</b>	<b>785.52</b>
Add: Depreciation, impairment and amortisation	-	(895.96)
Add/Less: Decrease/(increase) in working capital	36.39	0.96
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	89.55	109.20
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	-	-
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	-	-
<b>Total Adjustments (B)</b>	<b>125.94</b>	<b>(785.80)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>37.99</b>	<b>(0.28)</b>

\* Being the date of acquisition by IndiGrid.

^ Regrouped

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

Description	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(79.36)</b>	<b>626.45</b>
Add: Depreciation, impairment and amortisation	381.40	(428.76)
Add/Less: Decrease/(increase) in working capital	193.14	(75.77)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	905.67	621.56
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	(4.37)	0.11
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	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)	-
<b>Total Adjustments (B)</b>	<b>1,463.51</b>	<b>117.14</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>1,384.15</b>	<b>743.59</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**

# 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)

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

Description	Year ended 31 March 2021 (Audited)	24 March 2020* to 31 March 2020 (Unaudited) (refer note 2)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(105.97)</b>	<b>0.65</b>
Add: Depreciation, impairment and amortisation	556.58	12.27
Add/Less: Decrease/(increase) in working capital	141.10	14.69
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	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	(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	-	-
<b>Total Adjustments (B)</b>	<b>1,004.58</b>	<b>26.96</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>898.61</b>	<b>27.61</b>

\* Being the date of acquisition by IndiGrid.

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

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

Description	28 August 2020* to 31 March 2021 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(64.16)</b>
Add: Depreciation, impairment and amortisation	210.11
Add/Less: Decrease/(increase) in working capital	120.94
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	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	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;	(21.68)
- unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
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	(0.00)
<b>Total Adjustments (B)</b>	<b>678.54</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>614.38</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**

# 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)

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

Description	28 September 2020* to 31 March 2021 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(7.82)</b>
Add: Depreciation, impairment and amortisation	-
Add/Less: Decrease/(increase) in working capital	46.19
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	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	-
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;	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	-
<b>Total Adjustments (B)</b>	<b>196.39</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>188.57</b>

\* 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	08 January 2021* to 31 March 2021 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>69.09</b>
Add: Depreciation, impairment and amortisation	88.92
Add/Less: Decrease/(increase) in working capital	156.63
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	(7.73)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	(13.06)
- 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;	(1.87)
- 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	-
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	(89.64)
<b>Total Adjustments (B)</b>	<b>133.24</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>202.34</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**

# 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)

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

Description	25 March 2021* to 31 March 2021 (Audited)
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(46.47)</b>
Add: Depreciation, impairment and amortisation	14.14
Add/Less: Decrease/(increase) in working capital	(62.13)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	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	-
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	-
<b>Total Adjustments (B)</b>	<b>10.14</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>(36.33)</b>



## INDIA GRID TRUST

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2021****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, 2021. 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 Indigrd 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, 2021, IndiGrid has following project entities which are transmission infrastructure 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’)

As at March 31, 2021, IndiGrid has following project entities which are transmission infrastructure projects developed on Build, Operate and Transfer (‘BOT’) basis:

1. Jhajjar KT Transco Private Limited (‘JKTPL’)

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

The address of the registered office of the Investment Manager is Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex, Bandra East Mumbai Maharashtra, India 400 051. The consolidated financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 26 May 2021.

**2. Significant Accounting Policies****2.1 Basis of preparation**

The consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders’ Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2021 and the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows (‘NDCF’s’) of the Trust, the underlying holding company (“HoldCo”) and each of its subsidiaries for the year then ended and a summary of significant accounting policies and other explanatory notes prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015(as amended), prescribed under Section 133 of the Companies Act, 2013 (“Ind AS”) read with 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)

## INDIA GRID TRUST

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at 31 March 2021. 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.
- (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) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

#### b) Foreign currencies

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

#### Transactions and balances

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

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

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

#### c) Fair value measurement

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

**INDIA GRID TRUST**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2021**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

At each reporting date, the management analyses the movement 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)

d) **Revenue from contracts with customers**

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

**Power transmission services**

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

**Regulatory Assets and revenue:**

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

**Service Concession Arrangements:**

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

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

Finance Income for Service Concession Arrangements under finance assets model is recognised using effective interest rate method. 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.

e) **Interest income/Dividend income**

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

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

f) **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

## INDIA GRID TRUST

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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.

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.

**g) Property, plant and equipment**

Capital work in progress, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of

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

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

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

Asset Category	Useful Life considered	Useful life (Schedule II#)
Leasehold improvements	Lease Period*	30
Buildings (substation)	25	30
Substations	25-35	40
Transmission lines (including components)	25-35	40
Plant and machinery	2-5	15
Data Processing Equipment (Computers)	3-5	3-6
Furniture and Fittings	5-7.5	10
Office equipment's	4-5	3
Motor Vehicles	8	8
Roads	10	10

# Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies.

\*Leasehold improvements are depreciated over the useful life of the asset or the lease period, whichever is lower

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

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asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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

#### h) Borrowing Costs

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

#### i) Leases

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

##### *Group as lessee*

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

##### **Right-of-use assets**

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

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

- Office Premises 5 years

##### **Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) 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.

#### **j) Impairment of non-financial assets**

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

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

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

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

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

#### **k) Provisions**

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

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

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### FOR THE YEAR ENDED 31 MARCH 2021

#### l) Financial instruments

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

#### Financial assets

##### *Initial recognition and measurement*

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

##### *Subsequent measurement*

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

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

##### *Debt instruments at amortised cost*

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

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

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

##### *Debt instrument at FVTOCI*

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

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

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

##### *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the

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

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

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

#### **Equity investments**

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

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

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

#### **Derecognition**

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

#### **Impairment of financial assets**

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

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

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit

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

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the

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

**Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments

and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

**Offsetting of financial instruments**

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

**m) Derivative financial instruments and hedge accounting**

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair

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value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

**n) Cash and cash equivalents**

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

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

**o) Cash distribution to unit holders**

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

**p) Earnings per unit**

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the

Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units outstanding, without a corresponding change in resources.

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

**q) Self-Insurance reserve**

Self-insurance reserve is created at 0.1% p.a. of Gross Block of PPE as at the end of the year by appropriating current year profit towards future losses which may arise from un-secured risks and taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers.

**Changes in accounting policies and disclosures**

***Other Amendments to Standards, which are either not applicable to the Group or the impact is not expected to be material***

Amendments to Ind AS 116: Leases

Amendments to Ind AS 103: Business Combinations

Amendments to Ind AS 107 and 109: Financial Instruments Disclosures and Financial Instruments

### Note 3: Property, plant and equipment

Particulars	(Rs. in millions)											Total				
	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		Road	Right of use (refer note (a) below)		
<b>Gross block</b>																
As at 01 April 2019	112.28	89.86	0.59	119.83	7,984.86	44,916.19	5.95	1.37	1.24	1.71	0.45	5.57	-	-	53,239.90	
Additions	-	-	-	-	-	42.07	-	1.59	0.81	0.05	1.32	-	53.67	-	99.51	
Additions on account of acquisition (refer note 26)	9.29	-	-	-	8,265.89	52,619.97	0.15	0.29	0.39	2.76	2.47	-	-	-	60,901.21	
Disposals	-	-	-	-	-	(24.39)	-	-	-	(0.01)	-	-	-	-	(24.40)	
As at 31 March 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	-	114,216.22	
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 26)	651.88	-	-	102.68	14,243.50	42,499.56	0.62	0.06	5.81	7.36	-	-	-	-	57,511.47	
Disposals	-	-	-	-	-	(3.48)	(0.26)	(0.01)	(0.13)	(0.02)	-	-	-	-	(61.74)	
Adjustments for Present Value	-	-	-	-	(57.84)	-	-	-	-	-	-	-	-	-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	
<b>Depreciation</b>																
As at 01 April 2019	-	6.44	0.06	7.96	553.52	2,838.00	1.90	0.92	0.53	0.95	0.15	1.85	-	-	3,412.28	
Charge for the year	-	3.51	0.01	9.22	620.75	2,460.48	0.56	0.31	0.58	1.33	0.50	1.20	2.67	-	3,101.12	
Impairment / (reversal), net (refer note 26)	-	-	-	-	-	(456.96)	-	-	-	-	-	-	-	-	(456.96)	
Disposals	-	-	-	-	-	(3.38)	-	-	-	-	-	-	-	-	-3.38	
As at 31 March 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	
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	
<b>Net Block</b>																
As at 31 March 2020	121.57	79.91	0.52	102.66	15,076.48	92,715.70	3.64	2.02	1.33	2.23	3.59	2.52	51.00	-	1,08,163.16	
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	

Note a: Certain property, plant and equipment of the Group has been pledged for the borrowing taken by the Group. Also refer note 13.

### Note b: 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.

Particulars	Right-of-use asset	Lease Liabilities
<b>As at 1 April 2019</b>	-	-
Additions	53.67	52.16
Depreciation expense	-	-
Interest expense	2.67	-
Cash outflow for lease	-	1.18
<b>As at 31 March 2020</b>	<b>51.00</b>	<b>53.34</b>
Additions	-	-
Adjustments for Present Value	(1.34)	(1.34)
Depreciation expense	10.39	-
Interest expense	-	4.49
Cash outflow for lease	-	(10.62)
<b>As at 31 March 2021</b>	<b>39.27</b>	<b>45.87</b>

## INDIA GRID TRUST

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Note 4: Capital work-in-progress

Particulars	Amount
<b>As at 01 April 2019</b>	-
Additions	-
Disposals	-
<b>As at 31 March 2020</b>	-
Additions	97.09
Disposals	-
<b>As at 31 March 2021</b>	<b>97.09</b>

Capital work-in-progress includes amount of Rs. 34.59 million (31 March 2020 : Nil) pertaining to office improvements work in progress, Rs. 60.61 million (31 March 2020 : Nil) pertaining to defect rectification work undertaken at subsidiary level and Rs. 1.89 million (31 March 2020 : Nil) pertaining to software related projects in progress.

#### Note 5: Loans (unsecured, considered good)

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Current</b>		
Education loan to employees	0.85	-
<b>Total</b>	<b>0.85</b>	-

#### Note 6: Other financial assets

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
Service Concession Receivable (refer note 26)	3,178.09	-
Less : Provision for expected credit loss	(182.63)	-
Less : Provision for impairment (refer note 26)	(175.11)	-
	<b>2,820.35</b>	-
Security deposits	10.40	8.87
Other bank balances (refer note 10)	25.43	0.99
<b>Total</b>	<b>2,856.18</b>	<b>9.86</b>
<b>Current</b>		
Unbilled revenue*	1,849.31	1,191.66
Service Concession Receivable	132.81	-
Advances receivable in cash or kind	44.33	2.27
Interest accrued on deposits	64.80	64.59
Security deposits	-	0.03
Insurance claim receivable#	-	14.15
Others	4.96	9.93
<b>Total</b>	<b>2,096.22</b>	<b>1,282.63</b>

\* Unbilled revenue is the transmission charges for the month of March 2021 amounting to Rs. 1,849.31 million (31 March 2020 : Rs. 1,191.66 million) billed to transmission utilities in the month of April 2021.

# On 8 June 2019, the Jabalpur-Bina transmission line ('JB Line') of Jabalpur Transmission Company Limited ('JTCL') was rendered inoperable due to a storm which damaged certain towers of the transmission line. The carrying amount of assets destroyed amounting to Rs. 21.25 million which was derecognised. JTCL had a valid insurance policy which covers the reinstatement cost for the above loss and it had filed an insurance claim with the insurer. Pending final approval of claim by the insurers, an amount equivalent to the derecognised assets charged to the statement of profit and loss was recognised as receivable from the insurance company based on the probability of recovery of the claim by the Group.



## Note 7: Other assets

	(Rs. in million)	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
Capital advances (unsecured, considered good)	60.98	10.83
Less: Provision for doubtful advances	(10.83)	(10.83)
	50.15	-
Advance income tax, including TDS (net of provisions)	144.30	217.38
Deposits paid under dispute (refer note 31)	138.81	164.91
Others	0.05	0.05
<b>Total</b>	<b>333.31</b>	<b>382.34</b>
<b>Current</b>		
Prepaid expenses	143.82	138.28
Balance with statutory authority	89.15	93.13
Advance Gratuity Fund (refer note 37)	5.16	
Others	19.78	4.31
<b>Total</b>	<b>257.91</b>	<b>235.72</b>

## Note 8: Trade receivables

	(Rs. in million)	
	31 March 2021	31 March 2020
Trade receivables	2,972.70	2,458.33
Receivables from related parties (refer note 28)	3.85	-
	<b>2,976.55</b>	<b>2,458.33</b>
Current portion	2,976.55	2,458.33
Non-current portion	-	-
<b>Break-up of security details:</b>		
- Unsecured, considered good	2,976.55	2,458.33
- Trade receivables which have significant increase in credit risk	-	-
- Trade receivables - credit impaired	-	-

- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director, or a member.
- Trade Receivables includes 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 a stay application against the bill raised by the Parbati Koldam Transmission Company Limited ('PrKTCL'). APTEL has admitted the stay application and asked no coercive action should be taken place till the hearing of the said application. The said Interim Application is listed for hearing on 04 August 2021. Further, PrKTCL 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. Accordingly, in the instance of non-recoverability of aforesaid amount there would be no financial impact on PrKTCL hence no provision is created on account of uncertainty in realisation of such recoverable amount. 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
- Refer Note 35 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

## INDIA GRID TRUST

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Note 9: Cash and cash equivalents

	(Rs. in millions)	
	31 March 2021	31 March 2020
Balance with banks		
- in current accounts <sup>^</sup>	23,101.29	3,467.87
Deposit with original maturity of less than 3 months <sup>#</sup>	2,965.00	620.54
<b>Total</b>	<b>26,066.29</b>	<b>4,088.41</b>

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

<sup>^</sup> Out of total amount, Rs. 9.35 million (31 March 2020: Rs. 7.34 million) pertains to unclaimed distribution to unitholders.

<sup>#</sup> Includes amount of Rs. 2,566.70 million (31 March 2020: Nil) is kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

#### Note 10: Other bank balances

	(Rs. in million)	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
Bank deposits with remaining maturity of more than 12 months	25.43	0.99
Amount disclosed under head "other non current financial asset" (refer note 6)	(25.43)	(0.99)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
Deposit with original maturity for more than 3 months but less than 12 months	959.01	1,299.74
Deposit with original maturity for more than 12 months	812.80	-
<b>Total</b>	<b>1,771.81</b>	<b>1,299.74</b>

#### Details of lien marked deposits:

- Rs. 653.16 million (31 March 2020: Rs. 1,244.20 million) is kept in interest service reserve account ('ISRA')/debt service reserve account ('DSRA') as per borrowing agreements with lenders.
- Rs. 291.10 million (31 March 2020: Rs. 19.69 million) held as lien by bank against bank guarantees.
- Rs. 55.00 million (31 March 2020: Nil) earmarked against self insurance reserve.
- Rs. 0.05 million (31 March 2020: Nil) pledged with Sales Tax Department.

## Note 11: Unit Capital

	(Rs. in millions)
	Number of units (In million)
	Unit capital (INR in million)
<b>As at 01 April 2019</b>	<b>283.80</b>
Issued during the year (refer note below)	299.69
Issue expenses (refer note below)	-
<b>As at 31 March 2020</b>	<b>583.49</b>
Issued during the period	-
<b>As at 31 March 2021</b>	<b>583.49</b>

### Note:

During the previous year ended 31 March 2020, the Trust raised Rs. 25,140.48 million of primary capital through a qualified institutional placement of units. The Trust issued and allotted 299,683,881 units at a price of Rs. 83.89 per unit as per the placement agreement dated 04 May 2019. Issue expenses of Rs. 374.79 million incurred in connection with issue of units have been reduced from the Unitholders capital as at 31 March 2020 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 2021		31 March 2020	
	Nos. in million	% holding	No. in million	% holding
Esoteric II Pte. Limited	136.04	23.31%	136.04	23.31%
Government of Singapore	116.82	20.02%	116.82	20.02%
Larsen And Toubro Limited	36.68	6.29%	-	0.00%
Sterlite Power Transmission Limited*	2.04	0.35%	87.55	15.00%

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.

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

## INDIA GRID TRUST

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Note 12: Other Equity

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Retained earnings</b>		
Balance as per last financial statements	(2,659.44)	(1,613.89)
Add: Profit for the year attributable to unitholders'	3,339.76	5,057.20
Less: Distribution paid to unitholders	(7,060.17)	(6,102.75)
<b>Closing balance</b>	<b>(6,379.84)</b>	<b>(2,659.44)</b>
<b>Self Insurance Reserve (refer note (i) below)</b>		
Balance as per last financial statements	-	-
Additions during the year through acquisition	58.07	-
<b>Closing balance</b>	<b>58.07</b>	<b>-</b>

- (i) Self Insurance reserve is created @ 0.1% p.a. on Gross Block of Fixed Assets (except assets covered under any other insurance policy) of Parbati Koldam Transmission Company Limited (PrKTCL) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks and taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers.

#### Note 13: Long term borrowings

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
<b>Debentures</b>		
7.11% Non-convertible debentures (secured) (refer note A below)	4,350.00	4,350.00
8.60% Non-convertible debentures (secured) (refer note A below)	2,500.00	2,500.00
8.40% Non-convertible market linked debentures (secured) (refer note B below)	1,702.19	1,725.66
9.00% Non-convertible market linked debentures (secured) (refer note B below)	1,976.71	2,100.12
8.85% Non-convertible debentures (secured) (refer note A below)	1,980.06	1,969.00
9.10% Non-convertible debentures (secured) (refer note A below)	16,925.60	16,887.38
8.40% Non-convertible debentures (secured) (refer note A and (i) below)	3,496.51	-
7.85% Non-convertible debentures (secured) (refer note E)	6,560.00	6,710.00
7.40% Non-convertible debentures (secured) (refer note A and (i) below)	992.09	-
7.00% Non-convertible debentures (secured) (refer note A and (i) below)	2,496.17	-
7.25% Non-convertible debentures (secured) (refer note A and (i) below)	1,493.30	-
8.50% Non-convertible debentures (secured) (refer note A and (i) below)	3,974.08	-
7.25% Non-convertible debentures (secured) (refer note C and (i) below)	26,498.93	-
	<b>74,945.64</b>	<b>36,242.16</b>
<b>Lease liabilities (refer note 34)</b>	<b>32.12</b>	<b>45.87</b>
<b>Term loans</b>		
Indian rupee loan from banks (secured) (refer note D, F, G, H, I, J and (ii) below)	45,075.91	24,056.61
Indian rupee loan from financial institution (secured)	13,991.34	2,292.36
Foreign currency loan from financial institution (secured)	2,019.68	-
	<b>61,086.94</b>	<b>26,348.97</b>
<b>Total</b>	<b>1,36,064.70</b>	<b>62,637.00</b>

(Rs. in millions)

	31 March 2021	31 March 2020
<b>The above amount includes</b>		
Secured borrowings	1,36,032.58	62,591.13
Unsecured borrowings	32.12	45.87
<b>Total non-current borrowings</b>	<b>1,36,064.70</b>	<b>62,637.00</b>
<b>Current maturities</b>		
7.85% Non-convertible debentures (secured) (refer note E)	150.00	110.00
9.25% Non-convertible debentures	-	600.00
8.10% Non-convertible debentures (secured) (refer note C and i below)	998.83	-
Indian rupee loans from banks (secured)	8,252.28	325.20
Indian rupee loans from financial institution (secured)	109.65	-
Foreign currency loan from financial institution (secured)	218.74	205.84
Lease liabilities (refer note 34)	13.75	7.47
Interest accrued but not due	826.83	118.76
<b>Total current portion of non-current borrowings</b>	<b>10,570.08</b>	<b>1,367.27</b>
Less: Amount disclosed under the head "Other current financial liabilities" (refer note 15)	10,570.08	1,367.27
<b>Net borrowings</b>	<b>-</b>	<b>-</b>

- (i) The above items represent new secured non-convertible debentures that have been issued by the Trust during the year ended 31 March 2021.
- (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.
- (C) 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) 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.

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

Rate of Interest	Repayment Commencement Date	2022-2023	2023-2024	2024-2025	2025-2026	2028-2029
4,350 7.11% Non-convertible debentures of Rs. 10,00,000 each	14 February 2029	-	-	-	-	4,350
2,500 8.60% Non-convertible debentures of Rs. 10,00,000 each	31 August 2028	-	-	-	-	2,500
3000 9.10% Non-convertible debentures of Rs. 10,00,000 each	29 July 2024	-	-	3,000	-	-
1740 8.40% market linked non-convertible debentures of Rs. 10,00,000 each	24 January 2024	-	1,740	-	-	-
900 8.40% market linked non-convertible debentures of Rs. 10,00,000 each	24 January 2024	-	-	-	-	-
2,000 9.00% market linked non-convertible debentures of Rs. 10,00,000 each	04 January 2023	2,000	-	-	-	-
2,000 8.85% Non-convertible debentures of Rs. 10,00,000 each	02 November 2022	2,000	-	-	-	-
14,000 9.10% Non-convertible debentures of Rs. 10,00,000 each	03 June 2022	14,000	-	-	-	-
4,000 8.50% Non-convertible debentures of Rs. 10,00,000 each	01 March 2024	-	4,000	-	-	-
2,500 7.00% Non-convertible debentures of Rs. 10,00,000 each	28 June 2024	-	-	2,500	-	-
1,500 7.25% Non-convertible debentures of Rs. 10,00,000 each	27 June 2025	-	-	-	1,500	-
1,000 7.40% Non-convertible debentures of Rs. 10,00,000 each	26 December 2025	-	-	-	1,000	-
15,000 7.25% Non-convertible debentures of Rs. 10,00,000 each	10 April 2024	-	15,000	-	-	-
6,500 7.25% Non-convertible debentures of Rs. 10,00,000 each	10 April 2025	-	-	6,500	-	-
5,000 7.25% Non-convertible debentures of Rs. 10,00,000 each	10 April 2026	-	-	-	5,000	-

#### (D) Term loan from bank

1. The Indian rupee term loan from bank carries interest at the rate of 7.60% and 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 5 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.

2. The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances

extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

3. The Indian rupee term loan from bank carries interest at the rate of 7.40%, 7.45% p.a and 7.6% payable monthly. Loan amount installments shall be repayable as per the payment schedule at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

#### **Bhopal Dhule Transmission Company Limited**

##### **(E) 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<sup>th</sup> 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.

##### **(F) Term loans from bank and financial institutions:**

Foreign currency loan from financial institution carries interest at the rate of 6m LIBOR + 2.10% to 3.80% spread. BDTCL has taken currency and interest rate swap to hedge 6m LIBOR to fixed rate. Amount of 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

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of USD 17.78 million is being repaid in quarterly instalments till December 2026. The foreign currency loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of BDTCL in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of BDTCL into and under all clearances pertaining to the project (including transmission licence) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of BDTCL in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from India Grid Trust directly/indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of BDTCL.

**Odisha Generation Phase-II Transmission Limited**
**(G) Term loan from bank:**

Odisha Generation Phase-II Transmission Limited has taken Indian rupee term loan from bank. The interest rate is 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 are secured by:

- (i) A first charge on all the borrower's tangible moveable assets and all other movable assets and current and non-current assets, both present and future.

- (ii) A first charge over all the accounts of the borrower and receivables
- (iii) A first charge on all intangible assets of The Borrower including but not limited to goodwill, rights and undertakings and intellectual property rights and uncalled capital, book debts, current assets, operating cash flows, commissions, revenues of whatsoever nature, both present and future.
- (iv) A first charge on all immovable assets of the Borrower, present and future.
- (v) Pledge of equity shares representing at least 51% of the equity share capital (if Axis bank is sole lender, shares pledged shall be restricted to 30% and balance 21% shall be under a non-disposal undertaking).

**Gurgaon-Palwal Transmission Limited**
**(H) Term loan from bank:**

Indian rupee term loan from bank and financial Institutions carries interest at the rate of 10.65% p.a to 12.25%. 60% of total loan amount is repayable in 46 structured quarterly instalments post one year moratorium period in accordance with amortisation schedule. Balance 40% of the total loan amount shall be repayable as a bullet repayment as a last instalment. The 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 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.

#### **Parbati Koldam Transmission Company Limited**

##### **(I) Term loan from bank:**

Term Loans from Banks and Financial Institutions (principal undiscounted amount) are 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.

#### **NER II Transmission Limited**

##### **(J) Term loan from bank:**

Indian rupee term loan from banks of Rs.630.43 million (31 March 2020: Nil) and from financial institutions of Rs.13,983.47 million (31 March 2020: Rs. 13,077.50 million) carries 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 is repayable in 47 structured quarterly instalments post 6 months moratorium period in accordance with amortisation schedule (tenure of 15 year). The 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 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.

##### **Financial covenants**

Loans from bank, financial institution and non convertible debentures raised contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, total debt gearing, maintenance of specified security margin etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower periodically. For the financial year ended March 31, 2021, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

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#### Note 14: Trade payables

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises	23.25	105.32
- total outstanding dues of creditors other than micro enterprises and small enterprises		
- to related parties (refer note 28)	102.44	157.04
- to others	99.64	70.55
<b>Total</b>	<b>225.33</b>	<b>332.91</b>

Trade payables are not-interest bearing and are normally settled on 30-90 days terms.

For explanation on the Group's risk management policies, refer note 35.

#### Note 15: Other financial liabilities

	(Rs. in million)	
	31 March 2021	31 March 2020
<b>Current</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	197.86	20.42
Cross currency interest rate swap	-	2.58
	<b>197.86</b>	<b>23.00</b>
<b>Other financial liabilities at amortised cost</b>		
Current maturities of long-term borrowings (refer note 13)	9,729.50	1,241.04
Interest accrued but not due on borrowings	826.83	118.76
Payables for purchase of property, plant and equipment	616.22	186.33
Distribution payable	9.58	7.34
Payable towards project acquired	1,780.17	1,925.09
Lease liabilities (refer note 34)	13.75	7.47
Employee payable	24.92	-
Tariff payable to the beneficiaries (unbilled)	782.37	-
Others	362.47	108.57
	<b>14,145.81</b>	<b>3,594.60</b>
<b>Total</b>	<b>14,343.67</b>	<b>3,617.60</b>

#### Note 16: Employee Benefit Obligations

	(Rs. in million)	
	31 March 2021	31 March 2020
<b>Non current</b>		
Provision for gratuity (refer note 37)	1.93	
Provision for leave benefit	2.01	
<b>Total</b>	<b>3.94</b>	-
<b>Current</b>		
Provision for gratuity (refer note 37)	0.03	
Provision for leave benefit	1.05	
Long term incentive plan (refer note 39)	11.29	
<b>Total</b>	<b>12.37</b>	-

## Note 17: Other current liabilities

	(Rs. in millions)	
	31 March 2021	31 March 2020
Withholding taxes (TDS) payable	61.80	22.43
Advance from customers	166.62	167.03
Statutory dues payables	4.06	1.17
Others	45.67	49.64
<b>Total</b>	<b>278.15</b>	<b>240.27</b>

## Note 18: Current tax liability

	(Rs. in millions)	
	31 March 2021	31 March 2020
Current tax liability	-	4.10
<b>Total</b>	<b>-</b>	<b>4.10</b>

## Note 19: Deferred tax liability (net)

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Deferred tax liability</b>		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	10,487.66	8,680.02
Service concession receivable : Impact of difference between tax depreciation and effective rate of interest for financial reporting	631.72	-
<b>Gross deferred tax liability (B)</b>	<b>11,119.38</b>	<b>8,680.02</b>
<b>Deferred tax asset</b>		
Financial assets	204.92	-
Tax Losses	10,443.77	8,077.96
Unabsorbed losses under income tax	197.05	
Impact of effective interest rate on borrowings	8.82	
<b>Gross deferred tax asset (A)</b>	<b>10,854.55</b>	<b>8,077.96</b>
Less: Recoverable from beneficiaries	(656.57)	
<b>Net deferred tax liability (A-B)</b>	<b>921.40</b>	<b>602.06</b>

- As at 31 March 2021, based on the expected future profitability of the SPVs, the management has recognised deferred tax assets on the unabsorbed tax depreciation carried forward only to the extent of deferred tax liability.
- The Group has Rs. 7,131.07 million (31 March 2020: Rs. 7,340.75 million) of tax losses carried forward on which deferred tax asset has not been recognised. If the Group was able to recognise all unrecognised deferred tax assets, profit after tax would have increased and equity would have increased by Rs. 1,794.89 million (31 March 2020: Rs. 1,847.52 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.

In the previous year, the subsidiary companies of the Group have opted for lower tax rate as per Section 115BAA of Income Tax Act, 1961. Accordingly, the Group has recognised provision for income tax for the year ended 31 March 2020 and remeasured deferred tax liabilities and assets at revised lower tax rate. The impact for the same has been recognised in the year ended 31 March 2020.

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The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

	(Rs. in millions)	
	31 March 2021	31 March 2020
- Current tax	49.85	56.96
- Deferred tax (refer note above)	24.92	(114.29)
- Income tax for earlier years	1.51	-
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>76.28</b>	<b>(57.33)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Accounting profit before income tax</b>	<b>3,420.37</b>	<b>4,999.87</b>
At India's statutory income tax rate of 25.17% (31 March 2020: 25.17%)	860.84	1,258.37
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(784.56)	(1,201.41)
Impact on deferred tax due to change in tax rates (refer note above)	24.92	(114.29)
At the effective income tax rate	76.28	(57.33)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>76.28</b>	<b>(57.33)</b>

#### Note 20: Revenue from contracts with customers

##### 20.1: Disaggregated revenue information

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Type of service</b>		
Power transmission services	16,769.19	12,427.13
<b>Total</b>	<b>16,769.19</b>	<b>12,427.13</b>

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.

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.

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

(Rs. in millions)

	31 March 2021	31 March 2020
Revenue as per contracted price	16,093.42	11,977.54
<b>Adjustments:</b>		
Incentives earned for higher asset availabilities	457.41	355.17
Surcharges received for late payments	271.68	144.24
Rebates given for early payments	(53.32)	(49.82)
<b>Total revenue from contracts with customers</b>	<b>16,769.19</b>	<b>12,427.13</b>

### Project wise break up of revenue from contracts with Customers

(Rs. in millions)

	31 March 2021	31 March 2020
Bhopal Dhule Transmission Company Limited	3,081.25	2,694.19
Jabalpur Transmission Company Limited	1,540.60	1,504.96
Maheshwaram Transmission Limited	587.22	585.18
RAPP Transmission Company Limited	460.32	460.14
Purulia & Kharagpur Transmission Company Limited	758.88	755.98
Patran Transmission Company Limited	320.71	301.48
NRSS XXIX Transmission Limited	5,233.88	4,831.69
Odisha Generation Phase-II Transmission Limited	1,736.29	1,260.29
East North Interconnection Company Limited	1,472.73	33.22
Gurgaon-Palwal Transmission Limited#	908.86	-
Jhajjar KT Transco Private Limited#	191.40	-
Parbati Koldam Transmission Company Limited#	376.30	-
NER II Transmission Limited#	100.75	-
	<b>16,769.19</b>	<b>12,427.13</b>

# In the current year, 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. Amounts stated above pertain to post acquisition revenue.

- Central Electricity Regulatory Commission ('CERC') vide its order dated 25 June 2018 approved an increase in non-escalable tariff revenue by 0.69% per annum on quoted non-escalable tariff of Bhopal Dhule Transmission Company Limited ('BDTCL') from the commercial operation dates ('COD') of respective elements of the BDTCL project on account of changes in laws. In earlier year, BDTCL recognised revenue based on revised non-escalable charges prospectively from 01 April 2018 instead of the COD of respective elements. During the previous year ended 31 March 2020, BDTCL received arrears of Rs. 50.20 million pertaining to period from the COD of the respective elements up to 31 March 2017 which is recognised as revenue from contracts with customers in the year ended 31 March 2020.
- 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

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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 Mn has 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.

- c. On 08 June 2019, the Jabalpur-Bina transmission line ('JB Line') of Jabalpur Transmission Company Limited ('JTCL') was rendered inoperable due to a storm which damaged certain towers of the transmission line. JTCL has claimed this event as a force majeure event under the Transmission Services Agreement ('TSA'). As permitted by the TSA, JTCL has recognised tariff revenue from 8 June 2019 till 21 August 2019 pertaining to the JB Line as per the CERC approved tariff. Western Regional Power Committee has accepted the above event as force majeure from 08 June 2019 to 28 July 2019.
- d. The Central Electricity Regulatory Commission ('CERC') vide its order dated 11 March 2019 approved an increase in non escalable tariff revenue by 0.32% per annum on quoted non-escalable tariff of Maheshwaram Transmission Limited ('MTL') from the commercial operation date ('COD') of the project on account of change in law. MTL has started recognizing revised non-escalable charges prospectively during the previous year from 01 July 2019 to 31 March 2020.
- e. Central Electricity Regulatory Commission ('CERC') vide its order dated 17 December 2018 approved an increase in non escalable tariff revenue by 3.24% per annum on quoted non- escalable tariff of NRSS XXIX Transmission Limited ('NTL') from the commercial operation dates ('COD') of respective elements of NTL project on account increase in project cost due to changes in laws. During the previous year, NTL received arrears of Rs. 108.87 million pertaining to period from the COD of the respective elements to 01 July 2019

which is recognised as revenue from contracts with customers for the financial year ended 31 March 2020.

- f. Central Electricity Regulatory Commission ('CERC') vide its order dated 17 December 2018 approved an increase in non escalable tariff revenue by 0.46% per annum on quoted non- escalable tariff of Odisha Generation Phase-II Transmission Limited ('OGPTL') from the commercial operation dates ('COD') of respective elements of the OGPTL project on account increase in project cost due to changes in laws. OGPTL has started recognizing revised non-escalable charges prospectively during the previous year from 01 January 2020 to 31 March 2020.
- g. 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.
- h. 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 2019-2024. The amount billed is Rs. 349.36 million (gross amount at PrKTCL is Rs. 1,673.65 million for the year 2020-21).
- i. 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 21: Other income

	(Rs. in millions)	
	31 March 2021	31 March 2020
Recovery of income tax balance written off	-	21.56
Sale of scrap	-	21.20
Reversal of provision for doubtful custom deposit*	-	12.79
Reimbursements received	82.88	-
Miscellaneous income	10.15	9.96
<b>Total</b>	<b>93.03</b>	<b>65.51</b>

\* Indemnification received of Nil (31 March 2020: Rs. 12.79 million) against custom deposit received from Sterlite Power Grid Ventures Limited.

## Note 22: Employee Benefit Expenses

	(Rs. in millions)	
	31 March 2021	31 March 2020
Salaries, wages and bonus	113.30	1.49
Contribution to provident fund and superannuation fund	6.72	0.18
Employees long term incentive programme (refer note 39)	11.29	-
Gratuity expense (refer note 37)	2.69	-
Staff welfare expenses	6.78	-
<b>Total</b>	<b>140.78</b>	<b>1.67</b>

## Note 23: Other expenses

	(Rs. in millions)	
	31 March 2021	31 March 2020
Project management fees *	63.79	63.66
Investment management fees #	330.71	238.79
Power and fuel	21.27	-
Rent	4.58	-
Rates and taxes	62.74	37.76
Insurance expenses	243.64	147.02
Vehicle hire charges	18.60	13.51
Loss on sale of assets	40.42	-
Director Sitting Fee	2.22	-
Security charges	22.16	-
Interest on TDS	3.15	-
Earn out Expenses @	796.80	-
Corporate social responsibility **	29.76	-
Miscellaneous expenses	80.42	63.46
<b>Total</b>	<b>1,720.26</b>	<b>564.20</b>

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

\* 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 2021 includes amount of Rs. 63.79 million (31 March 2020: Rs 63.66 million) towards Project Manager fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

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# 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 2021 includes amount of Rs. 330.71 million (31 March 2020: Rs. 238.79 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 2021. In accordance with provisions of Section 135, unspent amount of Rs. 29.76 million (31 March 2020 : Nil) has been transferred to separate bank accounts by the respective subsidiaries.

@ Earn out expense of INR 796.62 million for year ended 31 March 2021 (31 March 2020: Nil) 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 24: Finance Cost

	(Rs. in millions)	
	31 March 2021	31 March 2020
Interest on financial liabilities measured at amortised cost	6,842.60	4,039.42
Other bank and finance charges	-	113.96
Discounting on Factoring	22.35	-
<b>Total</b>	<b>6,864.95</b>	<b>4,153.38</b>

#### Note 25: Earnings per unit (EPU)

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

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

The following reflects in the loss and share data used in the basic and diluted EPU computation:

	31 March 2021	31 March 2020
Profit after tax attributable to unitholders for calculating basic and diluted EPU (Rs. in million)	3,337.09	5,057.20
Weighted average number of units in calculating basic and diluted EPU (No. in million)	583.49	554.01
<b>Earnings Per Unit</b>		
Basic and Diluted (Rupees/unit)	5.72	9.13



## Note 26: Significant accounting judgements, estimates and assumptions

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

### Judgements

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

#### i. Applicability of Appendix 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 H of Annexure A to the SEBI Circular dated 20-Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

#### iii. Acquisition of Transmission SPVs classified as asset acquisitions

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

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable

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in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

#### iv. Consolidation of East North Connection Company Limited ('ENICL') as a subsidiary

The Group entered into share purchase agreement dated 23 March 2020 ("the Agreement") with Sterlite Power Transmission Limited and Sterlite Power Grid Ventures Limited ("the Selling shareholders") for acquisition of equity stake in East North Interconnection Company Limited. ("ENICL"). 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 ENICL. Further the Group has acquired the remaining 51% equity stake in ENICL on 26 May 2020.

Considering the requirements under Ind AS 110, the Group has assessed whether it controls ENICL on the basis of acquisition and the fact that the Group holds 100% of the paid up equity capital in ENICL.

Accordingly, the Group has consolidated ENICL on 100% equity ownership and no non-controlling interest (NCI) has been recognised in the consolidated Ind AS financial statements.

#### 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 Jhajjar KT Transco Private Limited ('JKTPL') as a subsidiary

The Group 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.

Considering the requirements under Ind AS 110, the Group has assessed whether it controls JKTPL on the basis of acquisition and the fact that the Group holds 100% of the paid up equity capital in JKTPL.

Accordingly, the Group has consolidated JKTPL on 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.

#### vii. 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 shareholders and has paid purchase consideration for acquisition of 74% paid up equity capital in the PrKTCL.

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

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

Considering the requirements under Ind AS 110, the Group has assessed whether it controls PrKTCL on the basis the above rights under the agreement and the fact that the Group has acquired 74%. Based on the assessment, management has concluded that the Group controls PrKTCL in spite of the fact that it has acquired only 74% of the paid up capital of PrKTCL. Further, based on the legal opinion PrKTCL is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India’s Invite Regulations. Accordingly, the Group has consolidated PrKTCL assuming equity ownership and non-controlling interest (NCI) of 26% has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognized as financial liability in the consolidated Ind AS financial statements.

**viii. 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.

**Estimates and assumptions**

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

**a. Impairment of non-financial assets**

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

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concession receivable has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies. The valuation exercise so carried out considers various factors including cash flow projections, changes in interest rates, discount rates, risk premium for market conditions including the impact of COVID-19, etc. Based on the valuation exercise so carried out, there is a net impairment of Rs. 175.11 million for the year ended 31 March 2021 (31 March 2020 : net impairment reversal of Rs. 456.96 million), which is primarily on account of changes in risk premium and other underlying assumptions. The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 27A.

#### (b) 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 27A and 27B). 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.

#### Note 27A: Fair value measurements

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

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

The significant unobservable inputs used in the fair value measurement required for disclosures as above categorised within Level 3 of the fair value hierarchy as above together with a quantitative sensitivity analysis as at 31 March 2021 and 31 March 2020 are as shown below:

#### Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Input for 31 March 2021	Input for 31 March 2020	Sensitivity of input to the fair value	Rs. in million	
				Increase /(decrease) in fair value	
				31 March 2021	31 March 2020
WACC	7.57% to 8.23%	8.44% to 9.09%	+ 0.5%	(11,336.00)	(4,769.00)
			- 0.5%	9,083.00	5,655.00
Tax rate (normal tax and MAT)	Normal Tax - 25.168%	Normal Tax - 25.168%	+ 2%	(410.22)	(1,277.63)
			- 2%	374.92	1,311.93
Inflation rate	Revenue: 5.00% Expenses: 2.63% to 4.97%	Revenue: 5.00% Expenses: 2.72% to 4.56%	+ 1%	(1,850.04)	(788.38)
			- 1%	1,495.56	529.45

The independent valuer has considered effect of COVID-19 on the significant unobservable inputs used in fair valuation as referred above.

Rs. in million

Particulars	Carrying value		Fair value	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Financial assets</b>				
Investments in mutual funds	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Derivative instruments	197.86	23.00	197.86	23.00
<b>Total</b>	<b>197.86</b>	<b>23.00</b>	<b>197.86</b>	<b>23.00</b>

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.

#### Note 27B: Fair value hierarchy

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

#### Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021 and 31 March 2020:

Rs. in million

Significant unobservable inputs	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets for which fair values are disclosed:</b>				
Property, plant and equipment and service concession receivable *	31 March 2021	-	-	203,683.16
	31 March 2020	-	-	117,343.51
<b>Liabilities measured at fair value through profit and loss</b>				
Derivative instruments (Liability)	31 March 2021	-	197.86	-
	31 March 2020	-	23.00	-

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#### Note 28: Related party disclosures

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

###### (a) 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 May 04, 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 and Project manager of IndiGrid - w.e.f. 15 November 2020

Sterlite Grid 4 Limited - Subsidiary of Sponsor

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

###### (a) Parties to IndiGrid

Sterlite Power Grid Ventures Limited (SPGVL)^ - Sponsor and Project manager of IndiGrid (upto 15 November 2020)

Sterlite Power Transmission Limited (SPTL) - Sponsor and Project manager of IndiGrid (w.e.f. 15 November 2020)

IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) - Investment manager of IndiGrid

Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

Esoteric II Pte. Ltd (from 04 May 2019) (EPL) - Sponsor w.e.f. 28 September 2020

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

Twin Star Overseas Limited - Promoter of SPTL

Sterlite Power Transmission Limited - Promoter of IIML\*

Electron IM Pte. Ltd. - Promoter of IIML \*

Axis Bank Limited - Promoter of ATSL

KKR Ingrid Co-Invest L.P.-Cayman Island - Promoter of EPL

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

###### Directors of SPTL:

Pravin Agarwal

Pratik Agarwal

A. R. Narayanaswamy

Arun Tadarwal Lalchand

Zhao Haixia

Avaantika Kakkar (till 02 February 2021)

Anoop Seth

###### Directors of IIML:

Pratik Agarwal

Tarun Kataria

Late Shashikant Bhojani (till 22 July 2020)

Rahul Asthana

Harsh Shah (CEO and Whole-time director)

Sanjay Omprakash Nayar (from 07 June 2019)

Ashok Sethi (from 20 October 2020)

Kuldip Kumar Kaura (till 07 June 2019)

###### Key Managerial Personnel of IIML:

Harsh Shah (CEO and Whole-time director)

Jyoti Kumar Agarwal (CFO wef 16 September 2020)

Swapnil Patil (Company Secretary)

**Directors of ATSL:**

Rajesh Kumar Dahiya  
 Sanjay Sinha  
 Ganesh Sankaran (from 18 April 2019)  
 Ram Bharoseylal Vaish (till 08 November 2019)

**Directors of Esoteric II Pte. Ltd.:**

Velasco Azonos Cecilio Francisco (from 19 February 2021)  
 Tang Jin Rong (from 19 February 2021)  
 Ngan Nim Ying (from 19 February 2021)  
 Wong Wai Kin (till 19 February 2021)  
 Terence Lee Chi Hur (till 19 February 2021)  
 Ooi Yi Jun (till 19 February 2021)

**Relative of directors mentioned above:**

Sonakshi Agarwal  
 Jyoti Agarwal  
 Sujata Asthana  
 Mala Todarwal

**Firm in which director of sponsor is partner:**

Cyril Amarchand Mangaldas (till 02 February 2021)

\* 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 post which Electron IM Pte. Ltd. holds 60% of stake in IIML.

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

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

(Rs. in millions)

Particulars	Relation	2020-21	2019-20
<b>1. Purchase of equity shares of Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	37.13	12,626.66
<b>2. Purchase of equity shares of Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	518.31
<b>3. Purchase of loan to Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	2,289.49
<b>4. Purchase of equity shares of ENICL</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	6.17	1,259.46
Sterlite Power Transmission Limited	Promoter of project manager	-	29.09

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(Rs. in millions)			
Particulars	Relation	2020-21	2019-20
<b>5. Purchase of loan to ENICL</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	587.00
<b>6. Purchase of equity shares of GPTL</b>			
Sterlite Grid 4 Limited	Susidiary of Sponsor/Entity with significant influence	906.36	-
<b>7. Purchase of loan to GPTL</b>			
Sterlite Grid 4 Limited	Susidiary of Sponsor/Entity with significant influence	2,252.28	-
<b>8. Purchase of equity shares of NER</b>			
Sterlite Grid 4 Limited	Susidiary of Sponsor/Entity with significant influence	14,090.65	-
<b>9. Received towards indemnification of liabilities</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	15.36	46.36
<b>10. Earn Out Expenses</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	796.62	-
<b>11. Issue of unit capital</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	2,300.13
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	-	11,412.04
<b>12. Distribution to unit holders</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager	537.73	968.32
Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)	Investment manager of IndiGrid	2.08	-
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	1,646.03	1,203.85
Pravin Agarwal	Director of Sponsor	-	3.06
Pratik Agarwal	Director of Sponsor and Investment Manager	2.39	4.41
Harsh Shah	Whole-time director of Investment Manager	0.12	0.12
Swapnil Patil	Company Secretary of Investment Manager	0.03	-
Sonakshi Agarwal	Relative of director	0.19	0.18
Jyoti Agarwal	Relative of director	0.25	0.24
Sujata Asthana	Relative of director	1.01	0.67
Arun Todarwal	Director of Sponsor	0.08	0.06
A. R. Narayanaswamy	Director of Sponsor	0.19	0.15
Mala Todarwal	Relative of director	0.06	-
<b>13. Trustee fee</b>			
Axis Trustee Services Limited (ATSL)	Trustee	3.01	2.36



(Rs. in millions)

Particulars	Relation	2020-21	2019-20
<b>14. Legal and professional services taken</b>			
Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	10.88	26.62
<b>15. Purchase of Project stores</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	0.25	5.67
<b>16. Rent</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	-	1.18

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

(Rs in Million)

Particulars	Relationship	31 March 2021	31 March 2020
<b>Project Manager fees payable</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager	10.08	29.39
<b>Investment Manager fees payable</b>			
Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)	Investment Manager	92.19	125.13
<b>Payable towards project acquired</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	1,704.94	1,925.09
Sterlite Grid 4 Limited	Susidiary of Sponsor/Entity with significant influence		-
<b>Management fees payable</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	0.16	2.52
<b>Payable for purchase of property, plant and equipment</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	23.83
<b>Legal and professional services taken</b>			
Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	-	5.18

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

For the year ended 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
<b>Method of valuation</b>	<b>Discounted Cash Flow</b>	
Discounting rate (WACC):	7.40%	7.96%

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

##### Acquisition of Gurgaon Palwal Transmission Limited (GPTL):

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

##### Under the Agreements, the Trust has the following rights:

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

The acquisition of equity shares of GPTL was financed by money raised through Qualified Institutional Placement (QIP) of 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:

- Right to nominate the majority of the directors on the Board of Directors of NER.
- The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of NER in a manner favourable for the interests of IndiaGrid Trust.
- Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of NER at a later date (on expiry of the respective mandatory shareholding period).
- Pledge on the remaining 51% equity stake in NER.
- 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.

#### For the year ended 31 March 2020:

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

(Rs. in million)

Particulars	NTL	OGPTL	ENICL
Enterprise value	41,626	12,840	11,355
<b>Method of valuation</b>	<b>Discounted Cash Flow</b>		
Discounting rate (WACC):	8.12%	8.42%	8.77%

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

**Acquisition of NRSS XXIX Transmission Limited (NTL) (through acquisition of Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)):**

Pursuant to the share purchase agreements dated April 30, 2019 (“SPA”) executed among Sterlite Power Grid Ventures Limited\*, Axis Trustee Services Limited, Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited), Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited) and NRSS XXIX Transmission Limited for acquisition of equity stake in NTL. The Trust has acquired 100% of equity in Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited) which is the holding company of NTL.

The acquisition of NRSS ((through acquisition of equity shares of Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)) and 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 Odisha Generation Phase-II Transmission Limited (OGPTL) (through acquisition of Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)):**

Pursuant to the share purchase agreements dated April 30, 2019 as amended on June 28, 2019 (“SPA”) executed among Sterlite Power Grid Ventures Limited\*, Axis Trustee Services Limited, Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited), Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited) and Odisha Generation Phase-II Transmission Limited for acquisition of equity stake in OGPTL. The Trust has acquired 100% of equity in Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited) which is the holding company of OGPTL.

The acquisition of OGPTL ((through acquisition of shares of Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)) and 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 East-North Interconnection Company Limited (ENICL):**

Pursuant to the share purchase agreements dated March 23, 2020 (“SPA”) executed among Sterlite Power Grid Ventures Limited\*, Axis Trustee Services Limited, Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited), Sterlite Power Transmission Limited and East-North Interconnection Limited (‘ENICL’) for acquisition of equity stake in ENICL. The Trust acquired 49% of paid up equity capital of ENICL with effect from March 24, 2020 and acquired remaining 51% equity stake in ENICL on May 26, 2020.

The acquisition of equity shares of ENICL 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.

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

**Note 29: 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 (‘KTL’).
- (b) The Group has entered into a Share Purchase agreement on 18 December 2020 with FRV Solar Holdings XI BV (‘FRV’) for acquisition of 100% equity share capital of FRV Andhra Pradesh Solar Farm-I Pvt Ltd (‘FRVAPL’) and FRV India Solar Park II-Pvt Ltd (‘FRVIPL’).
- (c) The Group has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group has to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.
- (d) The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years.
- (e) The Group has paid capital advances of Rs. 50.15 million (31 March 2020 : Nil) pertaining to ongoing capital work in progress.

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

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#### Note 30: 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 (INR million)	Buy/Sell	No. of contracts (Quantity)
<b>Hedge of foreign currency loan from financial institution</b>					
31 March 2021	US \$	30.45	2,238.42	Buy	4.00
31 March 2020	US \$	33.40	2,498.20	Buy	4.00

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

Particulars	31 March 2020
Currency type	US \$
No. of contracts	1.00
Amount (USD 'million)	7.28
Period of Contract	31 December 2015 to 31 March 2021
Floating rate	USD 6 Month Libor + 2.10% to 3.80%
Fixed rate	6.71% on INR principal

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

#### Note 31: Contingent liability

Particulars	(Rs. in millions)	
	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
- Entry tax demand*	432.59	411.23
- Sales tax demand#	33.52	24.66
- Other Demands^	248.13	-
<b>Total</b>	<b>714.24</b>	<b>435.89</b>

\*Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. Out of the total demand Rs. 138.75 million (31 March 2020: Rs. 138.75 million) pertains to Jabalpur Transmission Company Limited ('JTCL'), Rs. 165.80 million (31 March 2020: Rs. 165.80 million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') and Rs. 13.30 million (31 March 2020: Rs. 13.30 million) pertains to RAPP Transmission Company Limited ('RTCL') which is pending with High Court, Jabalpur.

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. The total demand Rs. 1.33 million (31 March 2020: Rs. 1.33 million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') which is pending with Commissioner (Appeals).

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Chhattisgarh. The total demand Rs. 113.41 million (31 March 2020: Rs. 92.05 million) pertains to Jabalpur Transmission Company Limited ('JTCL') out of which Rs. 51.55 million (31 March 2020: Rs. 51.55 million) is pending with the Chhattisgarh High Court, Rs. 40.50 million (31 March 2020: Rs. 40.50 million) is pending with Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.) and Rs. 21.36 million (31 March 2020: Nil) the notice for assessment has been received in the month of October 2020 for which the Group has applied for a certified copy of the Assessment Order on October 29, 2020 and is still awaiting a copy of the same.

# Sales tax demand of Rs. 17.99 million (31 March 2020: Rs. 24.66 million) for Indgrid Limited (IGL) pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms, Rs. 24.66 million pertains to FY 2014-15 was settled during the year and Rs. 17.98 million pertains to FY 2015-16. The Group has filed an objection against the order with Assistant Commissioner of Delhi VAT Authorities.

VAT demand notice of Rs. 5.70 million (31 March 2020: Nil) 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. 9.83 million (31 March 2020: Nil) 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. The Group further applied for a certified copy of the Assessment Order on 29 October 2020 and is still awaiting a copy of the same.

In the previous year ended 31 March 2020, VAT demand of Rs 104.34 million for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to demand under Jharkhand Value

Added Tax (Amendment) Act, 2005 for payment of VAT for the year 2015-16 which was pending with High Court, Jharkhand. The Company has received favourable order from the High Court during the year ended 31 March 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. It also includes an amount of Rs. 228.02 million for claims from farmers for additional Right of Way (RoW) compensation made against one of the subsidiaries.

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

#### Others

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').

The total contingent liability (except ROW) is recoverable as per share purchase agreement from Selling Shareholders.

## INDIA GRID TRUST

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Note 32: Segment reporting

The Group's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS - 108 have not separately been given.

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

#### Note 33: Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Particulars	(Rs. in million)	
	31 March 2021	31 March 2020
(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	23.25	105.32
Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (31 March 2020: Nil). Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimations received from the "suppliers" / information available with the Company regarding their status under the Micro, Small and Medium Enterprises Act, 2006.

#### Note 34: Leases

Indigrd 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. 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.

#### Maturity analysis of lease liabilities:

Particulars	(Rs. in million)				
	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2021</b>					
Lease liability	3.40	10.36	32.12	-	45.87
<b>Total</b>	<b>3.40</b>	<b>10.36</b>	<b>32.12</b>	<b>-</b>	<b>45.87</b>
<b>31 March 2020</b>					
Lease liability	0.95	6.52	45.87	-	53.34
<b>Total</b>	<b>0.95</b>	<b>6.52</b>	<b>45.87</b>	<b>-</b>	<b>53.34</b>

### Note 35: Financial risk management objectives and policies

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

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

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

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

#### (A) Credit risk

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

The Group through its subsidiaries is engaged in transmission business under BOOM (Build, Own, Operate and Maintain) model and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). 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.

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The Group's maximum exposure to credit risk for the components of the balance sheet as at 31 March 2021 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.

#### (B) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial

asset. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

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

(Rs. in million)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2021</b>						
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
<b>Total</b>	<b>-</b>	<b>1,488.08</b>	<b>13,111.90</b>	<b>4,876.67</b>	<b>1,31,188.03</b>	<b>1,50,664.68</b>

(Rs. in million)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2020</b>						
Borrowings	-	-	-	22,682.16	16,800.05	39,482.21
Trade payables	-					-
Other financial liabilities (excluding derivative instruments)	-	193.33	1,897.00	-	-	2,090.33
Derivatives #	-	73.45	155.39	833.44	1,458.93	2,521.21
<b>Total</b>	<b>-</b>	<b>266.78</b>	<b>2,052.39</b>	<b>23,515.60</b>	<b>18,258.98</b>	<b>44,093.75</b>

\* Excludes lease liability of Rs. 45.87 million (31 March 2020: Rs. 53.34 million). Refer note 34 for maturity analysis of lease liability included in borrowings and financial liabilities.

# Based on gross undiscounted cash flows. The MTM as on 31 March 2021 recognised in the books of accounts is Rs. 197.86 million (31 March 2020: Rs. 23.00 million)



### (C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, bank deposits, Investments in short-term mutual funds, and derivative financial instruments.

#### Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate primarily relates to the Group's long term debt obligations with floating interest rates. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2021, % (31 March 2020: 3.66%) of total borrowings of the Group are at floating interest rates.

#### Interest rate sensitivity

The Group has taken cross currency interest rate swap to hedge its borrowings at floating interest rates. The swap contract is valid till 31 March 2021 (refer note 30 for details). Hence the disclosures regarding interest rate sensitivity have not been given.

#### Foreign currency risk

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

### Note 36: Capital management

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

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

(Rs. in million)

Particulars	31 March 2021	31 March 2020
Borrowings	1,36,064.70	62,637.00
Trade payables	225.33	332.91
Other financial liabilities	14,343.67	3,617.60
Less: Cash and cash equivalents, other bank balances and short term investments	(27,838.10)	(5,388.15)
<b>Net debt (A)</b>	<b>1,22,795.60</b>	<b>61,199.36</b>
Unit capital	53,145.69	53,145.69
Other equity	(6,379.84)	(2,659.44)
<b>Total capital (B)</b>	<b>46,765.85</b>	<b>50,486.25</b>
<b>Capital and net debt (C= A+B)</b>	<b>1,69,561.45</b>	<b>1,11,685.61</b>
<b>Gearing ratio (C/A)</b>	<b>72%</b>	<b>55%</b>

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#### Financial Covenants

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

#### Note 37: Employment Benefit Obligation For Gratuity Indigrid Limited

Indigrid Limited 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	(Rs. in millions)	
	31 March 2021	31 March 2020
Current service cost	1.96	-
Benefit paid directly by the employer	(0.03)	-
Actuarial (gain)/loss on obligation due to experience	0.03	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>1.96</b>	<b>-</b>

#### Details of defined benefit obligation

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Present value of defined benefit obligation	1.96	-
Fair value of plan assets	-	-
<b>Benefit liability</b>	<b>1.96</b>	<b>-</b>

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

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Current service cost	1.96	-
<b>Net benefit expense</b>	<b>1.96</b>	<b>-</b>

#### Net employee benefit expense recognized in the Other Comprehensive Income:

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Actuarial (gain)/loss on obligation for the year	0.03	-
<b>Net (income)/expense for the year recognized in OCI</b>	<b>0.03</b>	<b>-</b>

Amounts for the current and previous year are as follows:

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Defined benefit obligation	1.96	-
Plan assets	-	-
Surplus / (deficit)	(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	(Rs. in millions)	
	31 March 2021	31 March 2020
Discount rate	6.82%	6.83%
Expected rate of return on plan asset	-	-
Employee turnover	4.00%	6.00%
Salary escalation rate (p.a)	7.00%	10.00%
Actual rate of return on plan assets	-	-
Retirement age (years)	58	58

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

A quantitative sensitivity analysis for significant assumptions as at 31 March 2021 and 31 March 2020 is as shown below:

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Projected benefit obligation on current assumptions	1.96	-
Effect of +1% Change in discount rate	(0.22)	-
Effect of -1% Change in discount rate	0.26	-
Effect of +1% Change in salary escalation rate	0.25	-
Effect of -1% Change in salary escalation rate	(0.22)	-

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

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Within the next 2 years	0.07	-
Between 3 and 5 years	0.20	-
Between 6 and 10 years	1.13	-
Beyond 11 years	3.86	-
<b>Total expected payments</b>	<b>5.26</b>	-

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

#### Parbati Koldam Transmission Company Limited

Parbati Koldam Transmission Company Limited operates a gratuity plan administered by various insurance companies. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Group scheme whichever is beneficial. The same is payable at the time of separation from the Group or retirement, whichever is earlier. The benefits vest after five years of continuous service.

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

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Transferred due to acquisition of entity*	8.15	-
Current service cost	0.82	-
Interest Cost	0.55	-
Actuarial (gain)/loss due to change in financial assumptions	0.57	-
Actuarial (gain)/loss on obligation due to experience	(4.04)	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>6.05</b>	<b>-</b>

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

Details of defined benefit obligation

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Present value of defined benefit obligation	6.05	-
Fair value of plan assets	(11.21)	-
<b>Benefit recognized as advance gratuity</b>	<b>(5.17)</b>	<b>-</b>

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

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Current service cost	0.82	-
Interest cost on defined benefit obligation	(0.10)	-
<b>Net benefit expense</b>	<b>0.71</b>	<b>-</b>

Net employee benefit expense recognized in the Other Comprehensive Income:

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Actuarial (gain)/loss on obligation for the year	(3.47)	-
Return on plan assets, excluding interest income	(0.92)	-
<b>Net (income)/expense for the year recognized in OCI</b>	<b>(4.39)</b>	<b>-</b>

Changes in Fair Value of plan assets:

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Transferred due to acquisition of entity*	9.64	-
Interest cost/(income) on plan assets	0.66	-
Actual return on plan assets less interest/(income) on plan assets	0.92	-
<b>Closing Balance of Fair Value of Plan Assets</b>	<b>11.21</b>	<b>-</b>

\* 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	(Rs. in millions)	
	31 March 2021	31 March 2020
Defined benefit obligation	(6.05)	-
Plan assets	11.21	-
Surplus / (deficit)	5.17	-

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

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Discount rate	6.58%	-
Expected rate of return on plan asset	-	-
Employee turnover	4.00%	-
Salary escalation rate (p.a)	7.00%	-
Actual rate of return on plan assets	0.92	-
Retirement age (years)	58	-

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

A quantitative sensitivity analysis for significant assumptions as at 31 March 2021 and 31 March 2020 is as shown below:

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Projected benefit obligation on current assumptions	6.05	-
Effect of +1% Change in discount rate	(0.55)	-
Effect of -1% Change in discount rate	0.65	-
Effect of +1% Change in salary escalation rate	0.65	-
Effect of -1% Change in salary escalation rate	(0.56)	-

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

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Within the next 2 years	0.95	-
Between 3 and 5 years	0.76	-
Between 6 and 10 years	2.23	-
Beyond 11 years	10.13	-
<b>Total expected payments</b>	<b>14.08</b>	-

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

## INDIA GRID TRUST

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**Note 38: 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 2021	31 March 2020
<b>Directly held by the Trust:</b>			
Indigrid Limited ("IGL")	India	100%	100%
Indigrid 1 Limited ("IGL1") #	India	100%	100%
Indigrid 2 Limited ("IGL2") *	India	100%	100%
Patran Transmission Company Limited ("PTCL")**	India	74%	74%
East-North Interconnection Company Limited@	India	100%	49%
Gurgaon-Palwal Transmission Limited ("GPTL")^	India	49%	0%
Jhajjar KT Transco Private Limited ("JKTPL")^^	India	100%	0%
Parbati Koldam Transmission Company Limited ('PrKTCL') ##	India	74%	0%
NER II Transmission Limited ("NER") @@	India	49%	0%
<b>Indirectly held by the Trust (through subsidiaries):</b>			
Bhopal Dhule Transmission Company Limited ("BDTCL")	India	100%	100%
Jabalpur Transmission Company Limited ("JTCL")	India	100%	100%
Purulia & Kharagpur Transmission Company Limited ("PKTCL")	India	100%	100%
RAPP Transmission Company Limited ("RTCL")	India	100%	100%
Maheshwaram Transmission Limited ("MTL")	India	100%	100%
NRSS XXIX Transmission Limited ("NTL")#	India	100%	100%
Odisha Generation Phase-II Transmission Limited ("OGPTL")*	India	100%	100%

# The Trust acquired Indigrid 1 Limited (formerly known as "Sterlite Grid 2 Limited"), which is the holding company of NRSS XXIX Transmission Limited ('NTL') from Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" ('SPTL')) pursuant to share purchase agreements dated 30 April 2019 on 04 June 2019. 100% equity share capital of SGL2 is acquired by the Trust as per the share purchase agreement dated 30 April 2019.

\* The Trust acquired Indigrid 2 Limited (formerly known as "Sterlite Grid 3 Limited") which is the holding company of Odisha Generation Phase-II Transmission Limited ('OGPTL') from Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" ('SPTL')) pursuant to share purchase agreements dated 30 April 2019 on 28 June 2019 respectively. 100% equity share capital of Indigrid 2 Limited is acquired by the Trust as per the share purchase agreement dated 30 April 2019.

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

@ The Trust acquired 49% of paid up equity capital of East-North Interconnection Company Limited ('ENICL') with effect from 24 March 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" ('SPTL')) and Sterlite Power Transmission Limited ('SPTL') (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 23 March 2020 ("SPA") and acquired remaining 51% equity stake in ENICL on 26 May 2020.

^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 Group 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 Group 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.

### Note 39: Long Term Incentive Plan

#### Long Term Incentive Plan 2020 - 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 2021, the Group has allotted the value of 0.12 million units of India Grid Trust to its employees under the Scheme.

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Opening balance as at the beginning of the year	-	-
LTIP granted during the year	10.52	-
LTIP cancelled during the year	(0.15)	-
Payment towards LTIPs vested	-	-
<b>Balance</b>	<b>10.37</b>	-
Provision for distribution per unit	0.92	-
<b>Closing balance as at the end of the year</b>	<b>11.29</b>	-

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 (“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.

Vesting of Unit Linked Rights shall be subject to the conditions that the Grantee is:

- in continuous employment with the Company;
- is not serving any notice of resignation/ termination on the date of such Vesting (except in the case of (a) death; (b) Permanent Incapacity suffered by the Grantee; or (c) Retirement; and

- is not subject to any pending disciplinary proceeding.

The Value of the pay-out would be determined as per following formula:

Value of the vested Unit Linked Rights = Number of Unit Linked Rights Vested \* 30 days closing volume weighted average# of IndiGrid market price + (Distribution\* earned on the unvested units).

# Volume weighted average price of per unit is the 30 days closing average of IndiGrid market price (From 02 March 2021 to 31 March 2021).

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

## INDIA GRID TRUST

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Note 40: Regulatory Deferral Account Balances

##### Parbati Koldam Transmission Company Limited (PrKTCL)

- (i) Determination of Transmission service charges (TSC) chargeable by PrKTCL to its consumers is governed by CERC Tariff Regulation, 2019, whereby CERC determines the Transmission service charges wherein PrKTCL earns assured return of 15.5% p.a. post tax on CERC approved equity in the business. The rate review on account of grossing up with the actual tax rate or “truing up” process during the tariff period is being conducted as per the principle stated in CERC Regulations to adjust the tariff rates downgrade or upgrade to ensure recovery of actual tax paid and assured return on equity.
- (ii) During the truing up process, revenue gaps (i.e. surplus/ shortfall in actual returns over returns entitled) are determined by the regulator and are permitted to be carried forward as regulatory assets/ regulatory liabilities which would be recovered / refunded through future billing based on future tariff determination by the regulator. At the end of each accounting period, PrKTCL also determines regulatory assets/regulatory liabilities in respect of each accounting period on self true up basis.

##### Market Risk

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

##### Regulatory Risk

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

by the regulators in accordance with the respective electricity regulations.

- (iii) The key risks and mitigating actions are also placed before the Audit Committee of PrKTCL. PrKTCL's risk management policies are established to identify and 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 2021 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 2020-2021. 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 2021 and reversed during the period ended 31 March 2021.

#### Note 41: Code on Social Security

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



#### Note 42: Subsequent event

- On 27 May 2021, the Board of directors of the Investment Manager approved a distribution of Rs. 3.10 per unit for the period 1 January 2021 to 31 March 2021 to be paid on or before 15 days from the date of declaration.
- The Group has offered an issue of up to 116,695,404 units of India Grid Trust (“Indigrd” and such units, the “units”), for cash at a price of ₹ 110.00 per unit (the “issue price”), aggregating to ₹ 12,836.49 million\* to the eligible unitholders (as defined in the Letter of Offer) on a rights basis in the ratio of one lot for every five lots (each lot comprising 1,701 units) held by them on the record date, being 30 March 2021 (the “Issue”) in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder, including the SEBI Rights Issue Guidelines (the “InvIT Regulations”). The issue opened on 06 April 2021 and closed on 13 April 2021.
- The Group has filed a Draft Shelf Prospectus (“DSP”) on 08 April 2021 for the public issue by the India Grid Trust (the “Trust”) of secured, rated, listed, redeemable non-convertible debt securities of face value of ₹ 1,000 each (“NCDs”) for an amount aggregating upto ₹ 1,000 crore (the “Shelf Limit”). The issue is being made pursuant to the provisions of the “Guidelines for Issuance of Debt Securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” dated 13 April 2018 issued by the Securities and Exchange Board of India read with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, together with any amendments, circulars and guidelines issued thereunder (the “SEBI ILDS Regulations”) and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, together with any amendments, circulars and

guidelines issued thereunder (the “InvIT Regulations”). The issue opened on 28 April 2021 and closed on 30 April 2021.

#### Note 43: Impact of COVID-19

During the year, the outbreak of the coronavirus disease of 2019 (“COVID-19”) spread throughout the world and became a global pandemic. The pandemic triggered a significant downturn globally, including in India. The pandemic curve in India was declining towards the end of 2020 but has resurged again from March 2021.

The management has assessed impact on business and financial risks on account of COVID-19 on the financial information of the Group. The subsidiaries of the Group, which are engaged in operation and maintenance of power transmission lines and substations (“power transmission infrastructure”) are governed by Section 63 of The Electricity Act 2003 where in as per the transmission Service Agreements (“TSAs”) tariff revenue is accrued based on availability of power transmission infrastructure. Further, the Government of India has declared power transmission as an essential service therefore the Group is able to ensure availability of power transmission infrastructure and carry out maintenance activities during the lock down period.

The management believes that as the tariff revenues are linked to availability, irrespective of the quantum of power transmitted through the power transmission infrastructure and considering the Point of Connection (“PoC”) mechanism the risk of non-collection of transmission charges receivables as of 31 March 2021 is minimum. Further, 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. 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 these consolidated financial statements.

As per our report of even date

For **SRBC & COLLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

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

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

**Swapnil Patil**  
Company Secretary  
Membership Number : 24861

**Jyoti Kumar Agarwal**  
Chief Financial Officer

Place : Pune  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

# 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 2021, 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, 2021, 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 ("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, 2021, its profit including other comprehensive income, its cash movements and its movement of the unit holders' funds for the year ended March 31, 2021, its net assets at fair value as at March 31, 2021, its total returns at fair value and the net distributable cash flows of the InvIT for the year ended March 31, 2021.

### 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 standalone financial statements under the provisions of the InvIT Regulations and we have fulfilled our 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, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

**Key audit matters** **How our audit addressed the key audit matter**

**Impairment of investments in subsidiaries and loans given to subsidiaries**

*(as described in notes 4,5,6 and 22 of the standalone financial statements)*

The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries amounting to Rs.155,522 million as at March 31, 2021. The value of investments and loans in aggregate comprise 95% of total assets in the Balance Sheet.

The subsidiaries are in the business of owning and maintaining transmission assets and have entered into Transmission Services Agreement (“TSA”) with Long Term Transmission Customers (“LTTC”).

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, 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 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 / 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.

**Classification of unit holders’ funds as equity**

*(as described in Note 22 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.

Key audit matters	How our audit addressed the key audit matter
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<p><b>Disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations</b> <i>(as described in Note 22 of the standalone financial statements)</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value.</li> <li>• We discussed with the management and obtained an understating of the InvIT’s policy on the assessment of fair value and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls.</li> <li>• We obtained understating of the InvIT’s process for preparation statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations and the assumption used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls.</li> <li>• We obtained and read the valuation report of the InvIT’s independent valuation expert, and assessed the expert’s competence, capability and objectivity.</li> <li>• We evaluated independent valuation expert’s methodology, assumptions and estimates used in the calculations.</li> <li>• We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / tariff orders.</li> <li>• We tested completeness, arithmetical accuracy and validity of the data used in the calculations.</li> <li>• In performing the above procedures, we used valuation specialists to perform an independent review of methodology and key assumptions used in the valuation.</li> <li>• We read and assessed the disclosures included in the notes to the standalone financial statements.</li> </ul>
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The InvIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the InvIT.

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.

### 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.

Our opinion on the standalone financial statements does not cover the other information and we will 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, 2021, financial performance including other comprehensive income, cash flows and the movement of the unit holders’ funds for the year ended March 31, 2021, the net assets at fair value as at March 31, 2021, the total returns at fair value of the InvIT and the net distributable cash flows of the InvIT for the year ending March 31, 2021 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. 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, the Management is responsible for assessing the ability of the InvIT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the InvIT or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the InvIT's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

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

#### For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

#### per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 21111757AAAAC2622

Place of Signature: Pune

Date: May 27, 2021

**INDIA GRID TRUST**

# STANDALONE BALANCE SHEET

**AS AT 31 MARCH 2021**

(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital work-in-progress	3	1.89	-
Investment in subsidiaries	4	37,193.07	15,169.05
Financial Assets			
i. Investments	5	-	3,314.99
ii. Loans	6	1,11,361.96	70,713.80
Non-current tax assets	8	19.71	-
		<b>1,48,576.63</b>	<b>89,197.84</b>
<b>Current assets</b>			
Financial assets			
i. Investments	5	6,448.33	-
ii. Cash and cash equivalents	9	6,905.20	2,128.83
iii. Bank balances other than (ii) above	10	841.05	798.90
iv. Loans	6	-	560.61
v. Other financial assets	7	550.79	331.49
		<b>14,745.37</b>	<b>3,819.83</b>
		<b>1,63,322.00</b>	<b>93,017.67</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Unit capital	11	53,145.69	53,145.69
Other equity	12		
Retained earnings / (Accumulated deficit)		1,951.03	(1,713.72)
		<b>55,096.72</b>	<b>51,431.97</b>
<b>Total unit holders' equity</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	1,04,017.27	39,482.21
		<b>1,04,017.27</b>	<b>39,482.21</b>
<b>Current liabilities</b>			
Financial liabilities			
Other financial liabilities	14	4,198.05	2,090.33
Other current liabilities	15	9.96	9.06
Current tax liability	16	-	4.10
		4,208.01	2,103.49
		<b>1,08,225.28</b>	<b>41,585.70</b>
		<b>1,63,322.00</b>	<b>93,017.67</b>
<b>Total equity and liabilities</b>			

Summary of significant accounting policies 2.2

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

As per our report of even date

 For **SRBC & CO LLP**  
 Chartered Accountants  
 Firm Registration No. 324982E/E300003

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

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

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

**Swapnil Patil**  
 Company Secretary  
 Membership Number : 24861

**Jyoti Kumar Agarwal**  
 Chief Financial Officer

 Place : Pune  
 Date : 27 May 2021

 Place : Mumbai  
 Date : 27 May 2021

 Place : Mumbai  
 Date : 27 May 2021

 Place : Mumbai  
 Date : 27 May 2021

## INDIA GRID TRUST

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2021	31 March 2020
<b>INCOME</b>			
Revenue from operations	18	12,488.31	10,554.10
Income from investment in mutual funds		-	97.44
Interest income on investment in fixed deposits		78.30	80.22
<b>Total income (I)</b>		<b>12,566.61</b>	<b>10,731.76</b>
<b>EXPENSES</b>			
Legal and professional fees		95.34	97.90
Annual listing fee		6.18	6.30
Rating fee		46.52	34.74
Valuation expenses		3.05	4.89
Trustee fee		3.01	3.46
Audit Fees			
- Statutory audit fees		4.01	2.36
- Tax audit fees		-	0.24
- Other services (including certification)		7.32	-
Other expenses	19	827.94	8.50
Finance costs	20	4,346.97	2,980.99
(Reversal of impairment)/ Impairment of investment in subsidiaries		(3,497.47)	2,627.22
<b>Total expenses (II)</b>		<b>1,842.87</b>	<b>5,766.60</b>
<b>Profit before tax (I) - (II)</b>		<b>10,723.74</b>	<b>4,965.16</b>
Current tax	17	-	56.96
Income tax for earlier years		(1.18)	-
<b>Tax expense</b>		<b>(1.18)</b>	<b>56.96</b>
<b>Profit for the year</b>		<b>10,724.92</b>	<b>4,908.20</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>10,724.92</b>	<b>4,908.20</b>
<b>Earnings per unit</b>			
Basic and diluted (in Rs.)	21	18.38	8.86
(Computed on the basis of profit for the year)			
Summary of significant accounting policies	2.2		

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

As per our report of even date

For **SRBC & COLLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

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

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

**Swapnil Patil**  
Company Secretary  
Membership Number : 24861

**Jyoti Kumar Agarwal**  
Chief Financial Officer

Place : Pune  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

**INDIA GRID TRUST**

# STANDALONE STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY

**FOR THE YEAR ENDED 31 MARCH 2021**
**A. Unit capital**

(All amounts in Rs. million unless otherwise stated)

	Nos. in million	INR in million
<b>Balance as at 01 April 2019</b>	283.80	28,380.00
Units issued during the year (Refer note 11)	299.69	25,140.48
Issue expenses	-	(374.79)
<b>Balance as at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>
Changes in unit capital during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>583.49</b>	<b>53,145.69</b>

**B. Other equity**

(Rs. in million)

	Retained earnings/ (accumulated deficit)	Total other equity
<b>As at 01 April 2019</b>	(519.17)	(519.17)
Profit for the year	4,908.20	4,908.20
Other comprehensive income	-	-
Less: Distribution during the year (refer note below)	(6,102.75)	(6,102.75)
<b>As at 31 March 2020</b>	<b>(1,713.72)</b>	<b>(1,713.72)</b>
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)
<b>As at 31 March 2021</b>	<b>1,951.03</b>	<b>1,951.03</b>

**Note:**

The distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2019-20 and does not include the distribution relating to the last quarter of FY 2020-21 which will be paid after 31 March 2021.

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 **SRBC & CO LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

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

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

**Swapnil Patil**  
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Membership Number : 24861

**Jyoti Kumar Agarwal**  
Chief Financial Officer

Place : Pune  
Date : 27 May 2021

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Date : 27 May 2021



## INDIA GRID TRUST

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Rs. million unless otherwise stated)

	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Net profit as per statement of profit and loss</b>	10,724.92	4,908.20
Adjustment for taxation	(1.18)	56.96
<b>Profit before tax</b>	<b>10,723.74</b>	<b>4,965.16</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Interest income on non convertible debentures	(624.43)	(603.59)
(Reversal)/ Impairment of investment in subsidiaries	(3,497.47)	2,627.22
Finance cost	4,346.97	2,980.99
Interest income on loans given to subsidiaries	(11,863.88)	(9,950.51)
Income from investment in mutual funds	-	(97.44)
Interest income on investment in fixed deposits	(78.30)	(80.22)
<b>Operating (loss) before working capital changes</b>	<b>(993.37)</b>	<b>(158.39)</b>
<b>Movements in working capital :</b>		
- other current financial liabilities	23.11	80.20
- other current liabilities	0.90	6.62
- other current financial asset	(6.09)	13.39
<b>Changes in working capital</b>	<b>17.92</b>	<b>100.21</b>
<b>Cash (used in) operations</b>	<b>(975.45)</b>	<b>(58.18)</b>
Direct taxes paid (net of refunds)	(22.63)	(52.93)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(998.08)</b>	<b>(111.11)</b>
<b>B. Cash flow (used in) investing activities</b>		
<b>Purchase of equity shares of subsidiaries</b>	(21,308.09)	(13,280.25)
Conversion of loan given to subsidiaries to equity	(1,121.15)	-
Loans given to subsidiaries	(67,000.14)	(40,375.65)
Loans repaid by subsidiaries	26,912.59	6,752.28
Interest income on loans given to subsidiaries	11,627.22	10,114.90
Interest income on investment in fixed deposits	101.75	33.01
Income from investment in mutual funds	-	97.44
Investment in mutual funds	(37,646.87)	(32,913.12)
Proceeds from mutual funds	37,646.87	32,913.12
Investment in fixed deposits (net)	(42.15)	(798.90)
<b>Net cash flow (used in) investing activities (B)</b>	<b>(50,831.86)</b>	<b>(37,457.17)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of unit capital	-	25,140.48
Unit issue expense incurred	-	(374.79)
Proceeds of long term borrowings	67,469.18	22,748.58
Payment of upfront fees of long term borrowings	(266.53)	(259.93)
Finance costs	(3,538.41)	(2,746.30)
Payment of distributions to unitholders	(7,057.93)	(6,101.16)
<b>Net cash flow generated from financing activities (C)</b>	<b>56,606.31</b>	<b>38,406.88</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>4,776.37</b>	<b>838.60</b>
Cash and cash equivalents as at beginning of year	2,128.83	1,290.23
<b>Components of cash and cash equivalents as at year end</b>	<b>6,905.20</b>	<b>2,128.83</b>

**INDIA GRID TRUST**

# STANDALONE CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts in Rs. million unless otherwise stated)

**Components of Cash and cash equivalents:**

	<b>31 March 2021</b> (Rs. in millions)	<b>31 March 2020</b> (Rs. in millions)
<b>Balances with banks:</b>		
- On current accounts ^	4,279.55	2,079.93
- Deposit with original maturity of less than 3 months <sup>#</sup>	2,625.65	48.90
<b>Total cash and cash equivalents (refer note 9)</b>	<b>6,905.20</b>	<b>2,128.83</b>

<sup>^</sup> Out of total amount, Rs. 9.35 million (31 March 2020: Rs. 7.34 million) pertains to unclaimed distribution to unitholders.

<sup>#</sup> Includes amount of Rs. 2,044.20 million (31 March 2020: Nil) 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) :-**

<b>Particulars</b>	<b>Long term borrowings</b>
<b>01 April 2019</b>	<b>16,847.61</b>
Cash flow	
- Interest	(2,746.30)
- Proceeds/(repayments)	22,488.65
Accrual	2,980.99
<b>31 March 2020</b>	<b>39,570.95</b>
Cash flow	
- Interest	(3,538.41)
- Proceeds/(repayments)	67,202.65
Accrual	3,098.11
<b>31 March 2021</b>	<b>1,06,333.30</b>

Summary of significant accounting policies

2.2

As per our report of even date

 For **SRBC & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors of

Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)

(as Investment Manager of India Grid Trust)

**per Huzefa Ginwala**

Partner

Membership Number : 111757

**Harsh Shah**

CEO &amp; Whole-time Director

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**Jyoti Kumar Agarwal**

Chief Financial Officer

Place : Pune

Date : 27 May 2021

Place : Mumbai

Date : 27 May 2021

Place : Mumbai

Date : 27 May 2021

Place : Mumbai

Date : 27 May 2021

## INDIA GRID TRUST

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

**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 millions)

Particulars	31 March 2021		31 March 2020	
	Book value	Fair value	Book value	Fair value
A. Assets	1,63,322.00	1,93,096.80	93,017.67	1,01,624.29
B. Liabilities (at book value)	1,08,225.28	1,08,225.28	41,585.70	41,585.70
C. Net Assets (A-B)	55,096.72	84,871.52	51,431.97	60,038.59
D. Number of units	583.49	583.49	583.49	583.49
E. NAV (C/D)	94.43	145.45	88.14	102.90

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 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**

(Rs. in millions)

Project	31 March 2021	31 March 2020
Indigrid Limited	45,705.20	40,065.03
Indigrid 1 Limited <sup>^</sup>	49,276.99	44,604.81
Indigrid 2 Limited <sup>^</sup>	9,812.36	8,967.44
Patran Transmission Company Limited	2,622.19	2,377.46
East North Interconnection Company Limited*	12,821.20	2,067.45
Gurgaon-Palwal Transmission Limited <sup>#</sup>	5,533.13	-
Jhajjar KT Transco Private Limited <sup>#</sup>	3,172.87	-
Parbati Koldam Transmission Company Limited <sup>#</sup>	6,239.31	-
NER II Transmission Limited <sup>#</sup>	53,081.39	-
<b>Subtotal</b>	<b>1,88,264.63</b>	<b>98,082.20</b>
Assets (in IndiGrid)	4,832.17	3,542.09
<b>Total assets</b>	<b>1,93,096.80</b>	<b>1,01,624.28</b>

<sup>^</sup> The Trust had acquired Indigrid 1 Limited (IG1L) (formerly known as "Sterlite Grid 2 Limited") which is the holding company of NRSS XXIX Transmission Limited ('NTL') and Indigrid 2 Limited (IG2L) (formerly known as "Sterlite Grid 3 Limited") which is the holding company of Odisha Generation Phase-II Transmission Limited ('OGPTL') on 04 June 2019 and 28 June 2019 respectively.

\* The Trust acquired East-North Interconnection Company Limited ('ENICL') with effect from 24 March 2020.

<sup>#</sup> In the current year, 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.

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

(Rs. in million)

Particulars	31 March 2021	31 March 2020
Total comprehensive income (as per the statement of profit and loss)	10,724.92	4,908.20
Add/ (Less): other changes in fair value not recognized in total comprehensive income	21,286.03	8,488.77
<b>Total Return</b>	<b>32,010.95</b>	<b>13,396.97</b>

**Notes:**

- Fair value of assets as at 31 March 2021 and as at 31 March 2020 and other changes in fair value for the year then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.
- Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 23A.

**INDIA GRID TRUST**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

# 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 2021 (Audited)	Year ended 31 March 2020 (Audited)
Cash flows received from the Portfolio Assets in the form of interest	11,370.40	10,114.90
Cash flows received from the Portfolio Assets in the form of dividend	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	78.30	177.66
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	26,912.59	6,752.28
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>38,775.18</b>	<b>17,044.84</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i)	(5,206.08)	(2,941.27)
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	1.18	(56.96)
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(25,487.90)	(6,843.29)
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(30,692.80)</b>	<b>(9,841.53)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>8,082.38</b>	<b>7,203.32</b>

**Notes:**

- i. Does not include interest accrued but not due for year ended 31 March 2021: Rs. 348.47 million (year ended 31 March 2020: Rs. 150.51 million) related to market linked non convertible debentures ('MLDs') which is payable on maturity of these MLDs from FY 2022 to FY 2024.
- ii. Does not include Earn - out expenses for the year ended 31 March 2021 of Rs. 117.27 million (year ended March 31, 2020: Nil).

## INDIA GRID TRUST

**NOTES TO STANDALONE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2021****1. Trust information**

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

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, 2021, IndiGrid has following project entities (“Special Purpose Vehicles” or “SPVs”) which are transmission infrastructure 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’)

As at March 31, 2021, IndiGrid has following project entities which are transmission infrastructure projects developed on Build, Operate and Transfer (‘BOT’) basis:

1. Jhajjar KT Transco Private Limited (‘JKTPL’)

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

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 2021.

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

These financial statements are the separate financial statements of the Trust and comprise of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Unit Holders’ Equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2021 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows (‘NDCF’s’) for the year then ended and a summary of significant accounting policies and other explanatory notes in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), 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.

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 2.2 Summary of significant accounting policies

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

##### a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Trust classifies all other liabilities as non-current.

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

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

##### b) Foreign currencies

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

#### Transactions and balances

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

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

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

##### c) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

At each reporting date, the management analyses the movement in the values of assets and

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

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

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

- Quantitative disclosures of fair value measurement hierarchy (Note 19B)
- Disclosures for valuation methods, significant estimates and assumptions (Note 18 and 19A)
- Financial instruments (including those carried at amortised cost) (Note 4,5,6,7,8)

#### d) Revenue Recognition

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

#### Interest income

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

#### Dividends

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

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 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.

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

#### f) Borrowing Costs

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

#### g) Leases

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

##### Trust as lessee

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

##### Right-of-use assets

The Trust recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

##### Lease Liabilities

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

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

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Short-term leases and leases of low-value assets

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

#### i) 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.

#### j) 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.

k) **Financial instruments**

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

**Financial assets**

***Initial recognition and measurement***

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient, the Trust initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

***Subsequent measurement***

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

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

***Debt instruments at amortised cost***

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

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

This category is most relevant to the Trust. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to interest receivable and loans given to subsidiaries (Refer Note 5 and 6)

***Debt instrument at FVTOCI***

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

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

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

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Debt instrument at FVTPL

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

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

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

#### Equity investments

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

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

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

#### Derecognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

#### Impairment of financial assets

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

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

## **Financial liabilities**

### ***Initial recognition and measurement***

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

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

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

### ***Subsequent measurement***

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

#### **Financial liabilities at fair value through profit or loss**

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

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

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

Trust may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

### ***Loans and borrowings***

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

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

This category generally applies to borrowings. For more information refer Note 11.

### ***Derecognition***

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

### ***Embedded derivatives***

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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

#### **Reclassification of financial assets**

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

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

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

### **Offsetting of financial instruments**

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

#### **l) 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.

#### **m) 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.

#### **n) 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**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. This amendment had no impact on the standalone financial statements of the Trust.

#### **(ii) Amendments to Ind AS 103 Business Combinations**

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the standalone financial statements of the Trust.

**INDIA GRID TRUST****NOTES TO STANDALONE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2021****(iii) Amendments to Ind AS 1 and Ind AS 8:  
Definition of Material**

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

These amendments are applicable prospectively for annual periods beginning on or after the 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.

**(iv) Amendments to Ind AS 107 and Ind AS 109:  
Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Trust as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Trust's standalone financial statements.



**Note 3: Capital work-in-progress**

Particulars	Amount
<b>As at 01 April 2019</b>	-
Additions	-
Disposals	-
<b>As at 31 March 2020</b>	-
Additions	1.89
Disposals	-
<b>As at 31 March 2021</b>	<b>1.89</b>

**Note 4: Investments in subsidiaries**

(Rs. in million)

	31 March 2021	31 March 2020
<b>Equity investments, at cost (unquoted)</b>		
Indgrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") [17.67 million (31 March 2020: 17.67 million) equity shares of Rs. 10 each fully paid-up]	1,929.22	1,929.22
Less: Provision for impairment (Refer Note 22)	(1,929.22)	(1,929.22)
	-	-
Patran Transmission Company Limited ("PTCL")** [50 million (31 March 2020: 50 million) equity shares of Rs. 10 each fully paid-up]	735.53	735.53
	<b>735.53</b>	<b>735.53</b>
Indgrid 1 Limited ("IGL1") (formerly known as "Sterlite Grid 2 Limited")# [93.35 million equity shares (31 March 2020: 87.30 million) of Rs. 10 each fully paid up]	14,041.76	12,626.66
	<b>14,041.76</b>	<b>12,626.66</b>
Indgrid 2 Limited ("IGL2") (formerly known as "Sterlite Grid 3 Limited")* [26.05 million equity shares (31 March 2020: 26.05 million) of Rs. 10 each fully paid up]	518.31	518.31
	<b>518.31</b>	<b>518.31</b>
East-North Interconnection Company Limited ("ENICL") @ [1.05 million equity shares (31 March 2020: 0.05 million) of Rs. 10 each fully paid up]	1,294.72	1,288.55
	<b>1,294.72</b>	<b>1,288.55</b>
Gurgaon-Palwal Transmission Limited ("GPTL") ^ [0.69 million equity shares (31 March 2020: Nil) of Rs. 10 each fully paid up]	906.36	-
	<b>906.36</b>	-
Jhajjar KT Transco Private Limited ("JKTPL") ^^ [22.66 million equity shares (31 March 2020: Nil) of Rs. 10 each fully paid up]	1,404.20	-
	<b>1,404.20</b>	-
Parbati Koldam Transmission Company Limited ("PrKTCL")## [201.90 million equity shares (31 March 2020: Nil) of Rs. 10 each fully paid up]	3,212.97	-
	<b>3,212.97</b>	-
NER II Transmission Limited ("NER") @@ [2.32 million equity shares (31 March 2020: Nil) of Rs. 10 each fully paid up]	14,090.65	-
	<b>14,090.65</b>	-

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

	(Rs. in million)	
	31 March 2021	31 March 2020
<b>Preference shares, at cost (unquoted)</b>		
Indigrd Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited")		
[665.82 million (31 March 2020: 665.82 million) 0.01% Optionally convertible redeemable non cumulative preference shares ("OCRPS") of Rs. 10 each fully paid-up] *	1,001.96	1,001.96
Less: Provision for impairment (Refer Note 22)	(13.39)	(1,001.96)
	<b>988.57</b>	<b>-</b>
<b>Total non-current investments</b>	<b>37,193.07</b>	<b>15,169.05</b>

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

#### Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest %	
		31 March 2021	31 March 2020
<b>Directly held by the Trust:</b>			
Indigrd Limited ("IGL")	India	100%	100%
Indigrd 1 Limited ("IGL 1") #	India	100%	100%
Indigrd 2 Limited ("IGL 2") *	India	100%	100%
Patran Transmission Company Limited ("PTCL")**	India	74%	74%
East-North Interconnection Company Limited@	India	100%	49%
Gurgaon-Palwal Transmission Limited ("GPTL")^	India	49%	0%
Jhajjar KT Transco Private Limited ("JKTPL")^^	India	100%	0%
Parbati Koldam Transmission Company Limited ('PrKTCL') ##	India	74%	0%
NER II Transmission Limited ("NER") @@	India	49%	0%
<b>Indirectly held by the Trust (through subsidiaries):</b>			
Bhopal Dhule Transmission Company Limited ("BDTCL")	India	100%	100%
Jabalpur Transmission Company Limited ("JTCL")	India	100%	100%
Purulia & Kharagpur Transmission Company Limited ("PKTCL")	India	100%	100%
RAPP Transmission Company Limited ("RTCL")	India	100%	100%
Maheshwaram Transmission Limited ("MTL")	India	100%	100%
NRSS XXIX Transmission Limited ("NTL")#	India	100%	100%
Odisha Generation Phase-II Transmission Limited ("OGPTL")*	India	100%	100%

# The Trust acquired Indigrd 1 Limited (formerly known as "Sterlite Grid 2 Limited"), which is the holding company of NRSS XXIX Transmission Limited ("NTL") from Sterlite Power Grid Ventures Limited ("SPGVL") (merged with "Sterlite Power Transmission Limited" (SPTL)) pursuant to share purchase agreements dated 30 April 2019 on 04 June 2019. 100% equity share capital of SGL2 is acquired by the Trust as per the share purchase agreement dated 30 April 2019.

\* The Trust acquired Indigrd 2 Limited (formerly known as "Sterlite Grid 3 Limited") which is the holding company of Odisha Generation Phase-II Transmission Limited ("OGPTL") from Sterlite Power Grid Ventures Limited ("SPGVL") (merged with "Sterlite Power Transmission Limited" (SPTL)) pursuant to share purchase agreements dated 30 April 2019 on 28 June 2019 respectively. 100% equity share capital of Indigrd 2 Limited is acquired by the Trust as per the share purchase agreement dated 30 April 2019.

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

@ The Trust acquired 49% of paid up equity capital of East-North Interconnection Company Limited ('ENICL') with effect from 24 March 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') (merged with "Sterlite Power Transmission Limited" ('SPTL')) and Sterlite Power Transmission Limited ('SPTL') (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 23 March 2020 ("SPA") and acquired remaining 51% equity stake in ENICL on 26 May 2020. 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. Considering the rights available to the Group as per SPA, the Group has concluded that it controls NER.

^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.

## Note 5: Investments

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
<b>Non-convertible debentures (unquoted) (at amortised cost)</b>		
Indigrd Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited")		
(665.82 million (31 March 2020: 665.82 million) 0.01% Non-convertible debentures of Rs 10 each)#	-	5,823.90
Less: Provision for impairment	-	(2,508.91)
	-	<b>3,314.99</b>
<b>Current</b>		
<b>Non-convertible debentures (unquoted) (at amortised cost)</b>		
Indigrd Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited")		
(665.82 million (31 March 2020: 665.82 million) 0.01% Non-convertible debentures of Rs 10 each)#	6,448.33	-
<b>Total</b>	<b>6,448.33</b>	<b>-</b>

# Non Convertible debenture (NCD) of Face value of Rs.10 each were issued by Indigrd Limited (formerly known as "Sterlite Grid 1 Limited"). The NCD were redeemable at the option of the NCD holder anytime after 22 July 2019 but the NCD holders did not exercise their right of redeeming the NCDs, hence the NCDs are due for repayment at the end of July 2021. 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.

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Note 6: Loans (unsecured, considered good)

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Non-current</b>		
Loan to subsidiaries (refer note 24)*	1,11,361.96	70,713.80
	<b>1,11,361.96</b>	<b>70,713.80</b>
<b>Current</b>		
Loan to subsidiaries (refer note 24)#	-	560.61
<b>Total</b>	-	<b>560.61</b>

\* Loans are non-derivative financial assets which are repayable by subsidiaries upon expiry of period of their respective Transmission Services Agreement. Further, the subsidiaries are entitled to prepay all or any portion of the outstanding principal with a prior notice. The loans to subsidiaries carry interest @ 15% - 15.75% p.a.

# Loan given to wholly owned subsidiary is repayable on demand. This loans carries interest @ 15% p.a.

#### Note 7: Other financial assets (unsecured, considered good)

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Current</b>		
Interest receivable from subsidiaries (refer note 24)	518.30	281.64
Advances receivable in cash or kind	6.30	0.21
Interest accrued on deposits	26.19	49.64
<b>Total</b>	<b>550.79</b>	<b>331.49</b>

#### Note 8: Other non-current assets

	(Rs. in millions)	
	31 March 2021	31 March 2020
Advance income tax, including TDS (net of provisions)	19.71	-
<b>Total</b>	<b>19.71</b>	-

#### Note 9: Cash and cash equivalents

	(Rs. in millions)	
	31 March 2021	31 March 2020
Balance with banks		
- in current accounts ^	4,279.55	2,079.93
Deposit with original maturity of less than 3 months #	2,625.65	48.90
<b>Total</b>	<b>6,905.20</b>	<b>2,128.83</b>

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

^ Out of total amount, Rs. 9.35 million (31 March 2020: Rs. 7.34 million) pertains to unclaimed distribution to unitholders.

# Includes amount of Rs. 2,044.20 million (31 March 2020: Nil) is kept in Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

## Note 10: Other bank balances

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Current</b>		
Deposit with original maturity for more than 3 months but less than 12 months#	342.10	798.90
Deposit with original maturity for more than than 12 months#	498.95	-
<b>Total</b>	<b>841.05</b>	<b>798.90</b>

# Includes amount of Nil million (31 March 2020: Rs. 798.40 million) kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

## Note 11: Unit Capital

	(Rs. in millions)	
	Number of units (In million)	Unit capital (Rs. in million)
<b>As at 01 April 2019</b>	<b>283.80</b>	<b>28,380.00</b>
Issued during the year (refer note below)	299.69	25,140.48
Issue expenses (refer note below)	-	(374.79)
<b>As at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>
Issued during the period	-	-
<b>As at 31 March 2021</b>	<b>583.49</b>	<b>53,145.69</b>

### Note:

During the previous year ended 31 March 2020, the Trust raised Rs. 25,140.48 million of primary capital through a qualified institutional placement of units. The Trust issued and allotted 299,683,881 units at a price of Rs. 83.89 per unit as per the placement agreement dated 04 May 2019. Issue expenses of Rs. 374.79 million incurred in connection with issue of units have been reduced from the Unitholders capital as at 31 March 2020 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 2021		31 March 2020	
	Nos. in million	% holding	No. in million	% holding
Esoteric II Pte. Limited	136.04	23.31%	136.04	23.31%
Government of Singapore	116.82	20.02%	116.82	20.02%
Larsen And Toubro Limited	36.68	6.29%	-	-
Sterlite Power Transmission Limited *	2.04	0.35%	87.55	15.00%
Schroder Asian Asset Income Fund	-	-	19.78	3.39%

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

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

- 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 12: Other Equity

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Retained earnings/ (Accumulated deficit)</b>		
Balance as per last financial statements	(1,713.72)	(519.17)
Add: Profit for the year	10,724.92	4,908.20
Less: Distribution paid to unitholders	(7,060.17)	(6,102.75)
<b>Closing balance</b>	<b>1,951.03</b>	<b>(1,713.72)</b>

#### Note 13: Long term borrowings

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
<b>Debentures</b>		
7.11% Non-convertible debentures (secured) (refer note A below)	4,350.00	4,350.00
8.60% Non-convertible debentures (secured) (refer note A below)	2,500.00	2,500.00
8.40% Non-convertible market linked debentures (secured) (refer note B below)	1,702.19	1,725.66
9.00% Non-convertible market linked debentures (secured) (refer note B below)	1,976.71	2,100.12
8.85% Non-convertible debentures (secured) (refer note A below)	1,980.06	1,969.00
9.10% Non-convertible debentures (secured) (refer note A below)	16,925.60	16,887.38
8.40% Non-convertible debentures (secured) (refer note A and (i) below)	3,496.51	-
7.40% Non-convertible debentures (secured) (refer note A and (i) below)	992.09	-
7.00% Non-convertible debentures (secured) (refer note A and (i) below)	2,496.17	-
7.25% Non-convertible debentures (secured) (refer note A and (i) below)	1,493.30	-
8.50% Non-convertible debentures (secured) (refer note A and (i) below)	3,974.08	-
7.25% Non-convertible debentures (secured) (refer note C and (i) below)	26,498.93	-
	<b>68,385.64</b>	<b>29,532.16</b>
<b>Term loans</b>		
Indian rupee loan from banks (secured) (refer note D and (ii) below)	35,631.63	9,950.05
	<b>35,631.63</b>	<b>9,950.05</b>
<b>Total</b>	<b>1,04,017.27</b>	<b>39,482.21</b>
<b>The above amount includes</b>		
Secured borrowings	1,04,017.27	39,482.21
Unsecured borrowings	-	-
<b>Total non-current borrowings</b>	<b>1,04,017.27</b>	<b>39,482.21</b>
<b>Current maturities</b>		
8.10% Non-convertible debentures (secured) (refer note A and i below)	998.83	-
Indian rupee loan from banks (secured) (refer note D and (ii) below)	493.55	-
Interest accrued but not due	823.65	88.74
<b>Total current portion of non-current borrowings</b>	<b>2,316.03</b>	<b>88.74</b>
Less: Amount disclosed under the head "Other current financial liabilities" (refer note 14)	2,316.03	88.74
<b>Net borrowings</b>	-	-

(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 2021 the Trust has taken new Indian rupee loan from banks of 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.

**(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.

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

Rate of Interest	Repayment Commencement Date	2022-2023	2023-2024	2024-2025	2025-2026	2028-2029
4,350 7.11% Non-convertible debentures of Rs. 10,00,000 each	14 February 2029	-	-	-	-	4,350
2,500 8.60% Non-convertible debentures of Rs. 10,00,000 each	31 August 2028	-	-	-	-	2,500
3000 9.10% Non-convertible debentures of Rs. 10,00,000 each	29 July 2024	-	-	3,000	-	-
1740 8.40% market linked non-convertible debentures of Rs. 10,00,000 each	24 January 2024	-	1,740	-	-	-
900 8.40% market linked non-convertible debentures of Rs. 10,00,000 each	24 January 2024	-	-	-	-	-
2,000 9.00% market linked non-convertible debentures of Rs. 10,00,000 each	04 January 2023	2,000	-	-	-	-
2,000 8.85% Non-convertible debentures of Rs. 10,00,000 each	02 November 2022	2,000	-	-	-	-

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

Rate of Interest	Repayment Commencement Date	2022-2023	2023-2024	2024-2025	2025-2026	2028-2029
14,000 9.10% Non-convertible debentures of Rs. 10,00,000 each	03 June 2022	14,000	-	-	-	-
4,000 8.50% Non-convertible debentures of Rs. 10,00,000 each	01 March 2024	-	4,000	-	-	-
2,500 7.00% Non-convertible debentures of Rs. 10,00,000 each	28 June 2024	-	-	2,500	-	-
1,500 7.25% Non-convertible debentures of Rs. 10,00,000 each	27 June 2025	-	-	-	1,500	-
1,000 7.40% Non-convertible debentures of Rs. 10,00,000 each	26 December 2025	-	-	-	1,000	-
15,000 7.25% Non-convertible debentures of Rs. 10,00,000 each	10 April 2024	-	15,000	-	-	-
6,500 7.25% Non-convertible debentures of Rs. 10,00,000 each	10 April 2025	-	-	6,500	-	-
5,000 7.25% Non-convertible debentures of Rs. 10,00,000 each	10 April 2026	-	-	-	5,000	-

#### (D) Term loan from bank

- The Indian rupee term loan from bank carries interest at the rate of 7.60% and 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 5 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.
- The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs

and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

- The Indian rupee term loan from bank carries interest at the rate of 7.40%, 7.45% p.a and 7.6% payable monthly. Loan amount installments shall be repayable as per the payment schedule at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

#### Financial covenants

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, Net Debt to AUM, Net Debt to EBITDA etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower periodically. For the financial year ended 31 March 2021, the Trust has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.



#### Note 14: Other financial liabilities

(Rs. in millions)

	31 March 2021	31 March 2020
<b>Other financial liabilities at amortised cost</b>		
Current maturities of long-term borrowings (refer note 13)	1,492.38	-
Interest accrued but not due on borrowings	823.65	88.74
Distribution payable	9.58	7.34
Payable towards project acquired#	1,752.08	1,897.00
Others*	120.36	97.25
<b>Total</b>	<b>4,198.05</b>	<b>2,090.33</b>

# Liability of Rs. 1,752.08 million (31 March 2020: Rs. 1,897.00 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 (31 March 2020: Nil), Jhajjar KT Transco Private Limited (31 March 2020: Nil), Parbati Koldam Transmission Company Limited (31 March 2020: Nil) and NER II Transmission Limited (31 March 2020 : Nil) pursuant to respective share purchase agreements.

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

#### Note 15: Other current liabilities

(Rs. in millions)

	31 March 2021	31 March 2020
Withholding taxes (TDS) payable	8.46	9.06
GST payable	1.50	-
<b>Total</b>	<b>9.96</b>	<b>9.06</b>

#### Note 16: Current tax liability (net)

(Rs. in millions)

	31 March 2021	31 March 2020
Current tax liability (net)	-	4.10
<b>Total</b>	<b>-</b>	<b>4.10</b>

#### Note 17: Deferred tax liability (net)

(Rs. in millions)

	31 March 2021	31 March 2020
Gross deferred tax liability (A)	-	-
Gross deferred tax asset (B)	-	-
<b>Net deferred tax liability (A-B)</b>	<b>-</b>	<b>-</b>

#### Reconciliation of deferred tax liability

(Rs. in millions)

	31 March 2021	31 March 2020
<b>Opening deferred tax liability, net</b>	<b>-</b>	<b>-</b>
Deferred tax credit / (charge) recorded in statement of profit and loss	-	-
Deferred tax (credit) / charge recorded in OCI	-	-
<b>Closing deferred tax liability, net</b>	<b>-</b>	<b>-</b>

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

	(Rs. in millions)	
	31 March 2021	31 March 2020
- Current tax	-	56.96
- Deferred tax	-	-
- Income tax for earlier years	(1.18)	-
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>(1.18)</b>	<b>56.96</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

	(Rs. in millions)	
	31 March 2021	31 March 2020
<b>Accounting profit before income tax</b>	10,723.74	4,965.16
At India's statutory income tax rate of 31.20% (31 March 2020: 42.74%)	3,345.81	2,122.11
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(3,346.99)	(2,065.15)
At the effective income tax rate	(1.18)	56.96
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(1.18)</b>	<b>56.96</b>

#### Note 18: Revenue from operations

	(Rs. in millions)	
	31 March 2021	31 March 2020
Interest income on loans given to subsidiaries (refer note 24)	11,863.88	9,950.51
Finance income on non-convertible debentures issued by subsidiary on EIR basis	624.43	603.59
<b>Total</b>	<b>12,488.31</b>	<b>10,554.10</b>

#### Note 19: Other expenses

	(Rs. in millions)	
	31 March 2021	31 March 2020
Investment management fees (refer note 24)	2.14	-
Rent	0.37	-
Rates and taxes	7.45	1.25
Insurance expenses	0.27	0.64
Vehicle hire charges	0.06	-
Interest on TDS	3.15	-
Earn out Expenses *	796.62	-
Miscellaneous expenses	17.88	6.61
<b>Total</b>	<b>827.94</b>	<b>8.50</b>

\*Earn out expense of INR 796.62 million for year ended 31 March 2021 (31 March 2020: Nil) 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 20: Finance Cost

	(Rs. in millions)	
	31 March 2021	31 March 2020
Financial liabilities measured at amortised cost	4,345.42	2,979.83
Other bank and finance charges	1.55	1.16
<b>Total</b>	<b>4,346.97</b>	<b>2,980.99</b>

## Note 21: Earnings per unit (EPU)

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

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

The following reflects in the profit and unit data used in the basic and diluted EPU computation

	31 March 2021	31 March 2020
Profit after tax for calculating basic and diluted EPU (Rs. in million)	10,724.92	4,908.20
Weighted average number of units in calculating basic and diluted EPU (No. in million)	583.49	554.01
<b>Earnings Per Unit</b>		
Basic and Diluted (Rupees/unit)	18.38	8.86

## Note 22: Significant accounting judgements, estimates and assumptions

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

### Judgements

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

#### (a) Classification of Unitholders' funds

Under the provisions of the InvIT Regulations, IndiGrid is required to distribute to unitholders not less than ninety percent of the net distributable cash flows of IndiGrid for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its unitholders cash distributions. The unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016) issued

under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20 October 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the distribution payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

### Estimates and assumptions

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

#### (a) Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (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

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techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager quarterly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

#### (b) Impairment of non-financial assets

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

The provision for impairment/(reversal) of impairment of investments in subsidiaries is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiaries has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies. Based on the valuation exercise so carried out, there is a net impairment reversal of Rs. 3,497.47 million for the year ended 31 March 2021 (year ended 31 March 2020: impairment provision of

Rs. 2,627.22 million) which is primarily on account of change in risk premium and other underlying assumptions.

The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 23A.

#### Note 23A: Fair value measurements

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 2021 and 31 March 2020 are as shown below:

#### Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Input for 31 March 2021	Input for 31 March 2020	Sensitivity of input to the fair value	Rs. in million	
				Increase/(decrease) in fair value	
				31 March 2021	31 March 2020
WACC	7.57% to 8.23%	8.44% to 9.09%	+ 0.5%	(11,336.00)	(4,769.00)
			- 0.5%	9,083.00	5,655.00
Tax rate (normal tax and MAT)	Normal Tax - 25.168%	Normal Tax - 25.168%	+ 2%	(410.22)	(1,277.63)
			- 2%	374.92	1,311.93
Inflation rate	Revenue: 5.00%	Revenue: 5.00%	+ 1%	(1,850.04)	(788.38)
	Expenses: 2.63% to 4.97%	Expenses: 2.72% to 4.56%	- 1%	1,495.56	529.45

The independent valuer has considered effect of COVID-19 on the significant unobservable inputs used in fair valuation as referred above.

**Note 23B: Fair value hierarchy**

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

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021 and 31 March 2020:**

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets for which fair values are disclosed:</b>				
Investment in subsidiaries (including loan to subsidiaries)	31 March 2021	-	-	1,84,778.16
	31 March 2020	-	-	98,365.09

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

**Note 24: Related party disclosures****I. List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures****(a) Name of related party and nature of its relationship:****Subsidiaries**

Indigrd Limited (formerly known as Sterlite Grid 1 Limited)  
 Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)  
 Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)  
 Bhopal Dhule Transmission Company Limited (BDTCL)  
 Jabalpur Transmission Company Limited (JTCL)  
 Maheshwaram Transmission Limited (MTL)  
 RAPP Transmission Company Limited (RTCL)  
 Purulia & Kharagpur Transmission Company Limited (PKTCL)  
 Patran Transmission Company Limited (PTCL)  
 NRSS XXIX Transmission Limited (NTL)  
 Odisha Generation Phase II Transmission Limited (OGPTL)  
 East-North Interconnection Company Limited (ENICL)  
 Gurgaon-Palwal Transmission Limited (GPTL) (from 28 August 2020)  
 Jhajjar KT Transco Private Limited (JKTPL) (from 28 September 2020)  
 Parbati Koldam Transmission Company Limited ('PrKTCL') (from 08 January 2021)  
 NER II Transmission Limited ("NER") (from 25 March 2021)

**(b) Other related parties under Ind AS-24 with whom transactions have taken place during the year****Entities with significant influence over the Trust**

Esoteric II Pte. Ltd (from May 04, 2019) - Sponsor w.e.f. 28 September 2020  
 Sterlite Power Grid Ventures Limited (SPGVL)<sup>^</sup> - Sponsor and Project manager of IndiGrid - upto 15 November 2020  
 Sterlite Power Transmission Limited (SPTL) - Sponsor and Project manager of IndiGrid - w.e.f. 15 November 2020  
 Sterlite Grid 4 Limited (SGL4) - Subsidiary of Sponsor

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

Sterlite Power Grid Ventures Limited (SPGVL)<sup>^</sup> - Sponsor and Project manager of IndiGrid (upto 15 November 2020)  
 Sterlite Power Transmission Limited (SPTL) - Sponsor and Project manager of IndiGrid (w.e.f. 15 November 2020)

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Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) - Investment manager of IndiGrid

Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

Esoteric II Pte. Ltd (from 04 May 2019) (EPL) - Sponsor w.e.f. 28 September 2020

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

Twin Star Overseas Limited - Promoter of SPTL

Sterlite Power Transmission Limited - Promoter of IIML\*

Electron IM Pte. Ltd. - Promoter of IIML \*

Axis Bank Limited - Promoter of ATSL

KKR Ingrid Co-Invest L.P.-Cayman Island - Promoter of EPL

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

**Directors of SPTL:**

Pravin Agarwal

Pratik Agarwal

A. R. Narayanaswamy

Arun Tadarwal Lalchand

Zhao Haixia

Avaantika Kakkar (till 02 February 2021)

Anoop Seth

**Directors of IIML:**

Pratik Agarwal

Tarun Kataria

Late Shashikant Bhojani (till 22 July 2020)

Rahul Asthana

Harsh Shah (CEO and Whole-time director)

Sanjay Omprakash Nayar (from 07 June 2019)

Ashok Sethi (from 20 October 2020)

Kuldip Kumar Kaura (till 07 June 2019)

**Key Managerial Personnel of IIML:**

Harsh Shah (CEO and Whole-time director)

Jyoti Kumar Agarwal (CFO wef 16 September 2020)

Swapnil Patil (Company Secretary)

**Directors of ATSL:**

Rajesh Kumar Dahiya

Sanjay Sinha

Ganesh Sankaran (from 18 April 2019)

Ram Bharoseylal Vaish (till 08 November 2019)

**Directors of Esoteric II Pte. Ltd.:**

Velasco Azonos Cecilio Francisco (from 19 February 2021)

Tang Jin Rong (from 19 February 2021)

Ngan Nim Ying (from 19 February 2021)

Wong Wai Kin (till 19 February 2021)

Terence Lee Chi Hur (till 19 February 2021)

Ooi Yi Jun (till 19 February 2021)

**Relative of directors mentioned above:**

Sonakshi Agarwal  
 Jyoti Agarwal  
 Sujata Asthana  
 Mala Tadarwal

**Firm in which director of sponsor is partner:**

Cyril Amarchand Mangaldas (till 02 February 2021)

\* 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 post which Electron IM Pte. Ltd. holds 60% of stake in IIML.

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

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

(Rs. in millions)

Particulars	Relation	2020-21	2019-20
<b>1. Unsecured loans given to subsidiaries</b>			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary	549.44	166.20
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	1,959.35	1,203.10
Maheshwaram Transmission Limited (MTL)	Subsidiary	162.04	-
RAPP Transmission Company Limited (RTCL)	Subsidiary	282.34	-
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary	535.08	-
Patran Transmission Company Limited (PTCL)	Subsidiary	676.40	-
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	19,140.97	29,483.42
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary	151.31	6,143.52
East-North Interconnection Company Limited (ENICL)	Subsidiary	12,033.25	-
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary	901.10	-
Jhajjar KT Transco Private Limited (JKTPL)	Subsidiary	1,793.67	-
NER II Transmission Limited (NER)	Subsidiary	27,305.57	-
Indigrid Limited (IGL)	Subsidiary	341.11	-
Indigrid 1 Limited (IGL1)	Subsidiary	31.22	1,089.93
Indigrid 2 Limited (IGL2)	Subsidiary	6.19	-
<b>2. Repayment of loan from subsidiaries</b>			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary	954.78	90.11
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	700.00	109.19
Maheshwaram Transmission Limited (MTL)	Subsidiary	41.46	-
RAPP Transmission Company Limited (RTCL)	Subsidiary	349.67	131.17
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary	629.62	126.25
Patran Transmission Company Limited (PTCL)	Subsidiary	497.53	33.71
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	19,290.56	3,778.81
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary	421.32	144.13
East-North Interconnection Company Limited (ENICL)	Subsidiary	3,551.90	26.39
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary	402.17	-
Jhajjar KT Transco Private Limited (JKTPL)	Subsidiary	73.37	-
Indigrid Limited (IGL)	Subsidiary	-	252.80
Indigrid 2 Limited (IGL2)	Subsidiary	0.20	2,059.72

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(Rs. in millions)			
Particulars	Relation	2020-21	2019-20
<b>3. Interest income from subsidiaries</b>			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary	1,321.63	1,305.15
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	2,729.80	2,541.68
Maheshwaram Transmission Limited (MTL)	Subsidiary	581.70	568.58
RAPP Transmission Company Limited (RTCL)	Subsidiary	334.02	345.17
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary	583.68	592.69
Patran Transmission Company Limited (PTCL)	Subsidiary	258.78	236.71
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	4,099.21	3,484.61
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary	905.67	621.56
East-North Interconnection Company Limited (ENICL)	Subsidiary	310.10	-
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary	252.70	-
Jhajjar KT Transco Private Limited (JKTPL)	Subsidiary	133.13	-
NER II Transmission Limited (NER)	Subsidiary	78.55	-
Indigrid Limited (IGL)	Subsidiary	13.81	17.45
Indigrid 1 Limited (IGL1)	Subsidiary	171.54	127.71
Indigrid 2 Limited (IGL2)	Subsidiary	89.55	109.20
<b>4. Conversion of subsidiary loan and interest outstanding to equity</b>			
Indigrid 1 Limited	Subsidiary	1,377.97	-
<b>5. Purchase of equity shares of Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	37.13	12,626.66
<b>6. Purchase of equity shares of Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	518.31
<b>7. Purchase of loan to Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	2,289.49
<b>8. Purchase of equity shares of ENICL</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	6.17	1,259.46
Sterlite Power Transmission Limited	Promoter of project manager	-	29.09
<b>9. Purchase of loan to ENICL</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	587.00
<b>10. Purchase of equity shares of GPTL</b>			
Sterlite Grid 4 Limited	Susidiary of Sponsor/Entity with significant influence	906.36	-



(Rs. in millions)

Particulars	Relation	2020-21	2019-20
<b>11. Purchase of loan to GPTL</b>			
Sterlite Grid 4 Limited	Susidiary of Sponsor/Entity with significant influence	2,252.28	-
<b>12. Purchase of equity shares of NER</b>			
Sterlite Grid 4 Limited	Susidiary of Sponsor/Entity with significant influence	14,090.65	-
<b>13. Received towards indemnification of liabilities</b>			
Sterlite Power Transmission Limited	Sponsor and Project Manager/ Entity with significant influence	15.36	18.66
<b>14. Earn Out Expenses</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	796.62	-
<b>15. Issue of unit capital</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	11,412.04
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	-	2,300.13
<b>16. Distribution to unit holders</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager	537.73	968.32
Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited)	Investment manager of IndiGrid	2.08	-
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	1,646.03	1,203.85
Pravin Agarwal	Director of Sponsor	-	3.06
Pratik Agarwal	Director of Sponsor and Investment Manager	2.39	4.41
Harsh Shah	Whole-time director of Investment Manager	0.12	0.12
Swapnil Patil	Company Secretary of Investment Manager	0.03	-
Sonakshi Agarwal	Relative of director	0.19	0.18
Jyoti Agarwal	Relative of director	0.25	0.24
Sujata Asthana	Relative of director	1.01	0.67
Arun Todarwal	Director of Sponsor	0.08	0.06
A. R. Narayanaswamy	Director of Sponsor	0.19	0.15
Mala Todarwal	Relative of director	0.06	-
<b>17. Trustee fee</b>			
Axis Trustee Services Limited (ATSL)	Trustee	3.01	2.36
<b>18. Legal and professional services taken</b>			
Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	10.88	26.62

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

Particulars	(Rs. in millions)	
	31 March 2021	31 March 2020
Unsecured loan receivable from subsidiaries	1,11,361.96	71,274.41
Interest receivable from subsidiaries	518.30	281.64
Non-Convertible Debentures of subsidiary (including accrued interest on EIR)	6,448.33	5,823.90
Investment in equity shares of subsidiary (excluding provision for impairment)	38,133.72	17,098.27
Optionally convertible redeemable preference shares	1,001.96	1,001.96
Payable towards project acquired	1,704.94	1,897.00
Payable towards legal and professional services	-	5.18

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 2021:

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

Particulars	(Rs. in million)	
	NER	GPTL
Enterprise value	51,175	11,638
<b>Method of valuation</b>	<b>Discounted Cash Flow</b>	
Discounting rate (WACC):	7.40%	7.96%

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

**Acquisition of Gurgaon Palwal Transmission Limited (GPTL):**

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

**Under the Agreements, the Trust has the following rights:**

- Right to nominate the majority of the directors on the Board of Directors of GPTL.
- The Selling Shareholders are required to vote according in AGM/EGM or any other meeting of shareholders of GPTL in a manner favourable for the interests of IndiaGrid Trust.
- Irrevocable and unconditional right to acquire the remaining 51% of the equity stake of GPTL at a

later date (on expiry of the respective mandatory shareholding period).

- Pledge on the remaining 51% equity stake in GPTL, of which 2% is pledged to lenders of GPTL.
- Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in GPTL.

The acquisition of equity shares of GPTL was financed by money raised through Qualified Institutional Placement (QIP) of 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, Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited) and NER II Transmission Limited ("NER") for acquisition of equity stake in NER, Indigrd has acquired 49% of paid up equity capital of NER with effect from 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.

**For the year ended 31 March 2020:**

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

Particulars	(Rs. in million)		
	NTL	OGPTL	ENICL
Enterprise value	41,626	12,840	11,355
<b>Method of valuation</b>	<b>Discounted Cash Flow</b>		
Discounting rate (WACC):	8.12%	8.42%	8.77%

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

**Acquisition of NRSS XXIX Transmission Limited (NTL) (through acquisition of Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)):**

Pursuant to the share purchase agreements dated April 30, 2019 (“SPA”) executed among Sterlite Power Grid Ventures Limited\*, Axis Trustee Services Limited, Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited), Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited) and NRSS XXIX Transmission Limited for acquisition of equity stake in NTL. The Trust has acquired 100% of equity in Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited) which is the holding company of NTL.

The acquisition of NRSS ((through acquisition of equity shares of Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)) and 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 Odisha Generation Phase-II Transmission Limited (OGPTL) (through acquisition of Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)):**

Pursuant to the share purchase agreements dated April 30, 2019 as amended on June 28, 2019 (“SPA”) executed among Sterlite Power Grid Ventures Limited\*, Axis Trustee Services Limited, Indigrd Investment Managers Limited (formerly Sterlite Investment Managers Limited), Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited) and Odisha Generation Phase-II Transmission Limited for acquisition of equity stake in OGPTL. The Trust has acquired 100% of equity in Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited) which is the holding company of OGPTL.

The acquisition of OGPTL ((through acquisition of shares of Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)) and 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.

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#### Acquisition of East-North Interconnection Company Limited (ENICL) :

Pursuant to the share purchase agreements dated March 23, 2020 (“SPA”) executed among Sterlite Power Grid Ventures Limited\*, Axis Trustee Services Limited, Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited), Sterlite Power Transmission Limited and East-North Interconnection Limited (‘ENICL’) for acquisition of equity stake in ENICL. The Trust acquired 49% of paid up equity capital of ENICL with effect from March 24, 2020 and acquired remaining 51% equity stake in ENICL on May 26, 2020.

The acquisition of equity shares of ENICL 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.

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

#### Note 25: 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’).
- (b) The Trust has entered into a Share Purchase agreement on 18 December 2020 with FRV Solar Holdings XI BV (‘FRV’) for acquisition of 100% equity share capital of FRV Andhra Pradesh Solar Farm-I Pvt Ltd (‘FRVAPL’) and FRV India Solar Park II-Pvt Ltd (‘FRVIPL’).

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

#### Note 26: Contingent liability

The Trust has no contingent liability to be reported.

#### Note 27: Segment reporting

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

#### Note 28: Financial risk management objectives and policies

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

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

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

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

#### (A) Market risk

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

##### Interest rate risk

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

##### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because

of changes in foreign exchange rates. The Trust did not have any exposure in foreign currency as at 31 March 2021 and 31 March 2020.

#### Equity price risk

The Trust's investments in equity shares of subsidiaries are susceptible to market price risk arising from uncertainties about future values of those investments. Reports on the equity portfolio are submitted to the senior management on a regular basis. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions.

At the reporting date, the exposure to equity investments in subsidiary at carrying value was Rs. 37,193.07 million (31 March 2020: Rs. 15,169.05 million). Sensitivity analyses of significant unobservable inputs used in the fair value measurement are disclosed in Note 23A.

#### (B) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer

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

Rs. in million

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2021</b>						
Borrowings	-	-	-	4,844.55	99,172.72	1,04,017.27
Other financial liabilities (excluding derivative instruments)	-	944.01	3,254.04	-	-	4,198.05
<b>Total</b>	<b>-</b>	<b>944.01</b>	<b>3,254.04</b>	<b>4,844.55</b>	<b>99,172.72</b>	<b>1,08,215.32</b>
<b>31 March 2020</b>						
Borrowings	-	-	-	22,682.16	16,800.05	39,482.21
Other financial liabilities (excluding derivative instruments)	-	193.33	1,897.00	-	-	2,090.33
<b>Total</b>	<b>-</b>	<b>193.33</b>	<b>1,897.00</b>	<b>22,682.16</b>	<b>16,800.05</b>	<b>41,572.54</b>

contract, leading to a financial loss. The Trust is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at 31 March 2021 and 31 March 2020, the credit risk is considered low since substantial transactions of the Trust are with its subsidiaries.

#### (C) Liquidity risk

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

## INDIA GRID TRUST

# NOTES TO STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Note 29: Capital management

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

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

	Rs. in million	
	31 March 2021	31 March 2020
Borrowings*	104,017.27	39,482.21
Trade payables	-	-
Other financial liabilities	4,198.05	2,090.33
Less: Cash and cash equivalents, other bank balances and short term investments	(14,194.58)	(2,927.73)
<b>Net debt (A)</b>	<b>94,020.74</b>	<b>38,644.81</b>
Unit capital	53,145.69	53,145.69
Other equity	1,951.03	(1,713.72)
<b>Total capital (B)</b>	<b>55,096.72</b>	<b>51,431.97</b>
<b>Capital and net debt ((C) = (A) + (B))</b>	<b>1,49,117.46</b>	<b>90,076.78</b>
Gearing ratio (C)/(A)	0.63	0.43

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

#### Note 30: Subsequent event

- On 27 May 2021, the Board of directors of the Investment Manager approved a distribution of Rs. 3.10 per unit for the period 1 January 2021 to 31 March 2021 to be paid on or before 15 days from the date of declaration.
- The Trust has 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.
- The Trust has filed a Draft Shelf Prospectus ("DSP") on 08 April 2021 for the public issue by the India Grid Trust (the "Trust") of secured, rated, listed, redeemable non-convertible debt securities of face value of Rs. 1,000 each ("NCDs") for an amount aggregating upto Rs. 1,000 crore (the "Shelf Limit"). The issue is being made pursuant to the provisions of the "Guidelines for Issuance of Debt Securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)" dated 13 April 2018 issued by the Securities and Exchange Board of India read with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, together with

any amendments, circulars and guidelines issued thereunder (the “SEBI ILDS Regulations”) and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, together with any amendments, circulars and guidelines issued thereunder (the “InvIT Regulations”). The issue opened on 28 April 2021 and closed on 30 April 2021.

**Note 31: Impact of COVID-19**

During the year, the outbreak of the coronavirus disease of 2019 (‘COVID-19’) spread throughout the world and became a global pandemic. The pandemic triggered a significant downturn globally, including in India. The pandemic curve in India was declining towards the end of 2020 but has resurged again from March 2021.

The management has evaluated the impact of COVID 19 pandemic on the Trust. The Trust receives income mainly in the form of interest income on loans given to subsidiaries which are engaged in the construction and operation & maintenance of power transmission lines in construction and operation &

maintenance of power transmission lines and substations (‘power transmission infrastructure’) are governed by Section 63 of The Electricity Act 2003 where in as per the transmission Service Agreements (‘TSAs’) tariff revenue is accrued based on availability of power transmission infrastructure. Further, the Government of India has declared power transmission as an essential service therefore the subsidiaries is able to ensure availability of power transmission infrastructure and carry out maintenance activities during the lock down period.

The management believes that as the tariff revenues are linked to availability, irrespective of the quantum of power transmitted through the power transmission infrastructure and considering the Point of Connection (‘PoC’) mechanism the risk of non-collection of transmission charges receivables as of 31 March 2021 is minimum. Further, 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. 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 these standalone financial statements.

As per our report of even date

For **SRBC & COLLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

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

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

**Swapnil Patil**  
Company Secretary  
Membership Number : 24861

**Jyoti Kumar Agarwal**  
Chief Financial Officer

Place : Pune  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

Place : Mumbai  
Date : 27 May 2021

## GLOSSARY

ACM	Audit Committee Meeting
AGM	Annual General Meeting
ALM	Allotment Committee Meeting
ATSL	Axis Trustee Services Limited
ATV	All-Terrain Vehicle
AUM	Asset Under Management
Availability	The percentage amount of time for which the asset is available for power flow
BDTCL	Bhopal Dhule Transmission Company Limited
BM	Board Meeting
BOOM	Build Own Operate & Maintain
BOT	Build, Operate and Transfer
Board	Board of Directors of IIML
BRICS	Brazil Russia India China & South Africa
Bn	Billion
BSE	BSE Limited
BU	Billion Units
CAGR	Compounded Annual Growth Rate
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CFA	Chartered Financial Analyst
C.G.	Chhattisgarh
CIA	Central Intelligence Agency
CIN	Corporate Identification Number
cKms	circuit kilometers
COD/CoD	Commercial Operation Date
CTU	Central Transmission Utility
CY	Calendar Year
D/C	Double Circuit
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
DII	Domestic Institutional Investor
DIN	Director Identification Number
Discom	Distribution Company
DPU	Distribution Per Unit
DRHP	Draft Red Herring Prospectus
DSRA	Debt Service Reserve Account
EBITDA	Earnings before interest, taxes, depreciation and amortization
ECB	External Commercial Borrowing
EGM	Extraordinary General Meeting
EHS/HSE	Environment Health & Safety
EV	Enterprise Value
EHV	Extra High Voltage



EMDEs	Emerging Markets & Development Economies
ENICL	East North Interconnection Company Limited
EPC	Engineering Procurement & Construction
EPM	Environmental Protection Measures
Esoteric	Esoteric II Pte. Ltd (an affiliate of KKR & Co. Inc)
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce & Industry
FII	Foreign Institutional Investor
FRV/ FRV Solar Assets	FRV 1 and FRV 2
FRV 1	FRV Andhra Pradesh Solar Farm-I Private Limited
FRV 2	FRV India Solar Park-II Private Limited
F/W	Forward
FY	Financial Year
FYP	Five Year Plan
GIS	Gas Insulated Substation
GTTPL	Goa Tamnar Transmission Project Limited
Gol	Government of India
GPTL	Gurgaon Palwal Transmission Limited
G-Sec	Government securities
GST	Goods & Services Tax
GW	Giga Watt
HVDC	High Voltage Direct Current
IAS	Indian Administrative Service
IBEF	India Brand Equity Foundation
ICDR	Issue of Capital & Disclosure Requirements
ICM	Investment Committee Meeting
ICT	Information and Communication Technologies
IDC	Interest During Construction
IGL	IndiGrid Limited (Erstwhile SGL-1)
IGL 1	IndiGrid 1 Limited (Erstwhile SGL-2)
IGL 2	IndiGrid 2 Limited (Erstwhile SGL-3)
Investment Manager	IIML
IIML	IndiGrid Investment Managers Limited (erstwhile Sterlite Investment Managers Limited)
IMF	International Monetary Fund
IMS	Integrated Management System
IRDAI	Insurance Regulatory and Development Authority
IndiGrid/IGT	India Grid Trust
INR	Indian National Rupee
InvIT	Infrastructure Investment Trust
IPAs	Initial Portfolio Assets i.e. BDTCL and JTCL
IPDS	Integrated Power Development Scheme
IPO	Initial Public Offering
IPTC	Independent Private Transmission Company
IRR	Internal rate of return
ISTS	Inter State Transmission System
J-B line	Jabalpur Bina line (an element of JTCL)
J-D line	Jabalpur Dharamjaygarh line (an element of JTCL)

JKTPL	Jhajjar KT Transco Private Limited
JTCL	Jabalpur Transmission Company Limited
KKR	KKR & Co. Inc. together with its subsidiaries
KTL	Khargone Transmission Limited
kV	kilo Volt
kWh	kilo Watt hour
LiDAR	Light Detection and Ranging, a surveying method that measures distance to a target by illuminating the target with pulsed laser light
LILO	Loop-In-Loop-Out
LTTC	Long Term Transmission Customer
MAT	Minimum Alternate Tax
MF	Mutual Fund
MMRDA	Mumbai Metropolitan Region Development Authority
Mn	Million
MP	Madhya Pradesh
MPPTCL	Madhya Pradesh Power Transmission Company Limited
MSETCL	Maharashtra State Electricity Transmission Company Limited
MTL	Maheshwaram Transmission Limited
MTM	Mark to Market
MVA	Mega Volt Ampere
MW	Mega Watt
MWp	Megawatts-peak
NAV	Net Asset Value
NBFC	Non Banking Financial Company
NCDs	Non Convertible Debentures
NCLT	National Company Law Tribunal
NDCF	Net Distributable Cash flow (is the net cash flow that the trust has at its disposal for distribution to IndiGrid during a particular period in accordance with the formula defined in the Offer Document)
NER-II /NER	North Eastern Region - II NRSS Northern Region System Strengthening
NRC	Nomination & Remuneration Committee
NSE	National Stock Exchange of India Limited
NTL	NRSS XXIX Transmission Limited
O&M	Operation & Maintenance
Offer Document	Final offer document of India Grid Trust units, filed with SEBI on May 15, 2017 OFTO Offshore Transmission Owner
OGPTL	Odisha Generation Phase II Transmission Limited
PAT	Profit After Tax
PGCIL	Power Grid Corporation of India Limited
PIMA	Project Implementation and Management Agreement
PKTCL	Purulia & Kharagpur Transmission Company Limited
PoC	Point of Connection
PPA	Power Purchase Agreement
PPE	Personal Protective Equipment
PrKTCL	Parbati Koldam Transmission Company Limited
QHSE	Quality, Health, Safety, Environment
RBI	Reserve Bank of India
REC	Rural Electrification Corporation
REL INFRA	Reliance Infrastructure Limited

ROCE	Return on Capital Employed
ROE	Return on Equity
ROFO	Right of First Offer
ROW	Right of Way
RTA	Registrar and Share Transfer Agent
RTCL	RAPP Transmission Company Limited
S/C	Single Circuit
SCADA	Supervisory Control and Data Acquisition
SCOD/Scheduled COD	Scheduled Commercial Operation Date defined as per Schedule 3 of TSA
SEBI	Securities & Exchange Board of India
SECI	Solar Energy Corporation of India
SGL-1	Sterlite Grid 1 Limited (renamed to IGL)
SGL-2	Sterlite Grid 2 Limited (renamed to IGL-1)
SGL-3	Sterlite Grid 3 Limited (renamed to IGL-2)
SGL-4	Sterlite Grid 4 Limited
SGL-5	Sterlite Grid 5 Limited
SIML	Sterlite Investment Managers Limited (renamed to IndiGrid Investment Managers Limited)
SOP	Standard Operating Procedure
SPGVL	Sterlite Power Grid Ventures Limited (merged into SPTL)
SPTL	Sterlite Power Transmission Limited
SPV	Special Purpose Vehicle
Sponsor	Esoteric & SPTL
SRC	Stakeholder Relationship Committee
STL	Sterlite Technologies Limited
Tariff	Composed of non-escalable, escalable and incentive component. The incentive component is based on the availability of the asset = $2 * (\text{Average Annual Availability} - 98\%) * (\text{Non-Escalable and Escalable Tariff})$
T&D	Transmission & Distribution
TBCB	Tariff Based Competitive Bidding
TDS	Tax Deducted at Source
TEECL	Techno Electric & Engineering Co. Ltd.
TERI	The Energy and Resources Institute
TPGCL	Techno Power Grid Company Limited
TSA	Transmission Services Agreement
TSTRANSCO	Transmission Corporation of Telangana Limited
UAV	Unmanned Aerial Vehicle
UDAY	Ujwal DISCOM Assurance Yojana
UJALA	Unnat Jyoti by Affordable LEDs and Appliances for All
UP	Uttar Pradesh
UPSI	Unpublished Price Sensitive Information
US/USA	United States of America
US\$/USD	US Dollar
VAT	Value-Added Tax
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
YoY	Year on Year
YTD	Year Till Date

## Disclaimer

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# CORPORATE INFORMATION

This information is as on March 31, 2021

## Board of Directors

**Mr. Tarun Kataria** - Independent Director  
**Mr. Rahul Asthana** - Independent Director  
**Mr. Ashok Sethi** - Independent Director  
**Mr. Sanjay Nayar** - Non-Executive Director  
**Mr. Pratik Agarwal** - Non-Executive Director  
**Mr. Harsh Shah** - Chief Executive Officer & Whole-time Director

## Management Team

**Mr. Harsh Shah** - Chief Executive Officer  
**Mr. Jyoti Kumar Agarwal** - Chief Financial Officer  
**Ms. Meghana Pandit** - Chief Investment Officer  
**Mr. Satish Talmale** - Chief Operating Officer  
**Mr. Bigyan Parija** - Chief Design Officer  
**Ms. Divya Bedi Verma** - Deputy CFO  
**Mr. Swapnil Patil** - Company Secretary & Compliance Officer  
**Mr. Kundan Kishore** - Head – Human Resources

## Investment Committee

**Mr. Tarun Kataria** - Chairperson  
**Mr. Rahul Asthana** - Member  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Audit Committee

**Mr. Tarun Kataria** - Chairperson  
**Mr. Rahul Asthana** - Member  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Stakeholders' Relationship Committee

**Mr. Rahul Asthana** - Chairperson  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Nomination and Remuneration Committee

**Mr. Rahul Asthana** - Chairperson  
**Mr. Tarun Kataria** - Member  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Allotment Committee

**Mr. Rahul Asthana** - Chairperson  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member  
**Mr. Harsh Shah** - Member

## Risk Management Committee

**Mr. Rahul Asthana** - Chairperson  
**Mr. Tarun Kataria** - Member  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Bidding Committee

**Mr. Tarun Kataria** - Chairperson  
**Mr. Rahul Asthana** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Harsh Shah** - Member

## Registered Office of Investment Manager

### IndiGrid Investment Managers Limited

Unit No. 101, First Floor, Windsor, Village KoleKalyan,  
off CST Road, Vidyanagari Marg, Kalina, Santacruz (East),  
Mumbai – 400 098, Maharashtra, India  
Tel: +91 70284 93885  
CIN: U28113MH2010PLC308857

## Principal Place of Business

### India Grid Trust

Unit No. 101, First Floor, Windsor, Village KoleKalyan,  
off CST Road, Vidyanagari Marg, Kalina, Santacruz (East),  
Mumbai – 400 098, Maharashtra, India  
Tel: +91 70284 93885  
E-mail: [complianceofficer@indigrid.co.in](mailto:complianceofficer@indigrid.co.in)  
Website: <http://www.indigrid.co.in>  
Tel: +91 70284 93885

## Registrar and Transfer Agent

### KFIN Technologies Private Limited (Unit: India Grid Trust)

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032  
E-mail: [support.indiagrid@kfintech.com](mailto:support.indiagrid@kfintech.com)  
Tel: +91 40 3321 5205

## Investor Relations

### Ms. Meghana Pandit

E-mail Id: [investor.relations@indigrid.co.in](mailto:investor.relations@indigrid.co.in)

## Valuer

### Mr. S Sundararaman

5B, "A" Block, 5th Floor, Mena Kampala Arcade, New #18 & 20,  
Thiagaraya Road, T.Nagar, Chennai – 600 017

## Auditor

### S R B C & Co LLP

C Wing, Ground Floor, Panchshil Tech Park  
(Near Don Bosco School), Pune - 411 006, Maharashtra, India

## List of Bankers

### IndusInd Bank

### Federal Bank

### Axis Bank

### Union Bank of India

### ICICI Bank

### Bank of Maharashtra

### HDFC Bank Limited

### IIFCL UK

### Kotak Mahindra Bank Limited

### NIIF Infrastructure finance limited

### IDFC First Bank Limited





## India Grid Trust

Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India

Compliance Officer: Mr. Swapnil Patil

<http://www.indigrid.co.in>