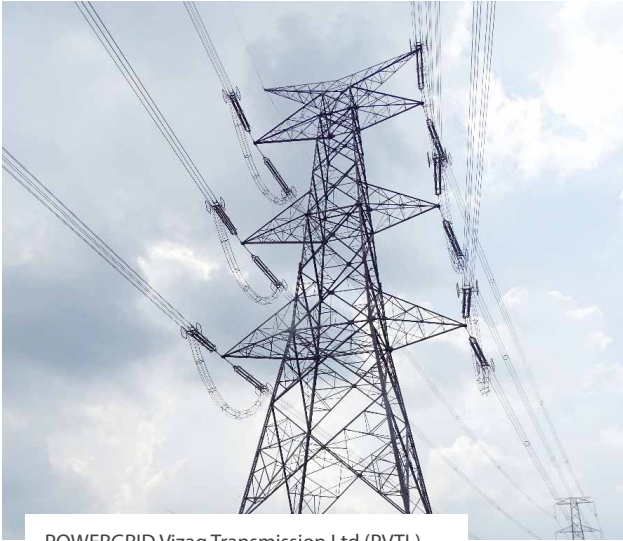


THE POWER OF

Assets Assurance Advantage

PGInvIT Assets



POWERGRID Vizag Transmission Ltd (PVTL)



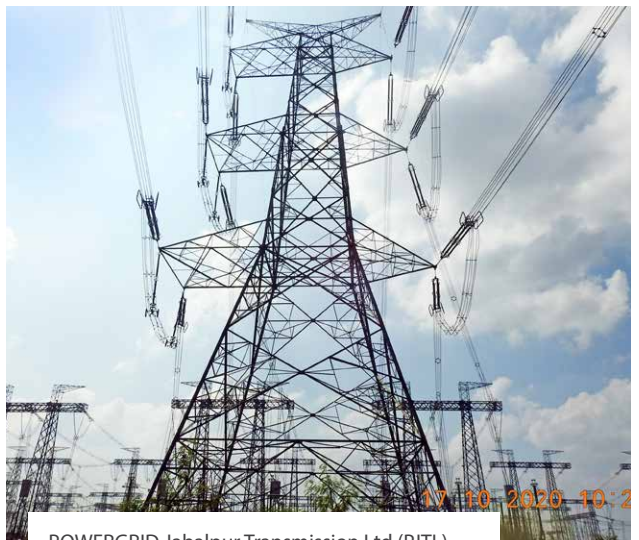
POWERGRID Kala Amb Transmission Ltd (PKATL)



POWERGRID Warora Transmission Ltd (PWTL)



POWERGRID Parli Transmission Ltd (PPTL)



POWERGRID Jabalpur Transmission Ltd (PJTL)

Contents

02-40

CORPORATE OVERVIEW

- 02 PGIInvIT
The POWER of AAA
- 04 Message from the Sponsor

Introduction

- 06 Chairman's Message
to the Unitholders
- 07 PGIInvIT – India's First Infrastructure
Investment Trust sponsored by
a Maharatna CPSE
- 08 PGIInvIT IPO – Largest
by an InvIT in India
- 09 Our Journey, ...so far
- 10 Delivering on Commitments to
our Unitholders

About Us

- 13 About PGIInvIT
- 15 Our Trusted and
Experienced Stakeholders
- 18 Well-Positioned to Grow
Sustainably in the Long Term

Our Assets and their Performance

- 21 Overview of Initial Portfolio Assets

Performance During the Period

- 28 CEO's Review
- 29 Delivering a Strong Performance

Sustainable Growth Strategies

- 31 Our Business Strategies to
Deliver on our Vision
- 32 Positioned to Capitalise on
Sponsor's Asset Monetisation

Environmental, Social and Governance (ESG) Report

- 36 Environmental
- 37 Social
- 38 Governance

- 39 Our Board of Directors
- 40 Key Personnel

41-59

STATUTORY REPORTS

- 41 Management, Discussion and
Analysis (MD&A)
- 46 Mandatory Disclosures
- 50 Report on Corporate Governance

60-147

FINANCIAL STATEMENTS

- 60 Standalone Financials
- 94 Consolidated Financials

India's power and power transmission sector are set to witness accelerated growth in the coming years. Fast growing Indian economy, rapid urbanisation, increasing energy access; and initiatives by the Government of India (GoI) towards clean energy transition; reforms in transmission planning; cross-border interconnections and improving financial health of distribution sector are fuelling the growth. The National Monetisation Pipeline (NMP), formulated by the GoI with a target to monetise ₹ 6 trillion of brownfield revenue earning operational infrastructure assets across different sectors, including power transmission, during FY2022 to FY2025 is aimed at kickstarting the vital investment cycle.

POWERGRID Infrastructure Investment Trust (PGInvIT) Initial Public Offer in 2021 was a landmark transaction through which five transmission assets of POWERGRID were monetised. Set up by Power Grid Corporation of India Limited, a Maharatna CPSE and India's largest transmission player, PGInvIT is India's first InvT by a CPSE/Government entity. In spite of it being launched at the peak of the difficult second wave of the pandemic, the PGInvIT IPO was a resounding success, winning global accolades.

We endeavour to own, construct, operate, maintain and invest as an InvT in power projects and power transmission assets in India. Our initial portfolio comprises fully operational and revenue-generating assets housed in five SPVs, with a sound operational track record and high availability.

The regulatory framework under which our assets operate provide assurance for long-term visibility, consistency and stability in their cash flows. The experience and expertise of POWERGRID in operating and maintaining transmission systems, and its large pipeline of TBCB assets with a yearly monetisation target under NMP provides us a significant competitive advantage.

Our business strategies, structured around a robust business model, value accretive growth and an efficient capital structure are underpinned by the backing of our experienced stakeholders as well as a strong balance sheet position with high cash flows and low leverage. This positions us attractively for acquiring new assets without substantial dilution to unitholders' interests.

We are well-placed to deliver consistent, stable and visible returns to our unitholders riding on the power of AAA - Assets, Assurance and Advantage.



PGInvIT

The POWER of AAA



ASSETS

5 fully operational and revenue-generating Inter-State Transmission System (ISTS) assets having sound operational track record with high availability



ASSURANCE

Assets implemented under Tariff-Based Competitive Bidding (TBCB) mechanism on Build-Own-Operate-Maintain (BOOM) basis, with 35-year contract period and minimal risk of regulatory reset of transmission charges

Backing of India's largest transmission utility as Sponsor and Project Manager



ADVANTAGE

Availability-based tariff pursuant to long-term Transmission Service Agreement (TSAs) ensuring high cash flow visibility

Large pool of Sponsor's TBCB assets and debt funded acquisition strategy

Consistent, Stable and Visible Returns

Message from the Sponsor

Dear Unitholders,

I am immensely pleased to connect with you after the successful completion of first financial year of PGINVIT, sponsored by POWERGRID, a Maharatna CPSE.



PGInvIT is the first InvIT sponsored by a government entity in India and we are proud to have been a part of this enriching journey of creating value for all our stakeholders.

In furtherance to its commitment to pursue asset monetisation and asset recycling for investment led growth, Government of India has formulated the National Monetisation Pipeline which includes monetisation of ₹ 45,200 crore of transmission assets of POWERGRID by 2025. POWERGRID, through PGINVIT, has led from the front in contributing to this initiative of the government and is committed to meet its targets in the coming years as well.

I take this opportunity to thank all the investors in PGINVIT for their confidence in brand 'POWERGRID'.

As the Sponsor and Project Manager, you have our assurance to be fully behind the PGINVIT for creating value for investors and we look forward to your continued support in building a prosperous and sustainable India.

Sincerely yours,

K. Sreekant

Chairman & Managing Director

Power Grid Corporation of India Limited



Introduction

**Chairman's Message to
Unitholders**

Page 6

**PGInvIT – India's First
Infrastructure Investment
Trust sponsored by a
Maharatna CPSE**

Page 7

**PGInvIT IPO – Largest
by an InvIT in India**

Page 8

Our Journey, ...so far

Page 9

**Delivering on Commitments
to our Unitholders**

Page 10

Chairman's Message to the Unitholders

Our Valued Unitholders,

At the outset, I extend my best wishes to you and hope you are safe!

It is my first interaction with you and it is my pleasure to present to you, the first annual report of PGINvIT, India's first InvIT by a Government entity.

FY 2021-22 has been an exciting first year for PGINvIT. Starting from executing India's largest InvIT IPO by a Govt. entity, which received overwhelming response from investors to operating assets efficiently and making distributions as committed, we have commenced our journey on the path of providing consistent, stable and visible returns to our unitholders.

Performance Powered by AAA

The completion of first year also reinforces our belief and optimism in our unique value proposition of AAA – Assets, Assurance and Advantage.

The five TBCB Assets housed under five Special Purpose Vehicles that we own are fully operational and revenue generating and have consistently exhibited sound operational track record. The Assurance comes in the form of Fixed tariffs for 35 years period without regulatory risk and the backing of an experienced, world-class Sponsor and Project Manager, POWERGRID. I am sure with their expertise in operating and managing power transmission assets, the InvIT assets will continue to achieve high availability. Besides, Sponsor's large pool of transmission assets and monetisation targets under National Monetisation Pipeline backed by our low leverage provides us a distinct Advantage. In addition, the Availability-based tariffs and incentives provide additional Advantage to PGINvIT ensuring stability.

Delivering on Commitments

PGInvIT aims to deliver returns to its unitholders through operational efficiency and a growth strategy that is value accretive. In this direction, I am happy that in the first year, PGINvIT has been able to achieve both.

Riding on excellent operational performance, despite a challenging environment due to COVID-19 pandemic, the Trust declared three consecutive distributions aggregating ₹10.5 per unit for the year and made two acquisitions, funded largely through debt raised at very competitive rates.

We are happy to note that the investors' confidence in PGINvIT continues post-IPO also. We look forward to our investors' continued support.

Way Forward

We remain focussed on capitalising on our strengths and on the opportunities emerging from Govt's monetisation thrust and yearly monetisation targets for our Sponsor to create value for our investors and to deliver on our growth strategy.



We envisage acquisition of residual 26% equity stake of our Sponsor in PKATL, after July 2022 in accordance with the transmission service agreements. We are looking forward to Sponsor's monetisation programme for the year 2022-23 while simultaneously scouting for opportunities outside of POWERGRID.

Thanks

We thank Govt for creating an enabling environment for emergence of infrastructure investment trusts as a unique financial instrument, which can provide stable returns to investors over the long term. With their ability to channelise long-term global financial capital, InvITs can support investment cycle in the country. We would also like to thank SEBI and other govt. agencies like the IRDAI, PFRDA for their policy decisions which would go a long way in increasing the liquidity and providing access to long tenure debt. These bode well for the progress of the nation while providing an avenue for all types of investors seeking predictable returns.

Our first Chairman, Smt. Seema Gupta demitted the office on May 31, 2022 upon her superannuation from POWERGRID. We would like to place on record our deep appreciation and gratitude for her invaluable contribution and guidance during both pre and post IPO period of PGINvIT. We would also like to express our gratitude to Mr. M. N. Venkatesan and Mr. Sunil Kumar Sharma, whose tenure as Independent Directors ended during the year. Their experience, knowledge, guidance and support, despite the pandemic, played a key role especially during our initial public offer.

I look forward to working with my colleagues on the Board and the management team at PGINvIT to keep working towards making PGINvIT a rewarding investment for our investors.

Thank you for being a part of PGINvIT story.

Yours Sincerely,

Abhay Choudhary
Chairman

PGInvIT - India's First Infrastructure Investment Trust sponsored by a Maharatna CPSE

PGInvIT is India's first Infrastructure Investment Trust sponsored by a Government entity in India. Our Sponsor, POWERGRID is a Maharatna CPSE, under Ministry of Power, GoI.

We engage in owning, constructing, operating, maintaining and investing as an InvIT in India's high potential power and power transmission assets.

Backed by our strong financial profile, support of our Sponsor and an enabling regulatory framework for power transmission in the country, we are well-positioned to take advantage of the long-term growth opportunities of India's power transmission sector and the GoI's monetisation pipeline.

By focussing on owning power transmission assets having long-term Transmission Service Agreement (TSA), low operating risks, and consistent and stable cash flows, we intend to achieve stable and sustainable distributions for our Unitholders.

3,698.59 ckm

11 transmission lines

6,630 MVA

3 substations

1,955.66 km

Optical ground wire

30+ years

Average residual life as per TSAs

5.63%

Total Debt / AUM

₹102.30 billion

Enterprise Value*

AAA

Rating by CARE, ICRA and CRISIL

*as per Independent Valuer Report as of March 31, 2022

PGInvIT IPO - Largest by an InvIT in India

A resounding success, PGINvIT IPO bucked the market trends to become one of the most successful IPOs and the largest by an InvIT, despite extremely challenging environment due to second wave of the pandemic.

Offer Size	Offer Structure
<p>₹ 77,349.91 million</p> <hr/> <p>Fresh Issue ₹ 49,934.83 million</p> <p>Offer for Sale ₹ 27,415.08 million</p>	<p>Distribution across investor categories</p> <div> <p>Institutional Investors: ₹ 58,012.35 million</p> <div> <p>₹ 34,807.41 million Anchor Investors</p> <p>₹ 23,204.94 million Other Institutional Investors</p> </div> <p>Non-Institutional Investors: ₹ 19,337.56 million</p> </div>

Offer Period	Offer Price	Subscription
April 29, 2021 - May 3, 2021	₹ 100 per unit	4.83 times (overall)
Trust Value at Offer Price	Transaction	
₹ 90,999.92 million	PGInvIT acquired 74% equity in each of the five SPV which form its initial portfolio assets; balance 26% shareholding to be transferred progressively. Sponsor continues to hold 15% of post-issue units.	
Date of listing	Listed On	Listing Price
May 14, 2021	National Stock Exchange (NSE) Bombay Stock Exchange (BSE)	₹ 104 Per Unit

GLOBAL RECOGNITIONS FOR THE PGINvIT IPO



Finalist

2021 S&P Platts Global Energy Awards
Deal of the year ('Financial')



Winner

Finance Asia Achievement Awards 2021
Deal of the year for Asia ('Best of South Asia')

Our Journey, ...so far

March 2022

- Undertook acquisitions of 26% equity shareholding in PVTI and additional revenues accruing to 3 SPVs due to change in law
- First debt raise - to fund acquisitions
- Receipt of Transmission Licence from CERC for PKATL's new project under regulated tariff mechanism

May 2022

- 1st Annual Results declared
- Third distribution of ₹ 3.00 per unit announced

January 2022

Second distribution of ₹ 3.00 per unit announced

December 2021

Global recognition to PGIInvIT IPO
Winner at Finance Asia
Achievement Awards 2021

November 2021

- Maiden distribution of ₹ 4.50 per unit announced
- 1st Half Yearly report released
- Holds first Earnings Call

September 2021

Global recognition to PGIInvIT IPO
- Finalist at 2021 S&P Platts
Global Energy Awards

May 2021

- Acquires 74% shareholding in 5 SPVs post PGIInvIT IPO
- Listing of Units of PGIInvIT on Stock Exchanges

April 2021

- Launch of PGIInvIT IPO

January 2021

PGIInvIT registered as InvIT

Delivering on Commitments to our Unitholders

At PGIInvIT, for FY 2021-22, we have successfully delivered on our commitments, as stated in our Offer Document, in respect of making distributions to unitholders.

- Starting with first distribution made within six months of our listing and two subsequent quarterly distributions, we made three distributions for FY 2021-22
- We distributed not less than 90% of the Distributable Income to the Unitholders

We continue to explore opportunities for acquiring more assets, drive operational efficiency and maintain an efficient capital structure to ensure consistent, stable and visible returns, on a sustained basis.

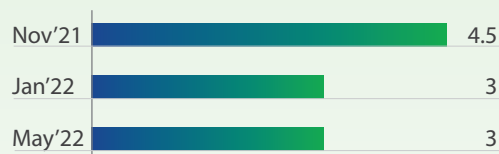
Distributions to unitholders for FY 2021-22

*(period May 13, 2021 to March 31, 2022)

₹ 9,629.45 million*

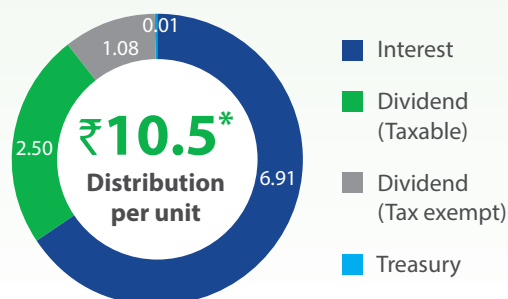
NDCF at PGIInvIT

Distributions (₹ per unit)



₹ 9,554.99 million*

Total distribution



Acquisitions by PGIInvIT during FY 2021-22

(completed as on March 31, 2022 with approval of Unitholders)

26% equity shareholding in PVTI, acquired from Sponsor

- Upon completion of 5 years from COD i.e. February 1, 2017
- Acquisition price: ₹ 3,307.85 million
- 100% ownership of SPV by PGIInvIT
- Ability to upstream full dividend to PGIInvIT

Rights to additional revenues accruing to 3 SPVs, acquired from Sponsor

- Additional annual transmission charges allowed by CERC on account of change in law
- Acquisition Price: ₹ 3,041.50 million
- Increase in annual transmission charges (PPTL: 2.787%; PWTL: 3.445%; PJTL: 5.226%)
- Increase in NDCF

Unit Price performance

₹133.90*

Market price

▀ ~ 34% increase on Offer Price

₹1,21,848.89 million*

Market capitalisation

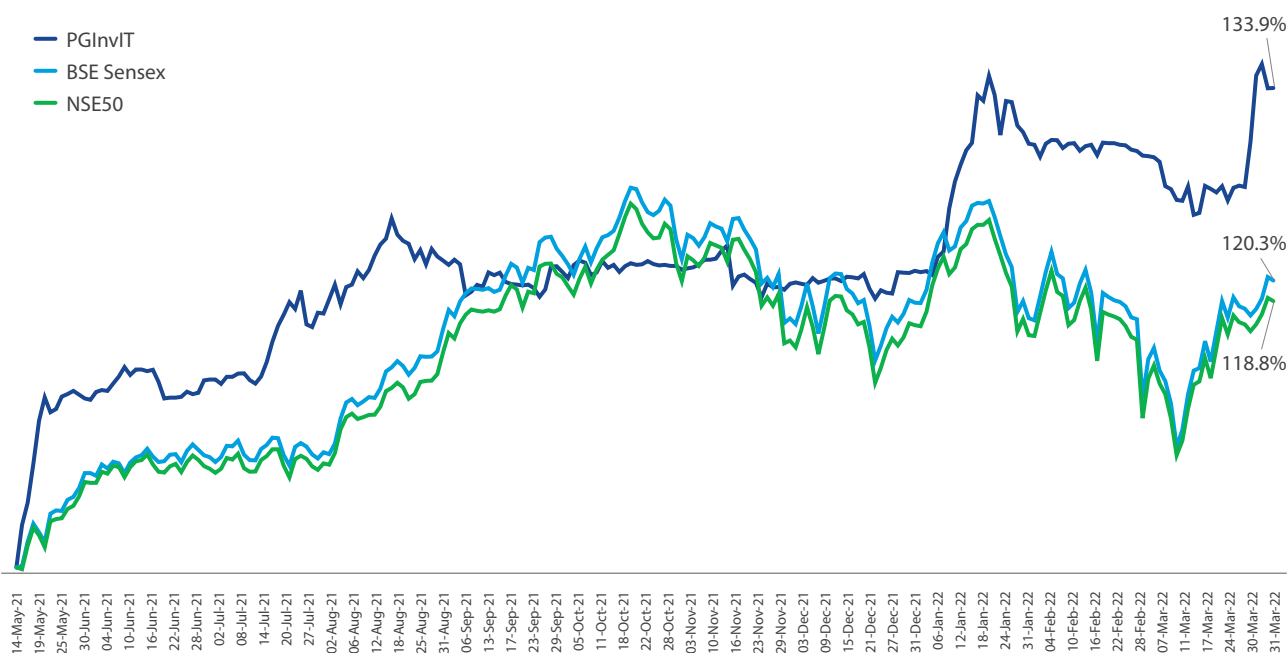
41.4%*

Total Returns on Offer Price

(including ₹ 7.50 per unit Distribution made till March 31, 2022)

* Closing Price on NSE, as on March 31, 2022

Outperforming Benchmarks (From Listing to March 31, 2022)





About Us

About PGIInvIT
[Page 13](#)

Our Trusted and Experienced
Stakeholders
[Page 15](#)

Well-Positioned to Grow
Sustainably in the Long Term
[Page 18](#)




About PGINvIT

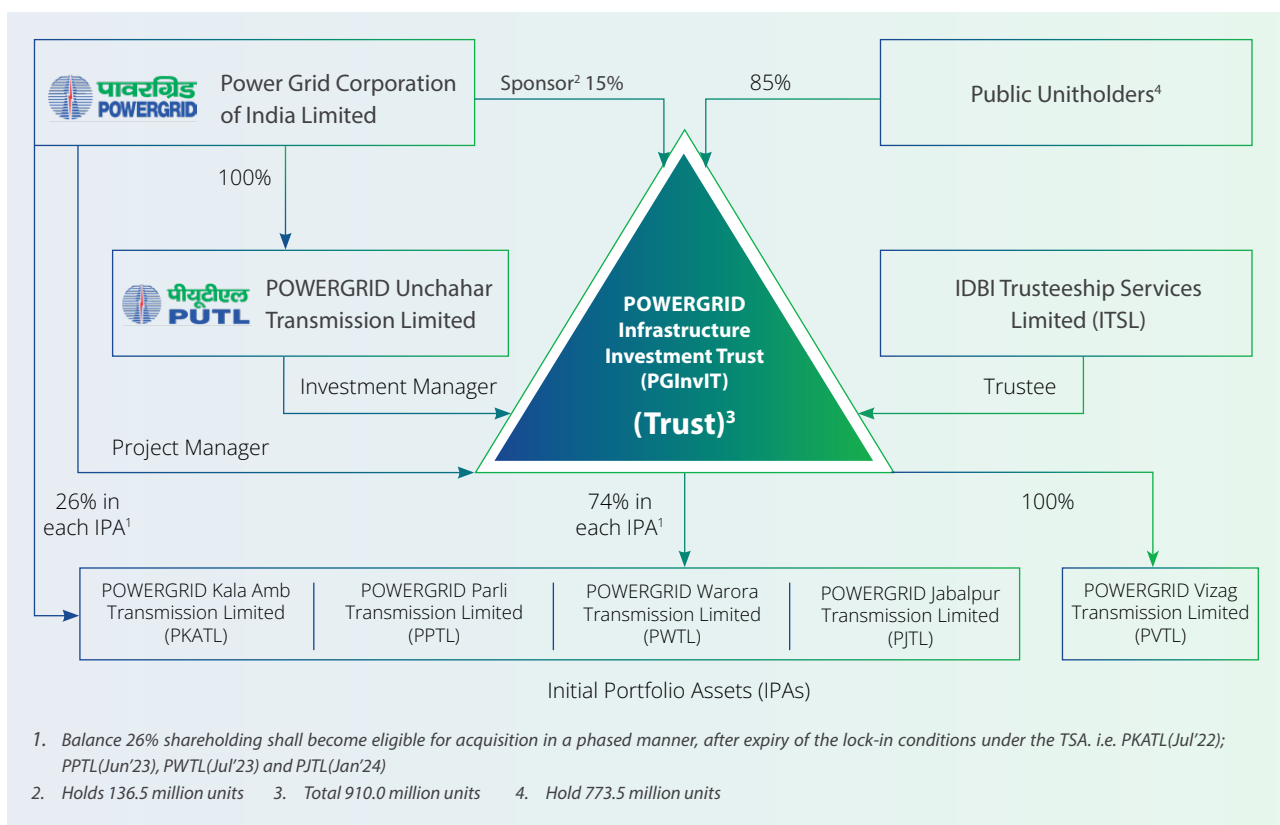
Profile

PGInvIT is a Trust set up under Indian Trusts Act, 1882 on September 14, 2020 and registered as an InvIT under the SEBI InvIT Regulations on January 7, 2021.

We own and operate five fully operational power transmission SPVs. Pursuant to our successful IPO, in May 2021, we acquired 74% equity shareholding in each of the SPVs from POWERGRID. Later, in March 2022, we acquired the balance 26% equity shareholding in one of the SPVs viz. PVTL. These SPVs form our initial portfolio assets. Implemented under the TBCB mechanism, they earn fixed tariffs pursuant to long-term TSA and additional incentives on maintaining over 98% availability.

Our Vision

-  To achieve a focussed business model with productive and operational efficiency to enhance returns
-  To capitalise on value accretive growth through acquisitions and non-transmission revenues
-  To optimise transmission assets through an efficient capital structure

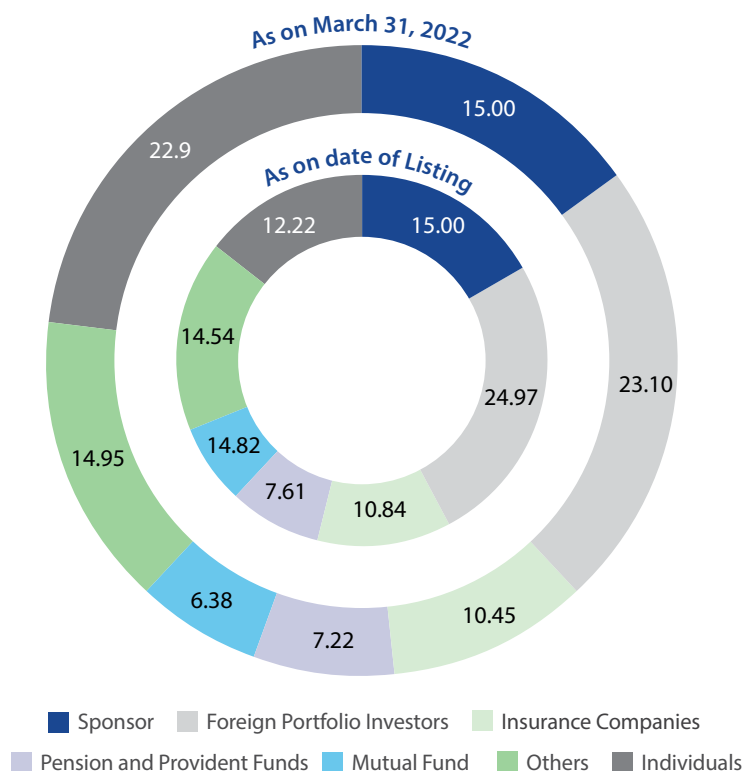


The InvIT Assets shall distribute at least 90% of their net distributable cash flows (NDCF) to the Trust. The Trust shall distribute at least 90% of the Distributable Income to the Unitholders at least once every quarter. First distribution being six months from the date of listing and trading of units.

TRUSTED BY A DIVERSE INVESTOR BASE

At PGInvIT, we have received the trust and confidence of a diverse set of investors, including Foreign Investors, Insurance Companies, Domestic Mutual Funds and Pension and Provident Funds who have continued to maintain stable unitholding since IPO. We have also garnered the trust and interest of the individual investors whose shareholding has increased by about 87% since the IPO.

Unitholding Pattern (Total Outstanding Units: 910 million)



Confidence of Individual Unitholders

More than
34,500
 Individual Unitholders
 as on March 31, 2022

OUR MARQUEE UNITHOLDERS

(as on March 31, 2022)

CPP Investments	SBI Life Insurance
Capital Group	Tata AIG Insurance
Schroders	Tata AIA Life Insurance
SBI Pension Funds	ICICI Lombard General Insurance
HDFC Mutual Fund	PNB Metlife

UNITHOLDER ENGAGEMENT ACTIVITIES

- Corporate announcements
- Earnings call
- Investor presentation
- Half-yearly and annual reports
- Unitholder meetings
- E-mailers and direct messages
- Uploads on PGInvIT website

Our Trusted and Experienced Stakeholders

At PGINVT, we are endowed to have India's leading and most experienced stakeholders by our side. Our strong foundation is built around the excellence and competencies they bring. We will continue to leverage their expertise to consistently deliver returns and for safeguarding unitholders' interests.

Sponsor and Project Manager



**POWER GRID CORPORATION OF
INDIA LIMITED (POWERGRID)**

Listed on the NSE and BSE, our Sponsor POWERGRID, a Maharatna CPSE under Ministry of Power, GoI and one of the largest transmission companies, globally, engages in designing, financing, constructing, operating, and maintaining power transmission projects across India. It also operates in the telecom infrastructure sector and provides consultancy services on transmission and distribution with footprints across 23 countries.

POWERGRID has government-appointed directors with rich industry and management experience, key industry

and society relationships and professional qualifications. The management team has a strong technical and financial knowledge of the transmission business, which has contributed to a successful track record of negotiating, structuring and financing investments in power transmission assets and managing them.

POWERGRID's expertise and experience provide us significant competitive advantage, and will help us set new benchmarks, improve efficiency and maintain strong industry relationships.

51.34%

Government
Shareholding

Largest¹

transmission
company in India

3rd largest²

Central Public Sector
Enterprise in India

Fastest growing³

electric utility in Asia
Pacific Rim region for
8 successive years

85%+⁴

share in India's cumulative
inter-regional power
transfer capacity

Highest⁵

market share in ISTS projects
under TBCB mechanism

POWERGRID Stock part of
BSE SENSEX and NSE50 and
various ESG indices

Certifications

PAS	ISO	ISO	ISO	SA	ISO	ISO
99:2012	9001:2015	14001:2015	45001:2018	8000: 2014	50001	27001
Integrated Management System	Quality Management System	Environment Management System	Occupational Health and Safety Management System	Social Accountability Standard	Energy Management System	Information Security Management System

¹ In transmission lines length ckm

² In terms of Gross Block as per DPE (GoI) PE Survey 2019-20

³ According to Platts Top 250 Global Energy Company Rankings

⁴ As per POWERGRID Investor Presentation for FY 2021-22

⁵ During the period October 6, 2008 and March 31, 2022 (based on CEA report Apr-22)

POWERGRID'S FOOTPRINT AND PERFORMANCE

1,72,437 ckm >1,350 Transmission lines	4,74,457 MVA 265 Substations	8 Operational TBCB projects (7 ISTS; 1 InSTS)	11 Under construction projects (8 ISTS and 3 InSTS)
30+ years Experience in establishment and O&M of power transmission systems	99.83% Availability of transmission system in FY 2021-22 99.7%+ since FY 2015-16		

(Source: POWERGRID Investor Presentation - FY 2021-22)

ROLE AND RESPONSIBILITY



As Sponsor

- Set up the InvIT
- Execute Trust Deed with Trustee



As Project Manager

Enter into a Project Implementation and Management Agreement to operate, maintain and manage PGINVIT Assets

- Implementation, development, routine operation and maintenance (O&M) and preventive maintenance of IPAs along with providing required tools and plants
- Billing and collection, administrative function, procurement, legal support, regulatory support and engineering services
- Breakdown rectification works
- Provide emergency restoration system on demand, subject to availability
- Comply with environmental regulations and standards
- Ensure a safe and healthy working environment with socially acceptable practices

Note:

* The roles and responsibility are indicative. Detailed role and responsibilities are in accordance with applicable SEBI InvIT Regulations and are indicated in the Final Offer Document of PGINVIT

* There has been no change in the Sponsor and Project Manager during the period



INVESTMENT MANAGER

POWERGRID Unchahar Transmission Limited (PUTL)

A wholly-owned subsidiary of POWERGRID, PUTL is engaged in the power transmission business since FY 2013-14. It has relevant experience in constructing and operating a transmission system.



POWERGRID UNCHAHAR TRANSMISSION LIMITED (PUTL)

ROLE AND RESPONSIBILITY

Enter Into Investment Management Agreement

- Managing the Trust and the Initial Portfolio Assets
- Coordinating with Trustee for various operations
- Maintaining proper books of accounts, documents and records and ensuring audits
- Setting strategic direction, including in relation to future acquisitions, divestment, or enhancement of assets
- Conducting business efficiently in the best interest of the Unitholders



TRUSTEE

IDBI Trusteeship Services Limited

IDBI Trusteeship Services Limited is a trusteeship company registered as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, since February 14, 2017. Promoted jointly by IDBI Bank, Life Insurance Corporation and General Insurance Corporation, it provides trusteeship services to corporates across diverse industries, domestic and foreign banks and financial institutions.

ROLE AND RESPONSIBILITY

Execute Trust Deed with Sponsor

- Ensuring that business activities and investment policies comply with the provisions of the SEBI InvIT Regulations, including distribution of dividend and voting
- Appointing Investment Manager and Project Manager in accordance with the SEBI InvIT Regulations and applicable law
- Monitoring the activities of Investment Manager (in terms of the Investment Management Agreement) and Project Manager (in terms of the Project Implementation and Management Agreement)
- Provide SEBI and stock exchanges, such information as sought by them

Note:

* There has been no change in the Investment Manager during the period. There has been no erosion in the networth of the IM during the period

* There has been no change in the Trustee during the period

* The roles and responsibility are indicative. Detailed role and responsibilities are in accordance with applicable SEBI InvIT Regulations and are indicated in the Final Offer Document of PGIInvIT

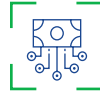
Well-Positioned to Grow Sustainably in the Long Term

PGInVT is well-placed in the industry with a robust portfolio, highly experienced and industry leading Sponsor and its sound business model with high cash flows and favourable capital structure. We will continue to build on these to drive business growth and returns to Unitholders.



STRONG LINEAGE AND SUPPORT OF POWERGRID, OUR SPONSOR AND PROJECT MANAGER

POWERGRID's three-plus decades of experience and expertise in power transmission and its success in the TBCB mechanism provides us significant competitive advantage. Occupying a key position in the government's plans for developing India's power sector and having accorded the Maharatna status, it enjoys strategic and operational flexibility and enhanced financial autonomy to take investment decisions. We stand to benefit from POWERGRID's expertise in O&M of transmission systems, who had implemented our IPAs and has been carrying out their O&M from their respective CODs. Their obligation to own minimum 15% of InVT units for a period of three years also ensures their continued interest in the Trust.



CONSISTENT AND STABLE CASH FLOWS SUPPORTED BY AN ESTABLISHED REGULATORY FRAMEWORK

Indian power transmission segment is well regulated with an established framework, which provides significant risk mitigation provisions such as availability-based payment structure, minimal counterparty risk and strong payment security mechanism. Apart from these, each of our asset has been contracted for a long-term TSA of 35 years, with minimal risk of transmission charges reset and also earn incentives on achieving higher than targeted availability. Long residual life and perpetual ownership of assets provide visibility for stable, consistent and predictable cash flows.



STRONG FINANCIAL POSITION

We have a strong balance sheet position with external borrowing as on March 31, 2022 being less than 6% of AUM providing us enough headroom to grow without diluting Unitholders' interest. Our low leverage and cash flow visibility are enablers for our AAA credit rating from ICRA, CARE and CRISIL, which provides us the foundation to avail low-cost debt to support our debt-funded acquisition strategy.



PROVEN OPERATIONAL AND FINANCIAL PERFORMANCE TRACK RECORD

Our portfolio assets, led by the O&M expertise and best practices implemented by our Project Manager, have consistently operated above targeted availability of 98%, earning steady revenues including incentives. Further, our assets, all of which are in the well-regulated power transmission sector, are characterised by low operating risk and O&M expenditure.



POSITIONED TO CAPTURE GROWTH OPPORTUNITIES AS AN ESTABLISHED MONETISATION VEHICLE

Our Sponsor has been assigned annual monetisation targets by GoI under its National Monetisation Pipeline which also lays emphasis on InvITs as a mode of monetisation. As a ready vehicle set up by the Sponsor, PGInvIT stands to benefit as a preferred route of monetisation considering shorter turnaround time and existing pool of investors. Further sustained growth in power transmission in India, envisaged over the years, would provide a continuous pool of acquisition opportunities. This would provide us with new opportunities for acquisition-led growth, in addition to our Sponsor's robust pipeline of TBCB assets.



SKILLED AND EXPERIENCED INVESTMENT MANAGER HAVING STRONG CORPORATE GOVERNANCE PHILOSOPHY

Our Investment Manager, POWERGRID Unchahar Transmission Limited (PUTL), has strong management and operational experience in power transmission. Being managed by qualified personnel having decades of experience, we expect to benefit from their skills and experience in taking investment decisions and financially managing the assets. Their robust corporate governance framework and policies for related party transactions, distribution and borrowings, ensures protection of interest of the Trust and its unitholders.



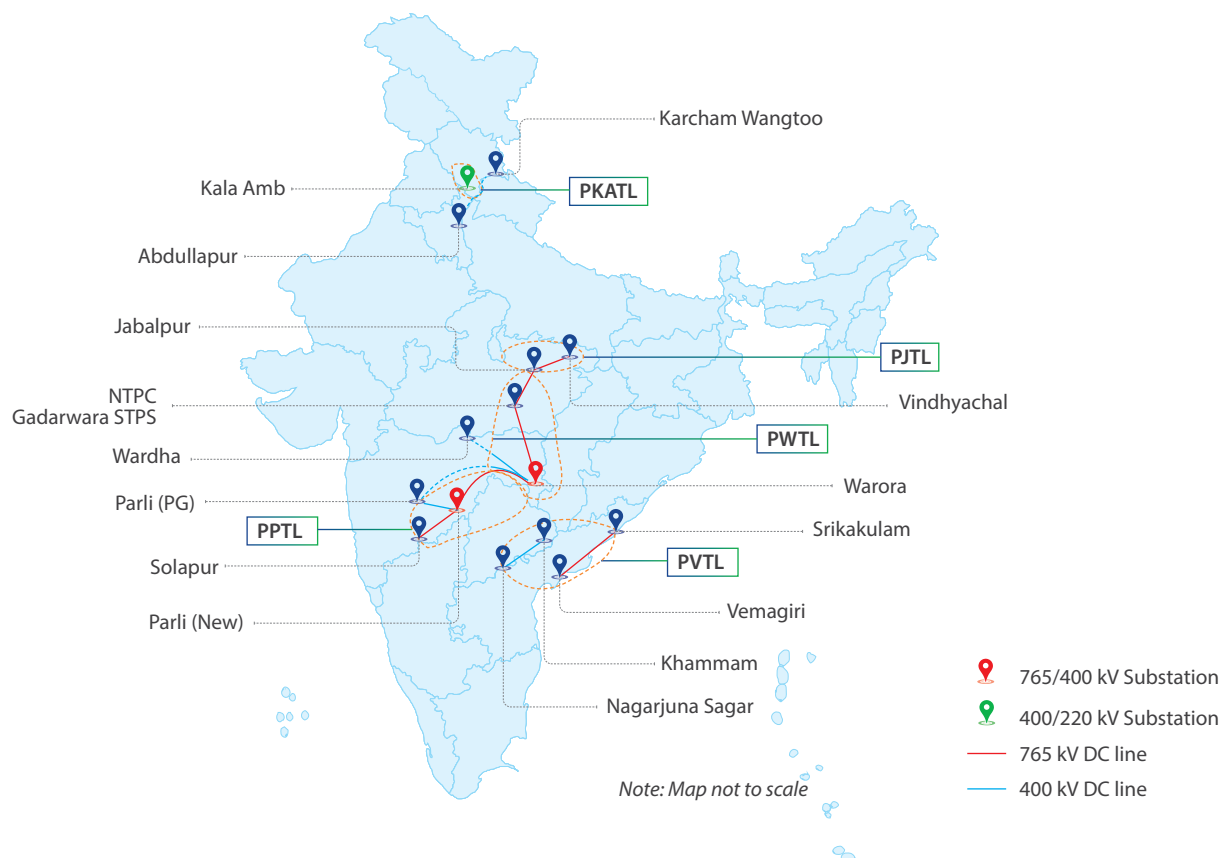


Our Assets and their Performance

Overview of Initial
Portfolio Assets
Page 21

Overview of Initial Portfolio Assets

Pursuant to our successful IPO in April-May 2021, our Initial Portfolio Assets comprise five power transmission projects acquired from our Sponsor, POWERGRID. The assets include grid strengthening links, generation-linked assets, and assets linked with inter-regional power flow. Spread across five demand and supply-centric States, they have been consistently operating above the target availability and with high safety standards. We are focused to maintain and optimise their performance.



SNAPSHOT OF OUR ASSETS

SPV	POWERGRID Vizag Transmission Limited (PVTL)	POWERGRID Kala Amb Transmission Limited (PKATL)	POWERGRID Parli Transmission Limited (PPTL)	POWERGRID Warora Transmission Limited (PWTL)	POWERGRID Jabalpur Transmission Limited (PJTL)
Location	Andhra Pradesh and Telangana	Himachal Pradesh	Maharashtra	Madhya Pradesh and Maharashtra	Madhya Pradesh
Line Length (cKm)	956.84	2.47	966.12	1,028.11	745.05
Transformation capacity (MVA)	-	630	3,000	3,000	-
Remaining TSA Life (years)	29.8	30.3	31.2	31.3	31.8
Gross Block (₹ million)	13,097.7	3,293.9	19,282.6	23,472.8	16,407.6
FY 2021-22 Revenues* (₹ million)	2,942.98	707.34	3,361.69	3,756.47	2,937.60
% contribution to FY 2021-22 revenues*	21.5%	5.2%	24.5%	27.4%	21.4%
Shareholding acquired	100%**	74%	74%	74%	74%
Lock-in expiry (for balance 26% shareholding)	Completed	July 2022	June 2023	July 2023	January 2024

*For the period April 1, 2021 to March 31, 2022

**74% acquired during IPO and 26% in March 2022

POWERGRID Vizag Transmission Ltd (PVTL)

PROJECT DETAILS

Transmission system for system strengthening in the southern region of India for import of power from the eastern region of India

Project specification

956.84 ckm

Length of transmission lines

- 765 kV D/C line of 668 ckm from Srikakulam to Vemagiri in Andhra Pradesh (AP)
- 400 kV D/C line of 288.84 ckm from Khammam (Telangana) to Nagarjuna Sagar (AP)

Incorporation date :

November 30, 2011

TSA date

May 14, 2013

Transmission licence issue date

January 8, 2014

Commercial operation date

February 1, 2017

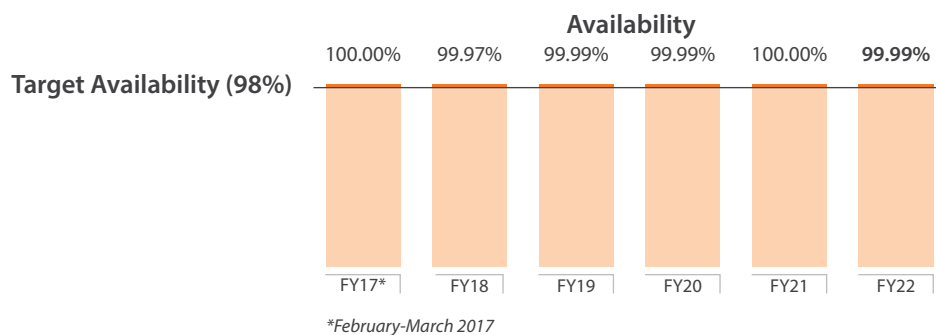
Remaining TSA tenure

29.8 years*

**As on March 31, 2022*

Key highlights FY 2021-22

Upon completion of 5 years from COD, balance 26% equity shareholding of Sponsor, POWERGRID in PVTL was acquired by PGINVIT on March 31, 2022



POWERGRID Kala Amb Transmission Ltd (PKATL)



PROJECT DETAILS

Transmission system for Northern Region System Strengthening Scheme NRSS- XXXI (Part A)

Project specification

- **2.47 ckm** of transmission line comprising LILO of 400 kV D/C Karcham Wangtoo-Abdullapur transmission line at Kala Amb (Himachal Pradesh) substation (on M/C towers)
- **630 MVA**
400/220 kV GIS substation at Kala Amb
- **40% series** compensation on 400 kV D/C line from Karcham Wangtoo to Kala Amb

Incorporation date

July 29, 2013

TSA date

January 2, 2014

Transmission licence issue date

September 4, 2014

Commercial operation date

July 12, 2017

Remaining TSA tenure

30.3 years*

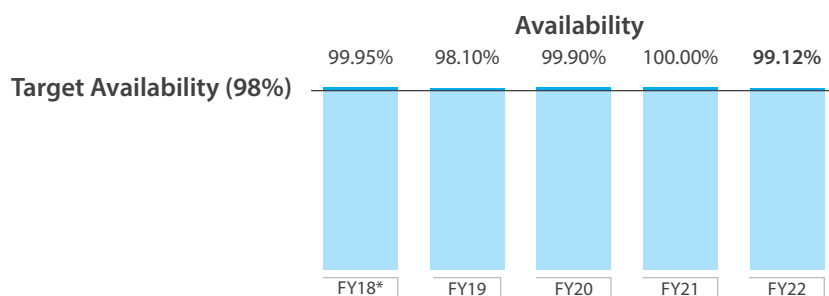
**As on March 31, 2022*

Key highlights FY 2021-22

PKATL has been allotted a project 'Implementation of One no. 125 MVA, 420 kV Bus Reactor at Kala Amb substation' by Ministry of Power, GoI under Regulated Tariff Mechanism.

The project was notified on March 5, 2019.

PKATL was granted a separate transmission licence for the project by Hon'ble CERC vide its order dated March 22, 2022.



**July 2017-March 2018*

POWERGRID Warora Transmission Ltd (PWTL)



PROJECT DETAILS

Transmission system associated with Gadawara STPS (2x800 MW) of NTPC (Part-A)

Project specification

- **1,028.11 ckm**
length of transmission line
 - 765 kV D/C line of 204.47 ckm from Gadawara to Jabalpur in Madhya Pradesh (MP), including interim arrangement
 - 765 kV D/C line of 627.35 ckm from Gadawara (MP) to Warora (Maharashtra)
 - Two 400 kV D/C lines comprising LILO of both circuits of 400 kV D/C Wardha-Parli (PG) line aggregating 196.29 ckm from LILO point of 400 kV D/C Quad Wardha-Parli transmission line to Warora pooling station
- **3,000 MVA**
765/400 kV substation in Warora

Incorporation date **August 5, 2014**

TSA date **February 9, 2015**

Transmission licence issue date **August 5, 2015**

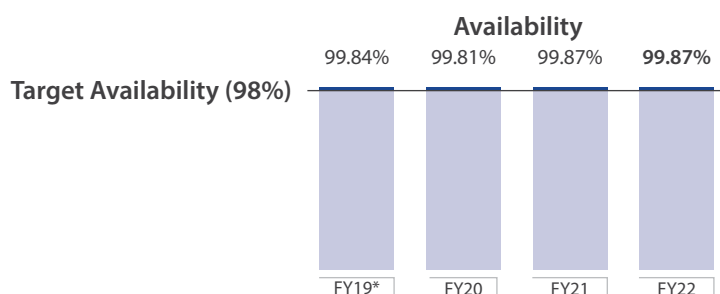
Commercial operation date **July 10, 2018**

Remaining TSA tenure : **31.3 years***

**As on March 31, 2022*

Key highlights FY 2021-22

On March 31, 2022, PWTL with the approval of Hon'ble CERC acquired from the Sponsor, rights to additional revenue (3.445% increase in annual transmission charges) that was accruing to it on account of change in law.



**June 2018-March 2019*

POWERGRID Jabalpur Transmission Ltd (PJTL)



PROJECT DETAILS

Transmission system strengthening associated with Vindhyachal-V

Project specification

- **745.05 ckm**
765 kV D/C line from Vindhyachal to Jabalpur in Madhya Pradesh

Incorporation date

August 14, 2014

TSA date

November 19, 2014

Transmission licence issue date

June 15, 2015

Commercial operation date

January 1, 2019

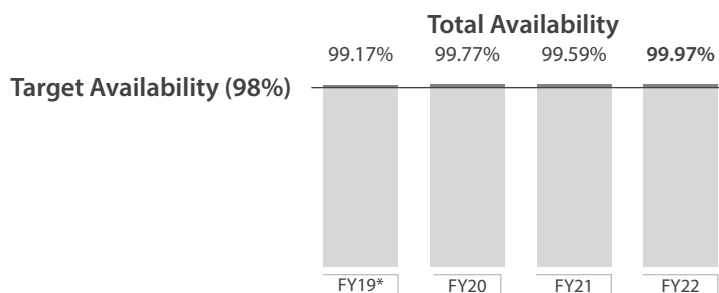
Remaining TSA tenure

31.8 years*

**As on March 31, 2022*

Key highlights FY 2021-22

On March 31, 2022, PJTL with the approval of Hon'ble CERC acquired from the Sponsor, rights to additional revenue (5.226% increase in annual transmission charges) that was accruing to it on account of change in law.



**January 2019-March 2019*



Performance During the Period

CEO's Review
Page 28

Delivering a
Strong Performance
Page 29

CEO's Review



Dear Unitholders,

It is my pleasure to present to you our first annual report as we complete our one year of operation.

We started FY 2021-22 with the Initial Public Offering, the first-of-its-kind InvIT IPO from POWERGRID, a Maharatna CPSE, in April-May 2021 which received overwhelming response from both institutional and non-institutional investors, despite being launched in the midst of a very difficult pandemic and volatile market conditions. We are humbled by the continued confidence reposed in us by the investor community and happy to see that our investors have been rewarded with both capital appreciation in unit price and consistent distributions. I thank all the investors for their support and belief in us.

Performance highlights FY 2021-22

The year started with a very challenging second wave of the COVID-19 pandemic. However, our Project Manager ensured excellent performance for our assets, while maintaining all safety protocols for employees and stakeholders.

On the operational front, all five of our SPVs (PVT, PKATL, PPTL, PWTL and PJTL) reported average availability ranging from 99.12% to 99.99%, exceeding the target availability of 98%, thereby earning incentives. Highest level of safety protocols were followed in operation and maintenance of all assets, and no accidents were reported through FY 2021-22.

In line with our aim of providing stable, consistent and visible returns, we declared and paid three distributions aggregating to ₹ 10.5 per unit for the period of operations of the Trust i.e. May 13, 2021 to March 31, 2022, which results in annualised distribution of around ₹ 12 per unit. In March 2022, we completed two acquisitions viz. 26% stake in PVT from Sponsor, POWERGRID at consideration of ₹ 3,307.85 million, and rights for additional transmission charges accruing to PPTL, PWTL and PJTL, for an aggregate consideration of ₹ 3,041.50 million. The additional annual transmission charges are applicable at the rate of 2.787% for PPTL, 3.445% for PWTL and 5.226% for PJTL.

These acquisitions, carried out with the approval of unitholders, were funded by a mix of internal resources and an external debt of nearly ₹ 5.7 billion, borrowed at a competitive rate of less than 6%, as on the date of drawal and on attractive repayment terms. Post this borrowing, our balance sheet continues to remain significantly underleveraged giving us significant headroom for future debt-led acquisitions. We are also undertaking a new project that has been allotted by GoI to our SPV, PKATL, on regulated tariff mechanism.

Coming to the financial performance, we reported a total income of ₹ 12,434.13 million in FY 2021-22, at the consolidated level and EBITDA of ₹ 11,653.53 million. As against the requirement to upstream not less than 90% of NDCF at both SPV to Trust and Trust to Unitholder level, PGINVIT upstreamed ~98% at SPV level and distributed nearly 100% at the Trust level.

Focus on long-term, stable growth

Moving ahead, we aim to make stable distributions and create long-term value for the unitholders. Efficiency in our operations and expansion will be key to it. In the immediate future, we intend to acquire remaining 26% stake in PKATL which completes five years of its commercial operations in July 2022. We also look forward to new acquisitions from our Sponsor which will be looking to monetise ~₹ 75 billion assets in FY 2022-23.

Closing comments

I thank the Unitholders for trusting us and our stakeholders, especially POWERGRID for supporting us through this journey. We seek your continued support and guidance as we look forward to a stable and sustainable future.

Warm Regards,

Purshottam Agarwal

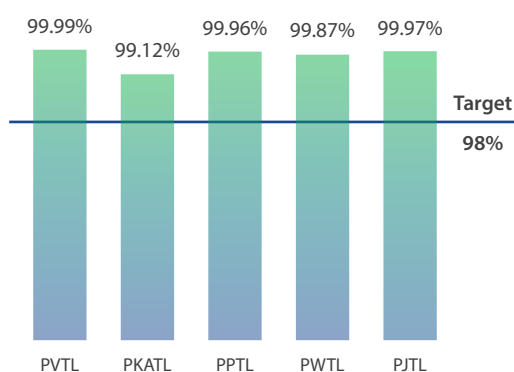
Chief Executive Officer

Delivering a Strong Performance

PGInvIT delivered strong operational and financial performance in FY 2021-22. The operating procedures and practices implemented by our Project Manager ensured higher than target availability across all SPVs, and thus earning additional incentives. Further, prudent financial management by our Investment Manager has ensured robust balance sheet position and low-cost funding of acquisitions.

Operational metrics

Availability of Assets



Availability exceeds target, earning incentives

Low operating expenses about 6.28% of total income

Accident-free operations

FY 2021-22 Financial metrics

₹12,434.13 million

Total income

₹9,629.45 million

Net distributable cash flows

43

Receivable days

₹5,755.85 million

Debt

5.63%

Total Debt / AUM

- Debt-funded Acquisitions
- Commercial Loan from Bank



Sustainable Growth Strategies

Our Business Strategies
to deliver on Our Vision
Page 31

Positioned to Capitalise on
Sponsor's Asset Monetisation
Page 32

Our Business Strategies to Deliver on our Vision

At PGIInvIT, we are focused on driving productivity and operational efficiency, ensuring value accretive growth through acquisitions and diversifying and optimising our assets through efficient capital structure. We intend to achieve long-term and sustainable growth by making investments in stable and revenue generating power transmission projects. We believe our key business strategies will enable us to deliver returns to our Unitholders ensuring Consistency, Stability and Visibility.

Our Strategies & Core Pillars

STRATEGY 1

Focused business model with productive and operational efficiency

Pillars

- Own power transmission assets
- Leverage Sponsor's and Investment Manager's industry knowledge and experience
- Maintain high transmission availability through routine and breakdown maintenance, use of latest techniques and installation of Emergency Restoration System at strategic location for quick restoration
- Optimise operating costs, deploy prudent asset management practices and incorporate new and efficient technologies
- Following industry best practices in operation & management, corporate governance, and environment, health and safety (EHS) practices
- Train employees

Improved operating efficiency and business performance

Maximising incentive revenue and optimising operating costs

Increase in revenue generation

Extension in life of existing assets

Enhanced efficiency of capital expenditure

STRATEGY 2

Capitalise on value accretive growth through acquisitions and non-transmission revenues

Pillars

- Capitalise on our position as preferred route of monetisation to explore opportunities and acquire power transmission projects
- Explore opportunities to acquire assets of Sponsor's other TBCB subsidiaries which have received permission from CCEA of GoI to monetise through the InvIT route
- Seek to generate non-transmission revenue, including by leasing of optical ground wire and transmission towers

Increase in long-term, regular and predictable cash flows

Enhance returns to Unitholders
Potential for long-term capital growth

Diversification in revenue sources

STRATEGY 3

Optimisation of transmission assets through an efficient capital structure

Pillars

- Maintain an optimal and varied portfolio of transmission assets
- Maintain efficient capital structure
- Employ appropriate financing policies and diversify sources of financing to minimise overall cost of capital
- Consider both private and public markets, for raising debt capital, to acquire additional power transmission projects

Optimised overall cost of capital

Improved Balance Sheet strength

Positioned to Capitalise on Sponsor's Asset Monetisation

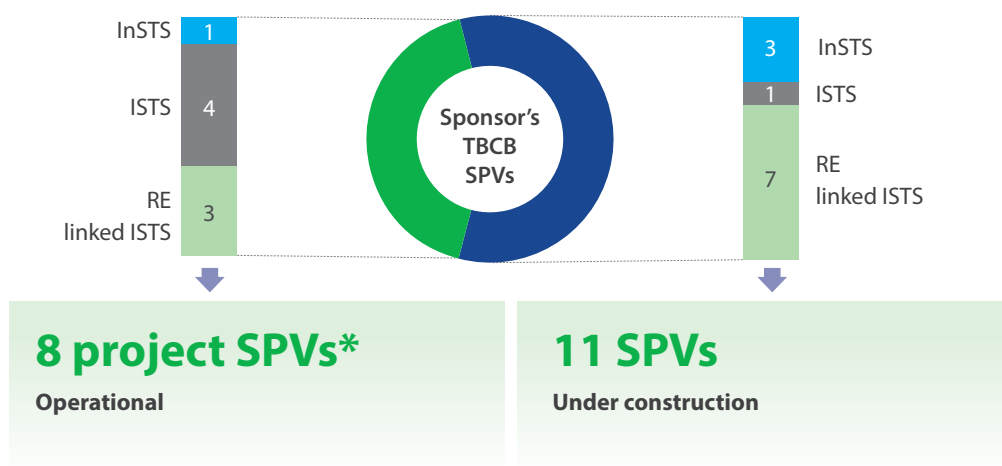
We are a Trust set up with a focus on power transmission assets in Indian markets. The Indian power transmission market is set to witness sustained growth in the coming years. This would make available a pipeline of assets that could be taken up for capital recycling / monetisation. With its industry leadership and competitive strengths, our Sponsor is well positioned to capitalise on the emerging growth opportunities. Thus, we believe power transmission growth will create significant opportunity for acquisitions, especially those from our Sponsor.

Our Sponsor's existing pipeline of transmission assets supported by enabling GoI approvals and target for monetisation and a revision in equity lock-in conditions for TBCB projects provide visibility to upcoming acquisition opportunities, to render growth to our platform.

Our Investment Manager intends to capitalise on opportunities to acquire power transmission projects in India that provide long-term, regular and predictable cash flows, demonstrating potential to maintain or enhance returns to Unitholders.

OUR SPONSOR'S PORTFOLIO OF TBCB ASSETS

(Status as on March 31, 2022)



*Excluding PUTL

SPONSOR'S MONETISATION TARGET FOR FY 2021-22 AS PER THE NMP

₹452 billion

During FY2022 to FY2025

₹75 billion

For FY2022 to FY2023



PGInvIT – a vehicle set up by Sponsor for monetising its assets

We, as a ready investment vehicle set up by the Sponsor, stand to be benefited as a preferred route of monetisation, considering the expected shorter turnaround time for achieving the targeted monetisation with an existing pool of investors.



Low debt position

The aggregate consolidated borrowings and deferred payments of the Trust and its SPVs, net of cash and cash equivalent is almost zero as on March 31, 2022, which is significantly lower than thresholds of 49% (and 70% subject to conditions) stipulated under InvIT Regulations. This along with our AAA credit rating provides us significant headroom for debt funded acquisitions at low cost.

**ATTRACTIVELY
POSITIONED TO
ACQUIRE NEW
ASSETS**



Strong investor confidence

Since our IPO, we continue to enjoy confidence of our investors. Most of our institutional investors are foreign long-only investors, global pension funds, domestic pension funds and insurance companies and have been with us since the IPO. Significant increase in individual investors during the year is testament to their confidence in the PGInvIT story.

OUTLOOK

In FY 2022-23, we intend to acquire POWERGRID's remaining 26% equity shareholding in PKATL which completes 5 years from COD in July 2022.

During the year, we are looking forward to acquisitions from our Sponsor, who has been assigned a target to monetise about ₹ 75 billion during FY 2022-23.

We are also scouting for opportunities other than those from our Sponsor, in the power transmission sector.

With large headroom available for debt-funding, we intend to make acquisitions primarily through debt funding.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Sustainability has been one of the foundations of development of our Sponsor's business strategy, who is also our Project Manager. Our Sponsor was one of the earliest CPSEs in India to publish Sustainability Reports, with its first such report being released for FY 2008-09. Leveraging our Project Manager's vast experience with regard to environment, social and governance practices and activities, we conduct our operations in an efficient and sustainable manner.

Pursuant to the O&M agreements, our Project Manager is responsible for all matters relating to compliance with environmental regulations and standards applicable to SPV operations ensuring that environmental pollution is minimised. The Project Manager also undertakes to provide a safe and healthy working environment.



Environmental

Page 36

Social

Page 37

Governance

Page 38

Environmental

Our assets include extra-high voltage transmission lines, which imply lower transmission losses ensuring transmission of more power per unit of Right-of-Way. Multi-circuit towers and GIS technology have also optimised Right-of-Way and reduced requirement of substation land respectively.

Also, power transmission activities are non-polluting in nature, do not involve disposal of pollutants in land, air or water and have minimal contribution to environmental pollution. In spite of power transmission business not being carbon-intensive, responsibility towards environment is an integral part of our business. Since water is not required for any of its operations and processes, our impact on water resources is limited to domestic and office consumption and for horticulture etc. Operating in power transmission business, carbon footprint of our assets is minimal.

However, we are aware of the importance of climate change and its implication on our surroundings and the world around us and have been making efforts to make a positive contribution to the air and water around us. Some of the initiatives undertaken are described below:

CREATING GREEN SURROUNDINGS

We undertake efforts to increase green cover in and around our establishments. Plantation of trees was taken up during the year across our locations, as part of the various plantation drives. We also participated in the Project Manager's plantation drive 'POWERGREEN 2021'.



WATER CONSERVATION

We have installed Rain Water Harvesting systems for conservation and recharging of ground water, reflecting our commitment to conserve natural resources. Further, open wells have been interconnected to form a Water Grid management system. These initiatives have resulted in increase in ground water level leading to availability of water throughout the year for activities such as auxiliary system, horticulture & landscaping works, domestic use, etc.



WASTE MANAGEMENT

Power transmission activities do not generate any major solid or liquid waste and is generally limited to used batteries, transformer oil, metal scrap and e-waste. Handling and disposal of waste is carried out in a responsible manner ensuring compliance to applicable guidelines and government norms. Our waste management is centred around the philosophy of 3Rs - Reduce, Reuse & Recycle. In this direction, using scrap material, we have utilised the scrap to set up a semi-closed shed for storing oil drums and towards beautification of the substation premises.



Social

Electrical Energy is of fundamental importance for households and for conducting business activities and our business of transmitting electricity is a vital link in the power supply value chain touching the lives of one and all. We focus on making a positive impact on the communities both in and around our establishments and other stakeholders, by engaging with them and providing them with assistance and support.

Through our Project Manager, who has been consistently recognised among the best workplaces in the country, our assets ensure a safe, healthy and a happy workplace, besides providing a continuous learning environment.

SAFE, HEALTHY, ENGAGING AND INCLUSIVE WORKPLACE

- For ensuring safe operations, safety pep-talks, safety drills including mock drills for fire, snake bite and use of first-aid are routinely conducted for the team members including contract labour. Considering the pandemic situation, all COVID-19 related safety guidelines as mandated were implemented.



- Our team members attended various employee engagement activities such as yoga sessions for employee well-being; and walkathons, competitions, welcome get-togethers to increase bonding. Flexible working hours have facilitated work-life balance while Work From Home facility was extended, as per requirement. Lectures, seminars, events and games were organised for our women employees on the occasion of International Women's Day, 2022.



TRAINING AND DEVELOPMENT

Various functional, behavioural and skill enhancement trainings are imparted to the personnel across the Trust and the SPVs, which is critical for ensuring effective maintenance of assets as well as carrying out duties in an effective manner. The personnel associated with operations and maintenance of the IPAs underwent specific trainings on 'Cyber-Security' covering aspects of cyber crisis and its management.

POSITIVELY TOUCHING COMMUNITIES

- We focus on working towards making a positive impact in our neighbourhood and in maintaining cordial relations with the community around us. During the pandemic, our IPAs provided assistance to the societies around our establishments in terms of infrastructure, medicines and medical equipment.
- We engaged local artists to create Climate and Swachhta-related Wall Paintings inside our premises. It solved dual purpose - supporting local artists and driving the message of cleanliness and climate change to one and all.



- During FY 2021-22, our IPAs, contributed a total of ₹ 107.95 million to PM CARES FUND under the CSR obligation for strengthening the health infrastructure of the country, which is critical for handling pandemic-like situations.



Governance

Through our Investment Manager, we have adopted a strong corporate governance framework which is supported by regulatory safeguards and includes governance requirements which are in addition to those prescribed under the InvIT Regulations.

REGULATORY COMPLIANCE AND GOVERNANCE PRACTICES

We ensure stringent compliance to the InvIT Regulations and other applicable laws. We have a well-diversified Board with two of the four members being independent.

ETHICAL PRACTICES

The Corporate Governance Framework of our IM comprises Code of Conduct and various policies. We comply with these to ensure ethical operations and also have policies relating to insider trading as required under applicable law.



UNITHOLDER ENGAGEMENT

- Our unitholders, both within and outside the country are very important stakeholders. We focus on unitholder engagement using various channels to reach out to them.
- In August 2021, a new website of PGINVIT was launched for providing access to various information and data. Details of results, corporate announcements, investor presentations, post result earning calls, half yearly report and annual report are made available on this website.
- We use e-mails for communicating and sending reports and distribution information to unitholders as part of the green initiative of SEBI.
- Regular messages are sent to the Unitholders to update their e-mail id and bank details with the depository participant so that we move towards 100% distribution through electronic payment route, taking forward government's Digital India initiative.
- A unitholder-friendly facility has been created on the PGINVIT website, where the investor can download the TDS certificate by providing specific details. This special digital initiative is in the direction of creating an informed and Atmanirbhar investor.

Our Board of Directors



ABHAY CHAUDHARY

Non-Executive Chairperson

w.e.f June 1, 2022

He is an electrical engineering graduate from NIT Durgapur and holds a Post Graduate Diploma in Management from IMT Ghaziabad. He is currently the Director (Projects) in POWERGRID. In his earlier roles, he was the Executive Director (Commercial & Regulatory Cell) along with charge of CMD Coordination Cell and the Executive Director of the North-Eastern Region in POWERGRID. He has 35 years' experience in power sector, and has worked in EHV Sub Stations and Transmission lines, both as an Operation & Maintenance executive and a construction engineer. He also had a stint with NTPC for about six years.



ASHOK KUMAR SINGHAL

Non-Executive Director

He holds a B. Tech degree (electrical) and a post graduate diploma in management from IMT, Ghaziabad. He has over 34 years of experience in the power transmission sector. He has worked with POWERGRID (the Sponsor) and has extensive experience in engineering, corporate planning, finance related matters, project monitoring and the Tariff-Based Competitive Bidding process. He also holds the position of Executive Director in POWERGRID.



ONKARAPPA KN

Independent Director

w.e.f. February 10, 2022

He is a Graduate in Arts from Kuvempu University, Shimoga, Karnataka. An Educationalist by profession, he has experience of more than 35 years in education and varied related fields. He is the Founder & President of Chetana Vidya Samaste, Davanagere. He has also been Director and Senator of various Universities.



RAM NARESH TIWARI

Independent Director

w.e.f February 10, 2022

He has dual Master's Degree in History from Bundelkhand University, Jhansi and Journalism from Barkatullah University, Bhopal. He is an agriculturist by profession. His area of interest includes research, development and implementation of technology adoption in the area of agriculture, mixed farming, business cooperative activities, social & agricultural welfare management, etc.



SEEMA GUPTA

(Non-Executive Chairperson)
upto May 31, 2022



M. N. VENKATESAN

(Independent Director)
upto December 15, 2021



SUNIL KUMAR SHARMA

(Independent Director)
upto July 23, 2021



B. ANANTHA SARMA

(Non-Executive Director)
from December 14, 2021 to
February 11, 2022

Key Personnel

PURSHOTTAM AGARWAL

Chief Executive Officer

28 years of experience in finance and accounts including corporate accounts, budgeting, fund raising from capital markets and enterprise resource planning systems

B. Com and Chartered Accountant



Other Key Personnel

SANJAY SHARMA

Chief General Manager

29 years of experience in commercial, regulatory, contracts management, telecom marketing, funding, corporate planning and strategy, capital market issuances and investor relations.

B. Tech (Electrical) from Govind Ballabh Pant University of Agriculture and Technology, Pantnagar, and was awarded the vice chancellor's gold medal for being the best graduating student.

AMIT GARG

Chief Financial Officer

25 years of experience in corporate accounts, corporate banking, investment appraisals, financial concurrence, formulation of capital budgets, resource mobilisation, tariff-based bidding and enterprise resource planning.

B. Com from Delhi University and a post graduate diploma in business management from the Institute of Integrated Learning in Management, New Delhi.

HARIHARA RATH

Deputy General Manager

16 years of experience in Indian power transmission and distribution sectors. He worked with POWERGRID in finance, taxation, initial public offering and follow-on public offering, handling investors services cell and ERP systems.

Bachelor's degree in science and law and MBA from Utkal University CMA from the Institute of Cost Accountants of India.

ANJANA LUTHRA

Company Secretary & Compliance Officer

20 years of experience in corporate secretarial and legal functions including statutory compliances, formation of new ventures, corporate governance, mergers and takeovers, regulatory liaising, financial planning and funds management, structuring of commercial contracts, loan agreements and other transaction specific agreements, intellectual property rights and litigation.

B. Com (honours) degree and a bachelor of laws degree from Delhi University and a qualified company secretary and a member of the Institute of Company Secretaries of India.

- Shri Gyaneshwar Prasad Payasi, Chief General Manager ceased to be a key personnel w.e.f. September 6, 2021
- Shri Amit Bhargava, Senior General Manager ceased to be a key personnel w.e.f. January 21, 2022

Management Discussion and Analysis (MD&A)

INDIAN ECONOMY OVERVIEW

India's underlying economic fundamentals are believed to remain strong despite the short-term turbulences caused by the emergence of newer COVID variants, geopolitical crisis, supply-chain disruptions, and rising inflationary pressures. Growth has surpassed the pre-pandemic levels on the back of improved performance in the manufacturing and construction sectors. India's Gross Domestic Product (GDP) has grown by 8.7% in FY 2021-22 as against a contraction of 6.6% in the previous fiscal. Faced with headwinds from rising inflation, RBI, in its latest estimates, has projected the real GDP growth for FY 2022-23 at 7.2%. The global agencies also peg the Indian economy's growth in FY 2022-23 between 7.5% and 7.8%.

The results of growth-enhancing policies and schemes such as production-linked incentives, Atmanirbhar Bharat and increased infrastructure spending are expected to start showing going forward, leading to a stronger multiplier effect on jobs and income, higher productivity, and efficiency - all leading to accelerated economic growth.

Backed by several efforts such as National Infrastructure Pipeline (NIP), technology-enabled development, energy transition, and climate change initiatives taken by the government, the Indian economy is poised to grow at the fastest rate amongst the large nations in the world.

Power Sector in India

Electricity is an essential requirement for all facets of life and has been recognised as a basic human need. It is amongst the most critical components of infrastructure and crucial for socio-economic development and welfare of nations. A thriving power infrastructure is imperative for the sustained growth of the Indian economy. It has been recognised as a strategic and critical sector and the power supply system supports the entire economy and day-to-day life of the citizens of India. Despite consistent increase over the years, the country's per

capita electricity consumption continues to be significantly lower than the world average.

The demand for electricity in the country has, however, been growing rapidly over the past years and the peak demand has grown from 160 GW in FY 2017 to 203 GW in FY 2023. During the first three months of FY 2023, the country has witnessed steep rise in the peak demand which touched a high of 210.79 GW on June 9, 2022.

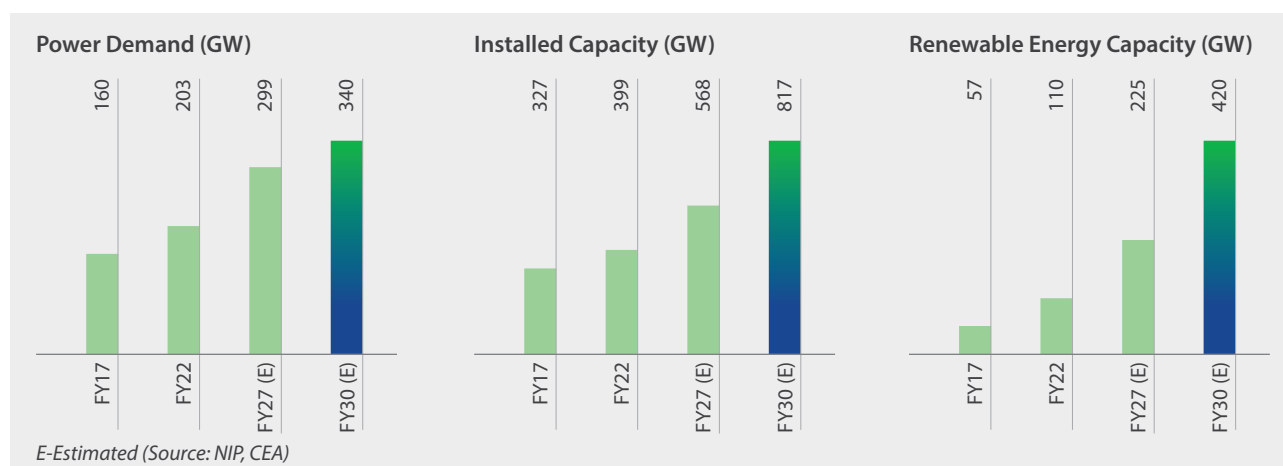
To meet the growing electricity demand, India has embarked on a focussed energy transition journey and at the COP26 in Glasgow, Hon'ble Prime Minister of India declared India's commitments to energy transition mainly including achieving the target of Net-Zero emissions by 2070, 500 GW non-fossil fuel energy capacity by 2030 and meeting 50% energy requirement from Renewable Energy (RE) by 2030.

Panchamrits' unprecedented contribution of India to climate action

- India will reach its non-fossil energy capacity to 500 GW by 2030
- India will meet 50% of its energy requirements from renewable energy by 2030
- India will reduce the total projected carbon emissions by one billion tonnes from now onwards till 2030
- By 2030, India will reduce the carbon intensity of its economy by less than 45%
- By the year 2070, India will achieve the target of Net-Zero

Source: pib.gov.in

The RE capacity which has witnessed significant growth in the past five years contributing largely to the increase in installed capacity in the country, and is poised for a quantum jump by 2030.



Propelled by a growing population, rapid urbanisation, and industrialisation, Government's efforts towards achieving energy access, the demand for electricity is likely to see accelerated growth in the coming years. Further, demand for electricity is also envisaged to increase due to Govt. of India's thrust on increasing the share of electricity in total energy consumption and efforts towards improving financial and operational performance of the distribution sector.

Power Transmission Sector in India

The transmission sector plays a vital role in the power system value chain linking supply i.e. generation facilities with demand centres and a resilient grid is critical for increasing RE penetration into the grid, and for enabling an unconstrained power market. In India, the transmission system is a two-tier structure comprising intra-state transmission systems (InSTS) and inter-state transmission system (ISTS), with Power Grid Corporation of India Limited, the Trust's Sponsor, being the largest power transmission company in India.

Power Transmission infrastructure in the country has registered strong growth over the past decade, largely driven by growing demand for electricity, capacity additions and enhancing interregional connectivity. During the period FY 2012 to FY 2022, total Transmission Line (220 kV & above) has grown from 257 thousand ckm to 457 thousand ckm and Transformation Capacity (220 kV & above) has grown from 410 GVA to 1,104 GVA. This has led to increase in Inter-Regional Power Transfer Capacity (MW) from 27,150 MW to 1,12,250 MW and increase in total Inter-Regional Power Transfer (BU) from 59 BU to 228 BU during the same period.

The transmission system expansion has led to the creation of a synchronous National Grid, achievement of 'One Nation-One Grid-One Frequency', and has enabled a vibrant power market in the country.

Rising power demand coupled with Government's focus on addition of RE capacity; increasing cross-border linkages; adoption of new technologies like Battery Storage Systems, Pumped Storage to address RE linked challenges; Govt. schemes to improve distribution sector are driving the growth of power transmission in India.

Govt. of India has recently introduced reforms in power transmission sector aimed at creating a robust transmission infrastructure while also attracting investments in the sector. In this direction, to overhaul the transmission system planning, the recently promulgated new rules, the General Network Access, are directed towards giving power utilities easier access to the transmission network. The rules also require Govt. agencies to prepare an implementation plan for the ISTS every year on a rolling basis, giving visibility to transmission system development. Further, the new standard bidding document finalised by the Govt. of India for competitively bid out transmission projects has reduced the lock-in period for transmission projects, increasing opportunities for faster recycling of capital.

National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP)

The ₹ 111 trillion **National Infrastructure Pipeline** for FY 2020-25 is a one-of-its-kind government initiative to attract investments and provide world-class infrastructure to citizens. The power sector together with renewable accounts for a share of more than 20% of the NIP, and this will provide further impetus to power transmission infrastructure. Further, the NIP envisages a capital investment of ₹ 3 trillion in power transmission during FY 2020-25 which includes ₹ 1.9 trillion by the States.

NIP's Vision 2025 for Power

- 24/7 clean and affordable power for all
- Total capacity of 583 GW (Renewable 39%)
- Reduction in share of Thermal; Increase in Renewable Energy
- Renewable share in consumption to increase to ~20% per capita consumption 1,616 units
- Promotion of grid storage and offshore wind energy
- Reforms in distribution
- Electric vehicle charging infrastructure

Source: NIP

The Rolling Plan (2026-27) for ISTS, March 2022, prepared by the CTUIL, estimates significant investments in ISTS between FY2022 and FY2027.

The **National Monetisation Pipeline** (NMP) formulated by the Government is a crucial initiative targeted at kickstarting investment cycle which will be crucial in funding the infrastructure projects. It envisages monetisation of brownfield revenue earning operational infrastructure assets worth ₹ 6 trillion over a four-year period from FY 2020-25, running co-terminus with the NIP. Assets worth ₹ 852 billion have been earmarked for monetisation in the power sector, of which ₹ 452 billion i.e. more than 50% is envisaged for power transmission through POWERGRID. The NMP lays emphasis on InvITs as one of the modes for asset monetisation of power transmission assets. The government has also introduced several favourable regulatory and taxation norms aimed at making InvITs an attractive investment vehicle in India for global investors.

(Source: National Monetisation Pipeline)

Business Overview

POWERGRID Infrastructure Investment Trust (PGInvIT) is set up by Power Grid Corporation of India Limited (POWERGRID), a Maharatna Central Public Sector Enterprise (CPSE) and India's largest transmission player, to own, construct, operate, maintain, and invest, as an infrastructure investment trust, in power and power transmission assets in India. It is the first InvIT sponsored by any Government entity in our country

PGInvIT was set up as a Trust under the Indian Trusts Act, 1882 in September 2020 and was registered as an infrastructure investment trust with the Securities and Exchange Board of India (SEBI) in January 2021 under the InvIT Regulations.

The Trust has one of India's most experienced and reputed Sponsor and Project Manager POWERGRID, an experienced Investment Manager POWERGRID Unchahar Transmission Limited, and Trustee IDBI Trusteeship Services Limited (ITSL). It intends to leverage the expertise and the experience of its Sponsor and the IM to deliver consistent, stable, and visible returns to its Unitholders.

Initial Portfolio Assets

The initial portfolio comprises five fully operational and revenue-generating assets housed in five Special Purpose Vehicles (SPVs) with a sound operational track record and high availability. The SPVs are entitled for assured transmission charges and incentives, subject to maintaining operational parameters, for a period of 35 years from the date of respective commercial operation. The Trust, through its Project Manager, focusses on maintaining and optimising the performance of these assets.

The assets comprising 11 transmission lines aggregating 3,698.59 ckm and 3 substations with an aggregate transformation capacity of 6,630 MVA include grid strengthening links, generation-linked assets, and assets linked with inter-regional power flow covering five states in India. The residual life of the SPVs as per the respective Transmission Service Agreements is more than 30 years.

Please refer to Page 21 of this Report for further details.

Operational Highlights

Efficient Operation and Maintenance plays an important role in the transmission sector, delivering value to various key stakeholders. Maximum availability of transmission assets while ensuring continuous power supply to the customers ensures incentive income, in addition to steady transmission charges, benefiting unitholders.

The operation and maintenance of the IPAs is being carried out by POWERGRID, one of the largest transmission utilities globally. While undertaking routine and breakdown maintenance, the Project Manager also implements various latest techniques to minimise shutdown time for periodic maintenance checks and breakdown maintenance and for better availability of transmission systems. Through the Project Manager, the IPAs ensure compliance with applicable environmental regulations and in providing a safe and healthy working environment to the personnel involved in operation and maintenance, through safety drills, and trainings.

For ensuring safe operations, safety drills including mock drills for fire, snake bite, and use of first-aid are regularly conducted at the SPVs. During FY 2021-22, all the SPVs reported 100% safe man-hours and accident-free operations. Various functional and behavioural trainings were imparted to the personnel associated with the operations and maintenance of the IPAs.

Average Availability of SPVs during the year (%)

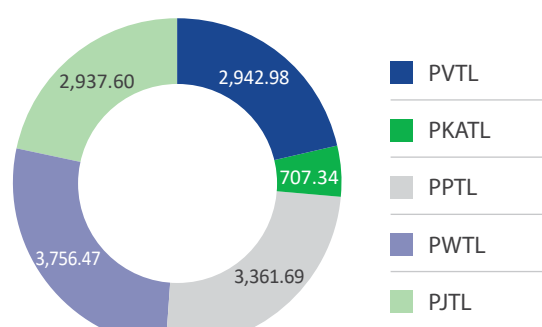


Accident-free Operations

- Routine O&M
- Preventive maintenance
- Safety drills
- Trainings for O&M teams

The Emergency Restoration System available with POWERGRID and placed strategically at various locations across India along with related skilled manpower can be deployed for uninterrupted operations and quick restoration of transmission services, in case of exigencies.

Details of revenue (project-wise) during FY 2021-22 (₹ in million)



Undertaking value accretive acquisitions

PGInVT aims to provide stable, consistent, and visible returns to its unitholders and acquisition of assets are an important means to achieve that. During the year, the Trust acquired the balance 26% equity shareholding in PVTL for a consideration of ₹ 3,307.85 million following the completion of its lock-in period of five years of operations. Further, following the approval by Hon'ble CERC and prudence check by LTTC, the Trust through its SPVs acquired rights for additional revenues accruing to three of its SPVs viz., PPTL, PWTL & PJTL for an aggregate consideration of ₹ 3,041.50 million. With this PPTL, PWTL and PJTL will now earn additional annual transmission charges at the rate of 2.787%, 3.445% and 5.226% respectively.

The acquisitions were funded by a mix of internal resources and external debt. For the external debt portion, PGInVT tied a loan facility for ₹ 7,000 million from HDFC Bank Limited.

FINANCIAL REVIEW

Revenue, EBITDA and PAT

The SPVs of PGInVT are in the business of power transmission. These SPVs earn revenues, i.e. availability based transmission charges, pursuant to the TSAs, from the DICs irrespective of the quantum of power transmitted through the transmission line. In addition, maintaining availability of the assets in excess of 98%, gives them the right to claim incentives under the TSAs. The transmission charges are contracted for the period of the relevant TSAs, which is 35 years from the COD of the relevant power transmission project, and is subject to renewal in accordance with the relevant TSA and the CERC regulations.

The total income of the Trust at a consolidated level was ₹ 12,434.13 million in FY 2021-22. Of this, ₹ 260.74 million was other income. EBITDA and PAT for the year stood at ₹ 11,653.53 million and ₹ 4,633.14 million respectively. EBITDA margin on consolidated basis is around 93.72% for power transmission assets with key cost components being repair & maintenance, insurance expenses, and IM fees.

(₹ in million)	
Particulars	FY 2021-22 Consolidated
Total Revenue	12,434.13
Operating Expenses	780.60
EBITDA	11,653.53
EBITDA Margin (%)	93.72%
PAT	4,633.14
PAT Margin (%)	37.26%
Net Distributable Cash Flows (NDCF)	9,629.45
Distribution per unit (₹) for FY 2021-22	10.50
Market Capitalisation*	1,21,848.89

*As per closing price on NSE on March 31, 2022.

Net Distributable Cash Flow (NDCF) and Distribution Per Unit (DPU)

Net Distributable Cash Flows (NDCF) is the free cash flow generated from underlying operations. Cash flows received by PGInVT can be typically in the form of interest income, dividend income and principal repayment. In line with InVT Regulations and Distribution Policy of PGInVT, it is required to distribute at least 90% of the cash flows received by it, to its Unitholders. During the period, the Net Distributable Cash Flow was ₹ 9,629.45 million. DPU amounts to the cash flows distributed on a "per unit" basis to the Unitholders. The Trust distributed DPU of ₹ 10.50 per unit for FY 2021-22. Total cash distribution to unitholders for FY 2021-22 was ~₹ 9,554.99 million.

Assets Under Management

The registered valuer, RBSA Capital Advisors LLP, carried out the valuation as an independent valuer and valued assets of PGInVT at ₹ 1,02,295.30 million as on March 31, 2022.

Assets	AUM (₹ in million)
PVTL	21,832.20
PKATL	4,515.90
PPTL	25,508.50
PWTL	28,701.20
PJTL	21,737.50
Total	1,02,295.30

Borrowings

The consolidated borrowings as on March 31, 2022 stood at ₹ 5,755.85 million. The borrowing is a part of ₹ 7,000 million loan facility tied up by PGInVT with HDFC Bank Limited.

Credit Rating

PGInVT is rated as "CCR AAA/Stable" from CRISIL, "ICRA AAA/Stable" from ICRA and "CARE AAA(Is)/Stable" from CARE.

Further, the Long-Term Bank facility for an amount of ₹ 7,000 million has been assigned a rating of CARE AAA; Stable (Triple A; Outlook: Stable) by CARE.

Strategies and Outlook

PGInVT's business strategies are structured around a focussed business model with operational efficiencies to enhance returns while capitalising on value-accretive growth through acquisitions and maintaining an efficient capital structure - all this towards a single-minded focus of providing consistent, stable, and visible returns to the unitholders.

Power transmission projects characterised by low levels of operating risk and enjoying the benefit of a well-established regulatory regime with minimal counterparty risk ensure long-term visibility on returns and predictable cash flows.

Sustained investments in transmission sector will enable creation of a pipeline of transmission assets, which will create opportunities for PGInvIT to enhance its portfolio delivering value to unitholders.

Further, the National Monetisation Pipeline (NMP) formulated by Govt. of India envisages monetisation of power transmission assets of POWERGRID to the tune of about ₹ 452 billion during FY2022 to FY2025 with emphasis on InvITs as one of the options for monetisation.

(Source: National Monetisation Pipeline)

PGInvIT with its robust foundation built around its core strengths which include a world-class Sponsor, an experienced Investment Manager, consistent cash flows, and a strong financial position is well-positioned to acquire new assets without substantially diluting unitholders' interest for the benefit of unitholders.

Cautionary Statement

The Management Discussion and Analysis contains statements for describing the Trust's objectives, projections, estimates, expectations, or predictions. These statements are 'forward-looking' in nature and are within the meaning of applicable securities laws and regulations. The Trust has undertaken various assessments and analysis to make assumptions on future expectations on business development. However, various risks and unknown factors could cause differences in the actual developments from our expectations. Important factors that could make a difference to the Trust's operations include macro-economic developments in the country and improvement in the state of capital markets, changes in the Governmental regulations, taxes, laws, and other statutes, and other incidental factors. The Trust undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.

Mandatory Disclosures

- Brief summary of the valuation as per full valuation report as at the end of the year**

In line with the Securities and Exchange Board of India (Infrastructure Investment Trusts), Regulations, 2014 ('InvIT Regulations'), PGINVIT got the valuation done for its assets through an independent valuer, M/s RBSA Valuation Advisors LLP. The Valuer carried out the Enterprise and Equity Valuation of the five SPVs of PGINVIT, namely, PVTL, PKTL, PPTL, PWTL and PJTL as of March 31, 2022, considering *inter-alia* historical performance of the SPVs, Business Plan/ Projected financial statements of the SPVs, industry analysis and other relevant factors.

For valuation purposes, the Valuer adopted the Discounted Cash Flow ('DCF') Method under the Income Approach.

The Valuation summary of the Specified SPVs as of March 31, 2022 is as follows:

Initial Portfolio Assets	WACC	Enterprise Value (₹ in million)	Equity Value (₹ in million)	No. of Shares	Value per share (in ₹)
PVTL	8.0%	21,832.2	14,453.2	20,97,30,000	68.9
PKATL	7.7%	4,515.9	2,682.7	6,10,00,000	44.0
PPTL	7.8%	25,508.5	12,715.1	32,21,00,000	39.5
PWTL	7.8%	28,701.2	13,173.2	39,33,00,000	33.5
PJTL	7.8%	21,737.5	9,385.5	22,69,10,000	41.4
TOTAL		1,02,295.3	52,409.7		

The Enterprise Value was computed by discounting the free cash flows over the forecast period until the end of the life of project and the terminal value at the end of the forecast period using an appropriate Weighted Average Cost of Capital ('WACC').

Post listing of PGINVIT units on the Stock Exchanges, PGINVIT has completed acquisition of balance 26% equity shareholding in PVTL from POWERGRID. Further, PGINVIT through its respective SPVs acquired right over additional revenue due to 'Change in Law' for PWTL, PPTL and PJTL from POWERGRID.

Valuation report of PGINVIT assets as on March 31, 2022 issued by Valuer is annexed to this report as Annexure and forms part of this report only. The valuation report can also be viewed on the Trust's website.

- Details of changes during the year pertaining to**

- Addition and divestment of assets including the identity of the buyers or sellers, purchase or sale prices and brief details of valuation for such transactions**

After the initial public offering of the Trust, in terms of the share purchase agreement, 26% equity shareholding of PVTL was acquired by PGINVIT from POWERGRID on March 31, 2022 at consideration of ₹ 3,307.85 million. Summary of the valuation report dated February 17, 2022 issued by the independent valuer appointed under the InvIT Regulations, expressing opinion on the fair valuation of the PVTL as of January 31, 2022 is as follows:

SPV	PVTL
WACC	7.90%
Enterprise Value (₹ in million)	21,876.2
Equity Value (₹ in million)	14,568.00
No. of Shares	209,730,000
Value per share (₹)	69.5

Valuation was done as per the discounted cash flow method under the income approach.

- Valuation of assets and NAV (as per the full valuation reports)**

Refer Annexure for details regarding valuation of assets and Financial Statements for NAV.

- Borrowings or repayment of borrowings (standalone and consolidated)**

Refer Financial Statements for details

- Credit Rating**

The Trust was rated CARE AAA (Is); Provisional [ICRA] AAA (Stable), and Provisional CCR AAA/Stable by CARE Ratings Limited, ICRA Limited, and CRISIL Ratings Limited, respectively at the IPO stage.

During the period under review, the provisional ratings by ICRA Limited and CRISIL Ratings Limited have been converted into final ratings.

Further, Long Term Loan Facility from HDFC Bank Limited was rated CARE AAA; Stable by CARE Ratings Limited.

e) **Sponsor, Investment Manager, Trustee, Valuer, Directors of the Trustee or Investment Manager or Sponsor, etc.**

There is no change in the Sponsor, Investment Manager, Trustee and Valuer. Changes in the Directors of Sponsor, Investment Manager and Trustee are given hereunder:

Particulars	Name of the Entity	Directors of the Entity
Sponsor	POWERGRID	<ul style="list-style-type: none"> Shri Sunil Kumar Sharma has ceased to be director on the Board w.e.f July 23, 2021 Smt. A.R. Mahalakshmi has ceased to be director on the Board w.e.f July 26, 2021 Shri Mritunjay Kumar Narayan has ceased to be director on the Board w.e.f. December 06, 2021 Shri Chetan Bansilal Kankariya and Shri Onkarappa KN have been appointed as directors on the Board w.e.f. November 17, 2021 Shri Ram Naresh Tiwari has been appointed as director on the Board w.e.f. November 18, 2021 Shri Ghanshyam Prasad has been appointed as director on the Board w.e.f. December 21, 2021
Investment Manager	PUTL	<ul style="list-style-type: none"> Shri Sunil Kumar Sharma has ceased to be director on the Board w.e.f July 23, 2021 Shri M.N. Venkatesan has ceased to be director on the Board w.e.f December 15, 2021 Shri B. Anantha Sarma was appointed as director on the Board w.e.f. December 14, 2021 and ceased to hold directorship on the Board w.e.f February 11, 2022 Shri Onkarappa KN & Shri Ram Naresh Tiwari have been appointed as Directors on the Board w.e.f. February 10, 2022.

Particulars	Name of the Entity	Directors of the Entity
Trustee	IDBI Trusteeship Services Ltd.	<ul style="list-style-type: none"> Shri Satyajit Tripathy has ceased to be director on the Board w.e.f September 17, 2021 Shri Ravishankar G. Shinde has ceased to be director on the Board w.e.f March 15, 2022 Ms. Jayashree Ranade has been appointed as director on the Board w.e.f September 20, 2021 Shri Pradeep Kumar Jain has been appointed as director on the Board w.e.f March 24, 2022

f) **Clauses in trust deed, investment management agreement or any other agreement entered into pertaining to activities of InvIT**

Facility Agreements executed amongst the Trustee, the IM and PJTL, PWTL & PJTL individually, and Share Purchase Agreements executed amongst the Trustee, the IM, POWERGRID and PPTL, PWTL & PJTL individually were amended to facilitate PPTL, PWTL & PJTL respectively in acquiring the change in law revenue accruing pursuant to CERC orders.

g) **Any regulatory changes that has impacted or may impact cash flows of the underlying projects**

Subsequent to the order of the regulator, CERC, in petition no. 610/MP/2020 the annual transmission charges of PJTL have increased by 5.226%.

h) **Change in material contracts or any new risk in performance of any contract pertaining to the InvIT**

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 Trust.

i) **Any legal proceedings which may have significant bearing on the activities or revenues or cash flows of the InvIT**

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 Trust.

j) **Any other material change during the year**

Except otherwise specified, during the period under review, there were no material changes during the year

• **Revenue of the InvIT for the last 5 years, project-wise**

Being the first year of operations, Revenue of the PGINVIT for the last 5 years is not available.

• **Update on development of under-construction projects, if any**

PKATL has been allotted a project being 'Implementation of One no. 125 MVAR, 420kV Bus Reactor at Kala Amb substation' by Ministry of Power, GoI under Regulated Tariff Mechanism. The project was notified on March 5, 2019. PKATL was granted a separate transmission license for the project by Hon'ble CERC vide its order dated March 22, 2022.

PKATL has also signed a consultancy assignment with POWERGRID for implementation of above mentioned project.

• **Details of outstanding borrowings and deferred payments of InvIT including any credit rating(s), debt maturity profile, gearing ratios of the InvIT on a consolidated and standalone basis as at the end of the year-**

Particulars	Standalone	Consolidated
Outstanding Borrowing	5,755.85	5,755.85
Term Loan from Bank		
Credit Rating	CARE AAA; Stable	CARE AAA; Stable
Tenure of Loan	16 Year	16 Year
Gearing Ratio	5.89%	6.02%

• **The total operating expenses of the InvIT along with detailed break-up, including all fees and charges paid to the Investment Manager and any other parties, if any during the year**

Refer Financial Statements for details

• **Past performance of the InvIT with respect to unit price, distributions made and yield for the last 5 years, as applicable**

Being the first year of operations, data for last 5 years is not available.

• **Unit price quoted on the exchange at the beginning and end of the period, the highest and lowest unit price and the average daily volume traded during the financial year**

Units of the Trust were listed on May 14, 2021 on the NSE and BSE at ₹ 104.00. Total volume of trade in aggregate, on both the NSE and BSE during the period was approximately 323.37 million units, translating into an average daily traded volume of approximately 1.46 million units.

The Trust announced DPU of ₹ 10.5/per unit for the period ended March 31, 2022.

Particulars	NSE	BSE
Price Information	(₹)	
Unit Price at the beginning of the period (May 14, 2021)-closing price	102.99	102.98
Unit Price at the ending of the period (March 31, 2022)-closing price	133.90	134.38
Highest Unit Price	137.90	137.14
Lowest Unit Price	102.75	102.84
Volume Information		
Average Daily Volume Traded during the period (in Thousands)	1,383.58	79.62
Total Average Daily Volume Traded (on both BSE and NSE) (in Thousands)	1,463.20	

• **Details of all related party transactions during the year, value of which exceeds five per cent. of value of the InvIT (Assets)**

Related Party Transactions are disclosed as part of Financial Statements.

• **Details regarding the monies lent by the InvIT to the holding company or the special purpose vehicle in which it has investment in:**

Please refer table below:

(₹ in million)

Particulars	Opening Balance as on May 13, 2021	Loan given during the period	Loan repaid during the period	Closing Balance as on March 31, 2022
PVTL	-	7,839.88	-	7,839.88
PKATL	-	1,860.00	-	1,860.00
PPTL	-	13,567.94	-	13,567.94
PWTL	-	16,172.07	-	16,172.07
PJTL	-	12,942.95	-	12,942.95

- **Details of issue and buyback of units during the year, if any**

Pursuant to the IPO of the PGIInvIT, 909,999,200 units were issued to the unitholders.

Buyback of Units:

During the period under review there was no buy back of any securities by the Trust.

- **Brief details of material and price sensitive information**

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 the Trust.

- **Brief details of material litigations and regulatory actions-**

Except otherwise specified in this report or its Annexures, there are no material litigation and actions by regulatory authorities currently pending against the Trust, the Sponsor and the Project Manager, the Investment Manager, or any of their Associates and the Trustee. For the Trust, Investment Manager and for Sponsor or Project Manager, outstanding cases and/or regulatory action which involve an amount exceeding ₹ 621.71million, ₹ 12.51million and ₹ 21,348.95million (being 5% of the total consolidated revenue or consolidated networth of the respective entity, whichever is lower) have been considered material, respectively for the review period.

Regulatory - Except otherwise specified, during the period under review, there were no regulatory changes that has impacted or may impact the underlying projects.

- **Explanation of variation, if any, in the use of proceeds from the objects stated in the offer document and any other variation between projected utilization of funds and actual utilization made by the InvIT in the offer document.**

The proceeds of the initial public offer (IPO) of units of POWERGRID Infrastructure Investment Trust (PGIInvIT) have been fully utilized in line with the objects stated in the Final Offer Document dated May 6, 2021, without any deviations or variations in the stated use of proceeds.

- **Risk factors**

The Trust constantly monitor the risks associated with its business and adequate steps are taken to mitigate these risks.

Major risks are as follows:

A. Financial health of Customer

Delay in payment of billed transmission charges by customers to the CTU under sharing regulations may affect the cash flows and results of operations.

B. Ability to operate and maintain target availability

Inability of Project Manager to ensure operate and maintain our power transmission projects to achieve prescribed availability may adversely impact the cash flows.

C. Distributions to our Unitholders

Inability to make distributions as per investor expectations or anticipation could materially and adversely affect the market price of our Units

D. Increase in Costs

The transmission charges under TSAs are largely fixed. Increase in O&M costs due to factors beyond our control could adversely impact profitability.

E. Growth

Highly competitive environment of power transmission sector and increased competitive pressure could adversely affect the ability of the Investment Manager to execute the growth strategy.

F. Unforeseen Events

Any force majeure event rendering our project inoperable and not covered by insurance or TSA can adversely impact the results of operations and cash flows.

G. Insurance

We have taken Industrial All Risk Insurance Policy for our assets. If our losses significantly exceed our insurance coverage or cannot be recovered through insurance for any reason whatsoever, our results of operations and cash flows could be materially and adversely affected.

H. Control of Government of India

There is no assurance that the Investment Manager Board will at all times be in compliance with the requirements for board constitution under the InvIT Regulations.

I. Novel Coronavirus ('COVID-19')

We cannot predict the effect any event like epidemics, pandemics such as Covid-19, weather conditions, natural disasters, etc. will have on our business, prospects, financial condition, results of operations, cash flows, future operations and performance.

Note: Detailed risk factors are provided in the Final Offer Document.

Report on Corporate Governance

BACKGROUND

PGInvIT was settled as a Trust under Indian Trusts Act, 1882 on September 14, 2020 to own, construct, operate, maintain and invest as an infrastructure investment trust as permissible in terms of the InvIT Regulations, including in power transmission assets in India. It was registered as an infrastructure investment trust with SEBI on January 7, 2021, under the InvIT Regulations, with Registration Number IN/InvIT/20-21/0016.

IDBI Trusteeship Services Limited, the Trustee of PGINVIT is a debenture trustee registered with SEBI. The Trustee has appointed POWERGRID Unchahar Transmission Limited, a wholly owned subsidiary of Power Grid Corporation of India Limited, as the Investment Manager to PGINVIT, in accordance with the InvIT Regulations.

PHILOSOPHY ON CORPORATE GOVERNANCE

POWERGRID Unchahar Transmission Limited ("PUTL"), appointed as the Investment Manager ("IM") to PGINVIT pursuant to the Investment Management Agreement dated December 18, 2020, is responsible for day-to-day management and administration of InvIT Assets and making investment decisions with respect to the underlying assets or projects of the Trust, including any further investment or divestment of its assets, in accordance with InvIT Regulations and the Investment Management Agreement entered into in relation to the Trust.

The Investment Manager's Corporate Governance pillars includes:

- IM's Board of Directors
- IM's key personnel led by a Chief Executive Officer
- Committees of the IM Board and
- Corporate Governance Framework in relation to the Trust, implemented by the IM.

The Corporate Governance Framework *inter alia* sets out the Board composition, its quorum and frequency of meetings, committees to be formed including their composition, terms of reference, frequency of meetings and quorum requirements and various policies including Code of Conduct to be adopted by the Investment Manager in relation to the Trust and is available on the website of the Trust.

BOARD OF DIRECTORS

The Board of the Investment Manager comprises four Directors. All the directors are non-executive directors, one half of which are Independent Directors.

The collective experience of the directors of the Investment Manager covers a broad range of commercial experience, particularly experience in infrastructure sector (including the applicable sub-sector), investment management or advisory and financial matters. The brief profiles of the Directors are given on page no. 39 of this report.

Composition of the Board of Directors of the Investment Manager is in adherence to applicable provisions of Companies Act 2013, InvIT Regulations, and Corporate Governance Framework adopted by PUTL which requires that:

- a) not less than 50% of the board of directors shall comprise of independent directors and not directors or members of the governing board of the Investment Manager of another infrastructure investment trust registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, provided required number of independent directors are nominated/ appointed on the governing board of the Investment Manager by the Government of India, and
- b) collective experience of directors should cover a broad range of commercial experience, particularly experience in infrastructure sector (including the applicable sub-sector), investment management or advisory and financial matters.

BOARD COMPOSITION

As on March 31, 2022, the Board of Directors of Investment Manager comprised the following:

S. No.	Particular of the Directors	Designation	Date of Appointment
1.	Smt. Seema Gupta*	Non-Executive Director & Chairperson	18/09/2020
2.	Shri Ashok Kumar Singhal	Non-Executive Director	17/12/2020
3.	Shri Onkarappa KN	Independent Director	10/02/2022
4.	Shri Ram Naresh Tiwari	Independent Director	10/02/2022

**Smt. Seema Gupta ceased to be Chairperson & Director of PUTL upon her superannuation as Director (Operations) from the holding company of PUTL i.e. Power Grid Corporation of India Limited on May 31, 2022.*

Shri Abhay Choudhary, Director (Projects), POWERGRID has been appointed as Non-Executive Director & Chairman of PUTL w.e.f. June 01, 2022.

Quorum

The quorum shall be at least 50% of the number of directors on the board. At least 50% of the directors present shall be independent directors, provided required number of independent directors are nominated/ appointed on the governing board of the Investment Manager by the Government of India.

Meetings of Board of Directors

During the financial year ended March 31, 2022, nineteen meetings of the Board of Directors of Investment Manager were held i.e. on April 22, 2021, April 23, 2021, April 28, 2021, May 06, 2021, May 10, 2021, May 11, 2021, May 27, 2021, July 19, 2021, August 06, 2021, September 20, 2021, October 14, 2021, October 27, 2021, November 5, 2021, November 9, 2021, December 14, 2021, January 20, 2022, January 28, 2022, February 28, 2022 and March 28, 2022.

Attendance of meetings of Board of Directors

Name of the Directors	No. of Meetings entitled to attend	No. of Meetings Attended
Non-Executive Directors		
Smt. Seema Gupta*	19	18
Shri Ashok Kumar Singhal	19	15
Shri B. Anantha Sarma**	02	02
Independent Directors		
Shri Onkarappa KN	02	02
Shri Ram Naresh Tiwari	02	02
Shri M N Venkatesan***	15	15
Shri Sunil Kumar Sharma****	08	08

*Ceased to be Director & Chairperson w.e.f. May 31, 2022.

**Ceased to be Director w.e.f. February 11, 2022.

***Ceased to be Director w.e.f. December 15, 2021.

****Ceased to be Director w.e.f. July 23, 2021.

REMUNERATION OF DIRECTORS

Board of Investment Manager comprises four directors including two Non-Executive Directors nominated by POWERGRID, the holding company and two independent directors appointed by the Government of India. The Non-Executive Directors nominated by POWERGRID do not draw any remuneration/sitting fee for attending the meetings of the Board and Committees of Board from the Investment Manager. Independent Directors are paid only sitting fee for attending Board / Committee meetings of Investment Manager, as fixed by the Board of Investment Manager within the ceiling prescribed for payment of sitting fee under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the Government Guidelines for attending the Board Meetings as well as Committee Meetings.

Details of Payment made towards sitting fee to Independent Directors during the year 2021-22 are given below:

Independent Directors	Sitting Fee		Total
	Board Meeting	Committees of Board of Directors Meeting	
Shri Onkarappa KN	60,000	1,00,000	1,60,000
Shri Ram Naresh Tiwari	60,000	80,000	1,40,000
Shri M N Venkatesan (ceased to be director w.e.f. December 15, 2021)	4,50,000	1,40,000	5,90,000
Shri Sunil Kumar Sharma (ceased to be director w.e.f. July 23, 2021)	2,40,000	20,000	2,60,000

COMMITTEES OF THE BOARD OF DIRECTORS

The Investment Manager has constituted following Committees, in relation to the Trust:

- Investment Committee
- Audit Committee
- Stakeholders' Relationship Committee

In addition to the aforesaid Committees, Investment Manager has voluntarily formed 'Committee of Directors for Appointments' in relation to the Trust.

i. Investment Committee

As on March 31, 2022, the Investment Committee comprised the following Members:

S. No.	Name of Members	Category	Designation
1.	Shri Ram Naresh Tiwari	Independent Director	Chairman of the Committee
2.	Shri Onkarappa KN	Independent Director	Member
3.	Shri Ashok Kumar Singhal	Non-Executive Director	Member

The Company Secretary is the Secretary to the Investment Committee.

Quorum

The quorum shall be at least one-third of the members of the Investment Committee or two members, whichever is higher. At least 50% of the members present, shall be independent directors, provided required number of independent directors are nominated/appointed on the governing board of the Investment Manager by the Government of India.

During the financial year ended March 31, 2022, two meetings of the Investment Committee were held i.e. on December 14, 2021 and February 21, 2022.

Terms of reference of the Investment Committee include the following:

- i. review of the investment decisions with respect to the underlying assets or projects of the Trust from the Sponsor including any further investments or divestments to ensure protection of the interest of unitholders;
- ii. undertaking all functions in relation to protection of unitholders' interests and resolution of any conflicts of interest (other than in relation to investors' grievances) including reviewing agreements or transactions in this regard;
- iii. approving any proposal in relation to acquisition of assets, further issue of units including in relation to acquisition or assets;
- iv. overseeing activities of the project manager in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder and the project implementation and management agreement; and
- v. formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.

ii. Audit Committee

As on March 31, 2022, the Audit Committee comprised the following Members:

S. No.	Name of Members	Category	Designation
1.	Shri Onkarappa KN	Independent Director	Chairman of the Committee
2.	Shri Ram Naresh Tiwari	Independent Director	Member
3.	Shri Ashok Kumar Singhal	Non-Executive Director	Member

The Company Secretary is the Secretary to the Audit committee.

Quorum

The quorum shall be at least one-third of the members of the Audit Committee or two members, whichever is higher. At least two members present shall be independent directors, provided required number of independent directors are nominated/appointed on the governing board of the Investment Manager by the Government of India.

Meetings

During the financial year ended March 31, 2022, six meetings of the Audit Committee were held i.e. on May 27, 2021, November 9, 2021, January 20, 2022, January 28, 2022, February 28, 2022 and March 28, 2022.

Terms of reference of the Audit Committee include the following:

- i. examination of the financial statement of Investment Manager and the auditors' report thereon;
- ii. provide recommendations to the board of directors regarding any proposed distributions by POWERGRID Infrastructure Investment Trust ('Trust');
- iii. overseeing the Trust's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- iv. giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Trust and the audit fee, subject to the approval of the unitholders;
- v. reviewing and monitoring the independence and performance of the statutory auditor of the Trust, and effectiveness of audit process;
- vi. approving payments to statutory auditors of the Trust for any other services rendered by such statutory auditors;
- vii. reviewing the annual financial statements and auditor's report thereon of the Trust, 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;

- viii. reviewing, with the management, all periodic financial statements, including but not limited to quarterly, half-yearly and annual financial statements of the Trust, whether standalone or consolidated or in any other form as may be required under applicable law, before submission to the board of directors for approval;
- ix. reviewing, with the management, the statement of uses/ application of funds raised through an issue of units by the Trust (including but not limited to public issue, rights issue, preferential issue, private placements, etc.) and any issue of debt securities, 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;
- x. approval or any subsequent modifications of transactions of the Trust with related parties;
- xi. recommending such related party transactions to the board of directors or the Unitholders, as may be required, in terms of the InvIT Regulations;
- xii. scrutinising loans and investments of the Trust;
- xiii. reviewing all valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law
- xiv. evaluating financial controls and risk management systems of the Trust;
- xv. reviewing, with the management, the adequacy of the internal control systems of the Trust, as necessary;
- xvi. discussion with internal auditors of any significant findings relating to the Trust and follow up there on;
- xvii. reviewing the adequacy of internal audit function if any of the Trust, 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;
- xviii. reviewing the findings of any internal investigations in relation to the Trust, 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;
- xix. 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 the Trust 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 fees or charges payable out of the Trust's assets;
- xx. discussing with statutory auditors and valuers of the Trust 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;
- xxi. reviewing and monitoring the independence and performance of the valuer of the Trust;
- xxii. giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the valuer of the Trust;
- xxiii. evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the SPVs to the Trust and payments to any creditors of the Trust or the SPVs, and recommending remedial measures;
- xxiv. review of management's discussion and analysis of financial condition and results of operations of the Trust;
- xxv. review of statement of significant related party transactions of the Trust, submitted by the management;
- xxvi. granting omnibus approval for related party transactions (which approvals shall be valid for a period not exceeding one year from the date of each such approval, and related party transactions undertaken after the expiry of such period shall require fresh approval of the Audit Committee);
- xxvii. review, on a quarterly basis, of the details of related party transactions entered into by the Trust pursuant to the omnibus approval;
- xxviii. review of management letters/letters of internal control weaknesses issued by the statutory auditors of the Trust;
- xxix. giving recommendations to the board of directors regarding audit fee to be paid to the Statutory Auditors of the Investment Manager and payments for any other services rendered by such Statutory Auditors;
- xxx. approval or any subsequent modification of transactions of the Investment Manager with related parties, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder;
- xxxi. carrying out any other function in relation to the Investment Manager as mentioned in the terms of reference of audit committee under the Companies Act, 2013 and amendments thereto from time to time; and
- xxxii. formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.

iii. Stakeholders' Relationship Committee

As on March 31, 2022, the Stakeholders' Relationship Committee comprised the following Members:

S. No.	Name of Members	Category	Designation
1.	Smt. Seema Gupta	Non-Executive Director & Chairperson	Chairperson of the Committee
2.	Shri Ram Naresh Tiwari	Independent Director	Member
3.	Shri Ashok Kumar Singhal	Non-Executive Director	Member

The Company Secretary is the Secretary to the Stakeholders' Relationship Committee.

Quorum

The quorum shall be at least one-third of the members of the Stakeholders' Relationship Committee or two members, whichever is higher.

Meetings

During the financial year ended March 31, 2022, three meetings of the Stakeholders' Relationship Committee were held i.e. on July 19, 2021, October 11, 2021 and January 20, 2022.

Terms of reference of the Stakeholders' Relationship Committee include the following:

- consider and resolve grievances of the unitholders of POWERGRID Infrastructure Investment Trust ('Trust'),

including complaints related to the transfer of units, non-receipt of annual report and non-receipt of declared distributions;

- review of any litigation related to unitholders' grievances;
- update unitholders on acquisition/ sale of assets by the Trust and any change in the capital structure of the SPVs;
- reporting specific material litigation related to unitholders' grievances to the Board of Directors; and
- approve report on investor grievances to be submitted to the trustee of the Trust.

iv. Committee of Directors for Appointments

As on March 31, 2022, the Committee of Directors for Appointments comprised the following Members:

S. No.	Name of Members	Category	Designation
1.	Smt. Seema Gupta	Non-Executive Director & Chairperson	Chairperson of the Committee
2.	Shri Onkarappa KN	Independent Director	Member
3.	Shri Ram Naresh Tiwari	Independent Director	Member

Meetings

During the financial year ended March 31, 2022, two meetings of the Committee of Directors for Appointments were held i.e. on October 11, 2021 and March 29, 2022.

ATTENDANCE OF DIRECTORS AT MEETINGS OF COMMITTEES OF BOARD

Name of the Directors	Investment Committee (Attended/Entitled)	Audit Committee (Attended/Entitled)	Stakeholders' Relationship Committee (Attended/Entitled)
Non-Executive Directors			
Smt. Seema Gupta*	01/01	03/03	03/03
Shri Ashok Kumar Singhal	02/02	06/06	03/03
Shri B. Anantha Sarma**	Nil/Nil	02/02	01/01
Independent Directors			
Shri Onkarappa KN	01/01	02/02	Nil/Nil
Shri Ram Naresh Tiwari	01/01	02/02	Nil/Nil
Shri M N Venkatesan***	01/01	02/02	02/02
Shri Sunil Kumar Sharma****	Nil/Nil	01/01	Nil/Nil

*Ceased to be Director & Chairperson w.e.f. May 31, 2022.

**Ceased to be Director w.e.f. February 11, 2022.

***Ceased to be Director w.e.f. December 15, 2021.

****Ceased to be Director w.e.f. July 23, 2021.

Further, the Investment Manager has also constituted a Corporate Social Responsibility (CSR) Committee as required under the Companies Act 2013. The responsibilities of the CSR Committee *inter alia* include formulating and recommending to the IM Board, a corporate social responsibility policy ('CSR Policy'); reviewing the amount of expenditure to be incurred on the activities to be undertaken by the Investment Manager and to monitor CSR policy on an ongoing basis.

POLICIES ADOPTED BY THE BOARD OF DIRECTORS OF INVESTMENT MANAGER IN RELATION TO TRUST

- 1. Borrowing Policy:** The Investment Manager has adopted the Borrowing Policy in relation to the Trust to ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations.
- 2. Policy on Related Party Transactions:** The Investment Manager has adopted the Policy on Related Party Transactions to regulate the transactions of the Trust with its related parties based on the laws and regulations applicable to the Trust and best practices to ensure proper approval, supervision and reporting of the transactions between the Trust and its related parties.
- 3. Distribution Policy:** The Investment Manager has adopted the Distribution Policy to ensure proper and timely distribution of Distributable Income of the Trust. The Distributable Income of the Trust is calculated in accordance with the Distribution Policy, InvIT Regulations and any circular, notification or guidelines issued thereunder. In line with the Distribution Policy, the InvIT Assets shall distribute not less than 90% of each of their net distributable cash flows to the Trust and the Trust shall distribute at least 90% of the Distributable Income to the Unitholders. Distribution shall be declared and made not less than once every quarter except for the first distribution.
- 4. Policy for Determining Materiality of Information for Periodic Disclosures ("Materiality Policy") of the Trust:** The Investment Manager has adopted the Materiality Policy outlining the process and procedures for determining materiality of information in relation to periodic disclosures on the Trust's website, to the stock exchanges and to all stakeholders at large, in relation to the Trust.
- 5. Code of Conduct:** The Investment Manager has adopted a Code of Conduct in relation to the Trust. The Trust and the Parties to the Trust shall comply with the Code at all times, in accordance with the InvIT Regulations.
- 6. Unpublished Price Sensitive Information ("UPSI") Policy:** The Investment Manager has adopted the UPSI Policy to ensure that the Trust complies with applicable laws, including the InvIT Regulations or such other Indian laws, regulations, rules or guidelines prohibiting insider

trading and governing disclosure of material, unpublished price sensitive information.

- 7. Policy on appointment of the auditor and valuer of the Trust:** The Investment Manager has adopted the appointment policy, for appointment of auditor and valuer to the Trust in accordance with the InvIT Regulations.

The policies are available on the website of the Trust and can be accessed at <https://www.pginvit.in/>.

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 by the concerned entities and online viewing by investors of actions taken on the complaint and its current status.

PGInvIT has been registered on SCORES and the 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.

INVESTOR GRIEVANCES

Various queries/ complaints as received from the investors of the Trust during the financial year ended March 31, 2022 were redressed in a timely manner by the Investment Manager/ the Registrar and Transfer Agent of the Trust. The details of the complaints received and disposed of during the year are as under:

For Financial Year (FY) 2021-22 - Up to March 31, 2022

Particulars	All complaints including SCORES complaints	SCORES Complaints
Number of investor complaints pending at the beginning of the year	0	0
Number of investor complaints received during the year	5	5
Number of investor complaints disposed of during the year	5	5
Number of investor complaints pending at the end of the year	0	0
Average time taken for redressal of complaints	3 Working Days	3 Working Days

Apart from the above-mentioned complaints, 669 E-mails were received from the investors in FY 2021-22 (since listing i.e. May 14, 2021 and upto March 31, 2022) regarding general query/enquiry about the announcement of financial results/ announcement of distribution/ profile details/ bank account details/ distribution break-up/ TDS on distribution/ TDS certificate/ Annual Report, etc., which were responded within an average time of 2 working days.

UNITHOLDERS MEETING

a) Annual Meeting of the Unitholders:

PGInvIT was listed on the Stock Exchanges, the NSE and the BSE, on May 14, 2021 and as per the InvIT Regulations, the first Annual Meeting of the Unitholders will be held as per below details:

Period	Date	Time	Venue
Financial year 2021-22	July 27, 2022	2:30 P.M.(IST)	Through Video Conferencing

b) Other Meeting of Unitholders:

No Meeting of Unitholders was held during the reporting period.

c) Postal Ballot(s):

Following resolutions were passed by Unitholders of the Trust on March 22, 2022 through postal ballot by way of simple majority:

- To consider and approve the acquisition of balance 26% equity shareholding of POWERGRID Vizag Transmission Limited, an SPV & Initial Portfolio Asset of PGINVIT and matters related thereto;
- To consider and approve the acquisition of rights to additional revenue accrued to POWERGRID Parli Transmission Limited, POWERGRID Warora Transmission Limited and POWERGRID Jabalpur Transmission Limited, SPVs & Initial Portfolio Assets of PGINVIT and matters related thereto; and
- To consider and approve the aggregate consolidated borrowings and deferred payments of PGINVIT upto 49% of the value of PGINVIT assets and matters related thereto.

Details of the results of e-voting along with Scrutinizer's report are available on the website of PGINVIT.

CREDIT RATING

The Trust is rated as 'CCR AAA/Stable' by CRISIL Ratings Limited, 'ICRA AAA/Stable' by ICRA Limited and 'CARE AAA(Is)/Stable' by CARE Ratings Limited.

Further, on May 27, 2022, CARE Ratings Limited has assigned 'CARE AAA/ Stable' rating to ₹ 7,000 million Term Loan Facility of PGINVIT.

MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results of the Trust were submitted to the Stock Exchanges, after their approval by the Board of Investment Manager. The said results, investor presentations, earnings call updates and other information/

latest updates/ announcements made by the Trust can be accessed on the website of PGINVIT at <https://www.pginvit.in/>.

GENERAL UNITHOLDERS' INFORMATION

1. Annual Meeting

Wednesday, July 27, 2022

2. Financial Year

Trust's financial year is from 1st April to 31st March. Trust's report for FY2021-22 pertains to the period from May 13, 2021 to March 31, 2022.

3. Listing on Stock Exchanges

PGInvIT's units are listed on the following Stock Exchanges:

National Stock Exchange of India Limited	BSE Limited
Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

4. Unit Information

Symbol & Scrip Codes of units of PGINVIT are given as under:

NSE Symbol: PGINVIT	BSE Scrip ID: PGINVIT
	BSE Scrip Code: 543290

Lot Size for Trading: 1 unit

ISIN: INE0GGX23010

5. Unit Market Price Data

The details of monthly High-Low price(s) of Units of the Trust and number of Units traded on NSE and BSE are as under:

Month	NSE		BSE	
	Price (₹) (High/Low)	No. of units traded	Price (₹) (High/Low)	No. of units traded
April 2021*	-	-	-	-
May, 2021*	113.10/102.75	9,87,69,300	113.10/102.84	71,46,500
June, 2021	115.40/111.10	3,17,17,400	115.25/111.42	27,99,300
July, 2021	120.49/112.75	1,85,97,500	120.20/112.50	10,75,600
August, 2021	125.15/117.55	1,66,32,307	125.00/117.85	7,76,940
September, 2021	123.65/118.60	3,01,91,235	123.77/118.05	8,64,875
October, 2021	122.84/119.90	1,73,90,560	122.90/119.92	8,33,477

Month	NSE		BSE	
	Price (₹) (High/Low)	No. of units traded	Price (₹) (High/Low)	No. of units traded
November, 2021	123.00/ 118.50	2,95,66,611	135.00/ 118.00	8,70,438
December, 2021	121.25/ 118.75	2,01,24,522	122.37/ 115.15	9,94,477
January, 2022	136.49/ 120.50	1,28,11,092	136.30/ 120.20	6,54,348
February, 2022	131.95/ 127.75	1,33,04,051	133.45/ 126.00	6,80,452
March, 2022	137.90/ 124.50	1,66,65,796	137.14/ 120.80	8,99,458

*Units of The Trust were listed on May 14, 2021.

6. Distribution

The details of Distributions made by The Trust for financial year ended March 31, 2022 are as under:

Date of Board Meeting	Distribution Number	Distribution per unit (₹)	Record Date/ Payment Date
November 9, 2021	First	4.50	November 15, 2021/ November 22, 2021
January 28, 2022	Second	3.00	February 3, 2022/ February 10, 2022
May 26, 2022	Third	3.00	June 01, 2022/ June 08, 2022

Detailed break-up of Distributions made during the year is indicated on the page 10 of the Report.

7. Top 10 Unitholders as on March 31, 2022

S. No.	Name of Unitholders	Total No. of Units held	Percentage of total outstanding Units (%)
1.	Power Grid Corporation of India Limited-Sponsor	13,65,00,100	15.00
2.	CPP Investment Board Private Holdings 4 Inc	9,18,44,500	10.09
3.	NPS Trust- A/C SBI Pension Fund Scheme - State Govt	6,35,85,605	6.99
4.	Capital Income Builder	5,91,48,100	6.50
5.	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	4,65,89,500	5.12
6.	Schroder Asian Asset Income Fund	1,70,18,145	1.87
7.	Tata AIG General Insurance Company Limited	1,64,80,332	1.81
8.	Schroder Asian Income	1,53,83,611	1.69
9.	ICICI Lombard General Insurance Company Ltd	1,23,84,900	1.36
10.	Tata AIA Life Insurance Company Ltd	1,19,99,900	1.32

None of the Directors or Key Managerial Personnel of Investment Manager held any units of the Trust during the financial year 2021-22.

8. PGInvIT - UNITHOLDING AS ON March 31, 2022

Units held by different categories of unitholders and according to the size of the unitholdings as on March 31, 2022 are given below:

- Distribution of unitholding according to size as on March 31, 2022:

Serial No	Unit Range	Number of Unitholders	% of Total Unitholders	Units for the range	% of Total Units
1	1-5000	31,511	87.33%	2,30,74,237	2.54%
2	5001-10000	1,483	4.11%	1,12,83,708	1.24%
3	10001-20000	984	2.73%	1,40,24,883	1.54%
4	20001-30000	517	1.43%	1,23,59,704	1.36%
5	30001-40000	239	0.66%	83,80,523	0.92%
6	40001-50000	271	0.75%	1,21,31,526	1.33%
7	50001-100000	405	1.12%	2,99,49,540	3.29%
8	100001 and above	671	1.86%	79,87,95,079	87.78%
		36,081	100.00%	90,99,99,200	100.00%

b. Unitholding pattern as on March 31, 2022

Category	Category of Unitholder	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
(A)	Sponsor(s) / Investment Manager / Project Manager(s) and their associates/related parties						
(1)	Indian						
(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	-	0.00	-	0.00	-	0.00
	Bodies Corporate	13,65,00,100	15.00	13,65,00,100	15.00	-	0.00
	Sub- Total (A) (1)	13,65,00,100	15.00	13,65,00,100	15.00	-	0.00
(2)	Foreign						
(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	-	0.00	-	0.00	-	0.00
(e)	Any Other (Bodies Corporate)	-	0.00	-	0.00	-	0.00
	Sub- Total (A) (2)	-	0.00	-	0.00	-	0.00
	Total unitholding of Sponsor & Sponsor Group (A) = (A)(1)+(A)(2)	13,65,00,100	15.00	13,65,00,100	15.00	-	-
(B)	Public Holding						
(1)	Institutions						
(a)	Mutual Funds	5,80,59,322	6.38				
(b)	Financial Institutions/Banks	31,59,617	0.34				
(c)	Central/State Govt.	0.00	0.00				
(d)	Venture Capital Funds	0.00	0.00				
(e)	Insurance Companies	9,50,87,145	10.45				
(f)	Provident/pension funds	6,56,72,174	7.22				
(g)	Foreign Portfolio Investors	21,01,74,996	23.10				
(h)	Foreign Venture Capital investors	0.00	0.00				
(i)	Any Other (specify)						
	Bodies Corporate	1,25,43,299	1.38				
	Alternative Investment Fund	62,75,801	0.69				
	Sub- Total (B) (1)	45,09,72,354	49.56				
(2)	Non-Institutions						
(a)	Central Government/State Governments(s)/President of India	0.00	0.00				
(b)	Individuals	20,83,69,793	22.90				
(c)	NBFCs registered with RBI	6,02,400	0.06				
(d)	Any Other (specify)						
	Trusts	6,89,905	0.08				
	Non Resident Indians	73,26,764	0.81				
	Clearing Members	3,25,936	0.03				
	Bodies Corporate	10,52,11,948	11.56				
	Sub- Total (B) (2)	32,25,26,746	35.44				
	Total Public Unitholding (B) = (B)(1)+(B)(2)	77,34,99,100	85.00				
	Total Units Outstanding (C) = (A) + (B)	90,99,99,200	100.00				

9. Depositories

The name and addresses of the Depositories are as under:

National Securities Depository Limited: Trade World, A Wing, 4th Floor, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai – 400 013.

Central Depository Services (India) Limited: Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

10. Name and Designation of Compliance Officer

Ms. Anjana Luthra
Company Secretary & Compliance Officer
Plot No. 2, Sector - 29, Gurgaon - 122001, Haryana
Tel: +91 124 282 3177
E-mail: investors@pginvt.in
Website: www.pginvt.in

11. Statutory Auditors

M/s. S.K. Mittal & Co. Chartered Accountants (Firm Registration Number: 001135N), were the Statutory Auditors to the Trust for financial year 2021-22.

12. Valuer

M/s RBSA Valuation Advisors LLP, were the Valuer to the Trust for FY 2021-22. They were appointed as the Valuer to the Trust in accordance with InvIT Regulations and are registered as a Valuer with Insolvency and Bankruptcy Board of India in accordance with applicable laws. The firm's registration number is IBBI/RV-E/05/2019/110.

13. Address for Correspondence including Investor Grievances**Principal Place of Business and Contact Details of the Trust**

POWERGRID Infrastructure Investment Trust
SEBI Reg. No.- IN/InvIT/20-21/0016
Plot No. 2, Sector 29, Gurgaon 122 001
Company Secretary & Compliance Officer:
Ms. Anjana Luthra
Tel: +91 124 282 3177
E-mail: investors@pginvt.in
Website: www.pginvt.in

Registered Office and Contact Details of the Investment Manager

POWERGRID Unchahar Transmission Limited
CIN: U65100DL2012GOI246341
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016
Contact Person: Ms. Anjana Luthra
Tel: +91 124 282 3177
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Registered Office and Contact Details of Registrar & Transfer Agent

KFin Technologies Limited (formerly KFin Technologies Private Limited)
Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
Tel: +91 040-67162222
E-mail: powergrid.invit@kfintech.com

Investor Grievance

E-mail: investors@pginvt.in
einward.ris@kfintech.com

Independent Auditors' Report

To,

The Unit Holders of POWERGRID Infrastructure Investment Trust

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of POWERGRID Infrastructure Investment Trust ("the Trust"/"PGInvIT"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss including the Other Comprehensive Income, the statement of change in Unit Holders' equity, the Statement of Cash Flows for the year then ended, the Statement of Net Assets at fair value as at 31 March 2022, the Statement of Total Returns at fair value, the Statement of Net Distributable cash Flows ('NDCF's') for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder in the manner so required and give a true and fair view in conformity with Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in the Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rule, 2015 and other accounting

principles generally accepted in India, of the state of affairs of the Trust as at 31 March 2022, its profit and total comprehensive income, change in unit holders' equity Trust and its cash flows for the year ended 31 March 2022, its net assets at fair value as at 31 March 2022, its total returns at fair value and the net distributable cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the ICAI's 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 of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matters	How our audit addressed the key audit matter
1	Assessing Impairment of investments in subsidiaries As at 31 March 2022, the carrying value of Trust's investment in subsidiaries amounted to ₹ 42,541.01 million. Management reviews regularly whether there are any indicators of impairment of such investments by reference to the requirements under Ind AS. Management performs its impairment assessment by comparing the carrying value of these investments made to their recoverable amount to determine whether impairment needs to be recognized.	In making the assessment of the recoverable amount, we relied on the valuation report issued by the independent valuer appointed by the Investment Manager in accordance with SEBI InvIT Regulations.

For impairment testing, value in use has been determined by forecasting and discounting future cash flows of subsidiaries. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the future cash flows including discounting rates. The determination of the recoverable amount from subsidiaries involves significant judgment and accordingly, the evaluation of impairment of investments in subsidiaries has been determined as a key audit matter.

2 **Computation and disclosures as prescribed in the InvIT regulations relating to Statement of Net Assets at Fair Value and Total Returns at Fair Value**

As per the provisions of InvIT Regulations, the Trust is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. 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.

Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the standalone financial statements.

3 **Related party transactions and disclosures**

The Trust has undertaken transactions with its related parties in the normal course of business. These include providing loans to SPVs, interest on such loans, fees for services provided by related parties to Trust etc. as disclosed in Note no. 25 of the standalone financial statements.

We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the standalone financial statements as a key audit matter due to the significance of transactions with related parties during the year ended 31 March 2022 and regulatory compliance thereon

Our audit procedures include the following:

- Read the requirements of SEBI InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value.
- Reviewed and verified the disclosures in the standalone financial statements for compliance with the relevant requirements of InvIT Regulations.
- Relied on the valuation report issued by the independent valuer appointed by the Investment Manager in accordance with SEBI InvIT Regulations.

Our audit procedures, included the following:

- Obtained, read and assessed the Trust's policies, processes and procedures in respect of identifying related parties, evaluating of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with InvIT regulations.
- We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions.
- We read minutes of Board and its relevant committee meetings in connection with transactions with related parties affected during the year and Trust's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the InvIT regulations.
- Assessed and tested the disclosures made in accordance with the requirements of Ind AS and InvIT regulations.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The management of POWERGRID Unchahar Transmission Limited ("Investment Manager") is responsible for the preparation of the other information. The other information comprises the information that may be included in the Management Discussion and Analysis, Investment Manager's report including Annexures to Investment Manager's Report and Investment Manager's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

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

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

When we read those documents including Annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Management of POWERGRID Unchahar Transmission Limited ("Investment Manager"), is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at 31 March 2022, financial performance including other comprehensive income, movement of the unit holders' equity and cash flows for the year ended 31 March 2022, its net assets at fair value as at 31 March 2022, its total returns at fair value and the net distributable cash flows of the Trust for the year ended 31 March 2022, in accordance with accounting principles generally accepted in India, including the Indian 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 read with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "InvIT Regulations") responsibility also includes maintenance of adequate accounting records in accordance with the provisions

of InvIT Regulations for safeguarding of the assets of the Trust 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; for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Trust's ability to continue as 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 Trust or to cease operations, or has no realistic alternative but to do so.

The Investment Manager is also responsible for overseeing the Trust's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial controls 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 such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on 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 Trust'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 disclosure in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit and as required by InvIT Regulations, 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 purpose of our audit;
- b) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Unit Holder's Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account of the Trust; and
- 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.

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

Place: Gurugram
UDIN: 22099387AJQQJE1034
Dated: 26 May 2022

(CA Gaurav Mittal)

Partner

Membership No.: 099387

Standalone Balance Sheet

as at 31 March 2022

₹ in million

Particulars	Note No	As at 31 March 2022
ASSETS		
Non-current assets		
Financial Assets		
Investments	3	42,541.01
Loans	4	52,382.84
Other non-current assets	5	-
		94,923.85
Current assets		
Financial Assets		
Cash and cash equivalents	6	2,804.46
Bank balances other than Cash and cash equivalents	7	1.74
Other current financial assets	8	3.06
		2,809.26
Total Assets		97,733.11
EQUITY AND LIABILITIES		
Equity		
Unit capital	9	90,999.92
Other Equity	10	973.34
		91,973.26
Liabilities		
Non-current Liabilities		
Financial Liabilities		
Borrowings	11	5,720.28
Other Non-current financial liability	12	0.05
		5,720.33
Current liabilities		
Financial Liabilities		
Borrowings	13	28.78
Trade payables		
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises.		-
Other current financial liability	14	8.15
Other current liabilities	15	0.99
Provisions	16	1.49
Current Tax Liabilities (Net)	17	0.11
		39.52
Total Equity and Liabilities		97,733.11

The accompanying notes (1 to 34) form an integral part of financial statements.

Being the first year of operation of the InvIT, comparative information for the immediately preceding financial year is not available.

As per our report of even date

For and on behalf of Board of Directors

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

Anjana Luthra
 Company Secretary
 PAN: ABYPL2312H
 Place: Gurugram

Seema Gupta
 Chairperson
 DIN:- 06636330
 Place: Gurugram

Ashok Kumar Singhal
 Director
 DIN:- 08578420
 Place: Gurugram

(CA Gaurav Mittal)
 Membership Number: 099387
 Place: Gurugram

Purshottam Agarwal
 CEO
 PAN: ABWPA7859E
 Place: Gurugram

Amit Garg
 CFO
 PAN: ACSPG1833F
 Place: Gurugram

Date: 26.05.2022

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

₹ in million

Particulars	Note No	For the Year ended on 31 March 2022
Income		
Revenue From Operations	18	9,731.30
Other Income	19	26.30
Total Income		9,757.60
Expenses		
Valuation Expenses		0.12
Payment to Auditor		
- Statutory Audit Fees		0.12
- Other Services (Including Tax Audit & Certifications)		0.07
Investment manager fees		111.57
Trustee fee		0.35
Other expenses	20	2.96
Finance costs	21	0.91
Impairment of Investment in Subsidiaries		1,831.93
Total Expenses		1,948.03
Profit for the period before tax		7,809.57
Tax Expense:		
Current Tax – Current Year		11.24
– Earlier Years		-
Deferred Tax		-
		11.24
Profit for the period after tax		7,798.33
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		-
Items that will be reclassified to profit or loss		-
		-
Total Comprehensive Income for the period		7,798.33
Earnings Per Unit		
Basic (In Rupees)		9.56
Diluted In Rupees)		9.56

The accompanying notes (1 to 34) form an integral part of financial statements.

Being the first year of operation of the InvIT, comparative information for the immediately preceding financial year is not available.

As per our report of even date

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

For and on behalf of Board of Directors

Anjana Luthra
Company Secretary
PAN: ABYPL2312H
Place: Gurugram

Seema Gupta
Chairperson
DIN:- 06636330
Place: Gurugram

Ashok Kumar Singhal
Director
DIN:- 08578420
Place: Gurugram

(CA Gaurav Mittal)
Membership Number: 099387
Place: Gurugram

Purshottam Agarwal
CEO
PAN: ABWPA7859E
Place: Gurugram

Amit Garg
CFO
PAN: ACSPG1833F
Place: Gurugram

Date: 26.05.2022

Standalone Statement of Changes in Unitholders' Equity

for the year ended 31 March 2022

A. UNIT CAPITAL	₹ in million
Balance as at 01 April 2021	-
Units issued during the year	90,999.92
Balance as at 31 March 2022	90,999.92

B. OTHER EQUITY	₹ in million
Retained Earnings	
Balance as at 01 April 2021	-
Profit for the year	7,798.33
Distribution during the year	(6,824.99)
Balance as at 31 March 2022	973.34

The accompanying notes (1 to 34) form an integral part of financial statements.

The Distribution during the year does not include the distribution relating to last quarter of FY 2021-22, which will be paid after 31 March 2022.

As per our report of even date

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

For and on behalf of Board of Directors

Anjana Luthra
 Company Secretary
 PAN: ABYPL2312H
 Place: Gurugram

Seema Gupta
 Chairperson
 DIN:- 06636330
 Place: Gurugram

Ashok Kumar Singhal
 Director
 DIN:- 08578420
 Place: Gurugram

(CA Gaurav Mittal)
 Membership Number: 099387
 Place: Gurugram

Purshottam Agarwal
 CEO
 PAN: ABWPA7859E
 Place: Gurugram

Amit Garg
 CFO
 PAN: ACSPG1833F
 Place: Gurugram

Date: 26.05.2022

Standalone Statement of Cash Flow

for the year ended 31 March 2022

₹ in million

Particulars	For the Year ended on 31 March 2022
A. Cash Flow from Operating Activities:	
Profit before Tax	7,809.57
Adjustments for:	
Impairment of investment in subsidiary	1,831.93
Interest income on loans given to subsidiaries	(6,408.37)
Finance cost	0.91
Interest income on fixed deposits	(21.31)
Dividend received from subsidiaries	(3,322.93)
Operating Profit/ (loss) before changes in Assets and Liabilities	(110.20)
Adjustment for changes in Assets and Liabilities:	
- (Increase)/Decrease in Other current financial assets	(4.12)
- Increase/(Decrease) in Other current financial liabilities	1.36
- Increase/(Decrease) in Other current liabilities	0.99
- Increase/(Decrease) in Provisions	1.49
- Increase/(Decrease) in Other non-current financial liabilities	0.05
Cash generated from operations	(110.43)
Direct taxes paid (net of refunds)	(11.13)
Net cash flow from operating activities	(121.56)
B. Cash Flow from investing activities:	
Purchase of equity shares of subsidiaries	(3,307.85)
Loans given to subsidiaries	(52,382.84)
Interest income on loans given to subsidiaries	6,408.37
Interest income on fixed deposits	20.63
Dividend received from subsidiaries	3,322.93
Net cash flow used in investing activities	(45,938.76)
C. Cash Flow from Financing Activities:	
Proceeds from issue of unit capital	49,934.83
Proceeds from borrowings	5,755.85
Payment of interest on long term borrowings	(0.91)
Payment of distribution on unit capital	(6,824.99)
Net cash flow from financing activities	48,864.78
Net increase in cash and cash equivalents (A + B + C)	2,804.46
Cash and cash equivalents as at beginning of year	-
Cash and cash equivalents as at year end	2,804.46

Components of Cash and cash equivalents:

Balances with banks	₹ in million
On current accounts	0.97
Deposit with original maturity of less than 3 months	2,803.49
Total cash and cash equivalents	2,804.46

The accompanying notes (1 to 34) form an integral part of financial statements.

Standalone Statement of Cash Flow

for the year ended 31 March 2022

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

Particulars	Long term borrowings
01 April 2021	-
Cash flow	
- Interest	(0.91)
- Proceeds/(repayments)	5,755.85
Accrual	(5.88)
31 March 2022	5,749.06

As per our report of even date

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

For and on behalf of Board of Directors

Anjana Luthra

Company Secretary

PAN: ABYPL2312H

Place: Gurugram

Seema Gupta

Chairperson

DIN:- 06636330

Place: Gurugram

Ashok Kumar Singhal

Director

DIN:- 08578420

Place: Gurugram

(CA Gaurav Mittal)

Membership Number: 099387

Place: Gurugram

Purshottam Agarwal

CEO

PAN: ABWPA7859E

Place: Gurugram

Amit Garg

CFO

PAN: ACSPG1833F

Place: Gurugram

Date: 26.05.2022

Standalone Statement of Net Assets at Fair Value

as at 31 March 2022

A. STATEMENT OF NET ASSETS AT FAIR VALUE

₹ in million

Sl. No.	Particulars	As at 31 March 2022	
		Book value	Fair value*
A	Assets	97,733.11	97,733.11
B	Liabilities (at book value)	5,759.85	5,759.85
C	Net Assets (A-B)	91,973.26	91,973.26
D	Number of units	910.00	910.00
E	NAV	101.07	101.07

* Fair value of the assets as at 31 March 2022 as disclosed in the above tables are derived based on the fair valuation report issued by the independent valuer appointed under SEBI (Infrastructure Investment Trusts) Regulations, 2014.

The Trust holds investment in SPVs in the form of equity and debt and SPVs in turn hold the projects. Hence, the breakup of property wise fair values has been disclosed in the Consolidated financial statements.

B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

₹ in million

Particulars	As at 31 March 2022
Total Comprehensive Income (As per the Statement of Profit and Loss) [#]	7,798.33
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income	-
Total Return	7,798.33

[#] Total comprehensive income as per Profit & Loss statement captures the impact of fair valuation through impairment of Investment in subsidiaries. Same is based on the fair valuation report of the independent valuer appointed under SEBI (Infrastructure Investment Trusts) Regulations, 2014.

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_s) OF PGINVIT

₹ in million

Particulars	For the year ended on 31 March 2022
Cash flows received from Portfolio Assets in the form of interest/accrued interest/ additional Interest	6,408.37
Add: Cash flows received from Portfolio Assets in the form of dividend	3,322.93
Add: Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust	-
Add: Cash Flow / 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	-
Add: Cash Flow / Proceeds from the sale of the Portfolio Assets not distributed pursuant to an earlier plan to reinvest, or if such proceeds are not intended to be invested subsequently	-
Less: Costs/retentions associated with sale of the Portfolio Assets (a) Related debts settled or due to be settled from sale proceeds of Portfolio Assets (b) Transaction costs paid on sale of the assets of the Portfolio Assets; and (c) Capital gains taxes on sale of assets/shares in Portfolio Assets/other investments	-
Add: Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	26.30
Total cash inflow at the Trust level (A)	9,757.60
Less: Any payment of fees, interest and expenses incurred at the Trust level, including but not limited to the fees of the Investment Manager, Trustee, Auditor, Valuer, Credit Rating Agency	(114.37)
Less: Reimbursement of expenses in relation to the Initial Public Issue of units of the Trust, if any	-
Less: Repayment of external debt (principal), net of any debt raised by refinancing of existing debt or/ and any new debt raised	-
Less: Net cash set aside to comply with DSRA under loan agreements, if any.	-
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues	(11.13)
Less: Proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due.	-
Add: Net proceeds from fresh issuance of units by the Trust	-
Add/Less: Any other adjustment to be undertaken by the IM Board to ensure that there is no double counting of the same item for the above calculations	(2.65)
Total cash outflows / retention at Trust level (B)	(128.15)
Net Distributable Cash Flows (C) = (A+B)	9,629.45

Notes

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

1. TRUST INFORMATION

POWERGRID Infrastructure Investment Trust ("PGInvIT" / "Trust") was set up on 14 September 2020 as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882. The Trust was registered with SEBI on 7 January 2021 as an infrastructure investment trust under Regulation 3(1) of the InvIT Regulations having registration number IN/InvIT/20-21/0016.

Power Grid Corporation of India Limited ("POWERGRID") is the Sponsor to the Trust. IDBI Trusteeship Services Limited is the Trustee to the Trust. POWERGRID Unchahar Transmission Limited ("PUTL") is appointed as the investment manager and POWERGRID is appointed as the project manager to the Trust.

The investment objectives of the Trust are to carry on the activities of and to make investments as an infrastructure investment trust as permissible in terms of SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines, notifications and amendments issued thereunder (collectively the "InvIT Regulations"), and in accordance with the Trust Deed. The investment of the Trust shall be in any manner permissible under, and in accordance with the InvIT Regulations and applicable law including in holding companies and/or special purpose vehicles and/or infrastructure projects and/or securities in India.

PGInvIT is holding special purpose vehicle ("SPV") / subsidiaries which are infrastructure projects engaged in the power transmission business in India. Details of the same as on 31 March 2022 are as follows:

Name of the SPV	Equity Holding
1. POWERGRID Vizag Transmission Limited ("PVTL")	100%
2. POWERGRID Kala Amb Transmission Limited ("PKATL")	74%
3. POWERGRID Parli Transmission Limited ("PPTL")	74%
4. POWERGRID Warora Transmission Limited ("PWTL")	74%
5. POWERGRID Jabalpur Transmission Limited ("PJTL")	74%

The standalone financial statements for the year ended 31 March 2022, were approved by the Board of Directors of Investment manager on 26 May 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.1 BASIS FOR PREPARATION

i) Compliance with Ind AS and InvIT Regulations

These financial statements are the separate financial statements of the Trust and comprise of the Balance Sheet as at 31 March 2022, 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 31 March 2022 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') for the year then ended and a summary of significant accounting policies and other explanatory notes prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and InvIT Regulations, in each case, to the extent applicable and as amended thereafter

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer Note no. 2.7 for accounting policy regarding financial instruments) which have been measured at fair value.

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Trust's functional and presentation currency and all amounts are rounded to the nearest million and two decimals thereof, except as stated otherwise.

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an

Notes

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

on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 23 on critical accounting estimates, assumptions and judgments).

v) Current and 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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 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 settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The Trust recognizes twelve months period as its operating cycle.

2.2 Fair value measurement

The Trust measures financial instruments 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.

Notes

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

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 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 based upon 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 24)
- Disclosures for valuation methods, significant estimates and assumptions (Note 23 and Note 24)
- Financial instruments (including those carried at amortised cost) (Note 3,4,8)

2.3 Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs includes interest expenses, other costs in connection with borrowing of fund and exchange differences to the extent regarded as an adjustment to borrowing costs.

2.4 Impairment of non-financial asset

The carrying amounts of the Trust's non-financial assets are reviewed at least annually to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes

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

2.6 Leases

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Trust assesses whether: (i) the contract involves use of an identified asset, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) As a Lessee

At the date of commencement of the lease, the Trust recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the trust recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The trust applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.4 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.3 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

ii) As a Lessor

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

b) Operating leases

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

2.7 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

Classification

The Trust classifies its financial assets in the following categories:

Notes

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

- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

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, if any, that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt Instruments at Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt Instruments at Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The trust may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment.

However, the Trust may transfer the cumulative gain or loss within equity.

Derecognition of financial assets

A financial asset is derecognized only when

- i) The right to receive cash flows from the asset have expired, or
- ii)
 - a) The trust has transferred the rights to receive cash flows from the financial asset (or) retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients and
 - b) the trust has transferred substantially all the risks and rewards of the asset (or) the trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the Statement of Profit and Loss.

Impairment of financial assets:

For trade receivables and unbilled revenue, the trust applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the trust determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Financial Liabilities

Financial liabilities of the Trust are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Trust.

Notes

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

The Trust's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the 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 effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing 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 between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

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.

2.8 Investment in subsidiaries

The Trust accounts for its investments in subsidiaries at cost less accumulated impairment losses (if any) in its separate financial statements. The cost comprises price paid to acquire investment and directly attributable cost.

Investments accounted for at cost are accounted for in accordance with Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations', when they are classified as held for sale.

2.9 Foreign Currencies Translation

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 the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated with reference to the rates of exchange ruling on the date of 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.

2.10 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the countries where the trust operates and generates taxable income and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the trust's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable

Notes

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

that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

2.11 Revenue

Interest income

For all debt/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.

2.12 Cash distributions 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

2.13 Provision and contingencies

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. If the effect of the time value of money is material, provisions are discounted.

Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

2.14 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.15 Earnings per unit

Basic earnings per unit is computed using the net profit or loss for the year attributable to the unitholders and weighted average number of shares outstanding during the year.

Diluted earnings per unit is computed using the net profit or loss for the year attributable to the unitholders and weighted average number of units and potential units outstanding during the year, except where the result would be anti-dilutive.

2.16 Statement of Cash Flows

Statement of Cash flows is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows'

Notes

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

NOTE 3/ INVESTMENTS

₹ in million

Particulars	As at 31 March 2022
Investment in Equity Instruments (Fully paid up) at cost	
Unquoted	
Subsidiary Companies	
Powergrid Vizag Transmission Limited	14,453.20
20,97,30,000 Shares of ₹ 10 each.	
Powergrid Kala Amb Transmission Limited	1,985.20
4,51,40,000 Shares of ₹ 10 each.	
POWERGRID Parli Transmission Limited	9,409.17
23,83,54,000 Shares of ₹ 10 each.	
POWERGRID Warora Transmission Limited	9,748.17
29,10,42,000 Shares of ₹ 10 each.	
POWERGRID Jabalpur Transmission Limited	6,945.27
16,79,13,400 Shares of ₹ 10 each.	
TOTAL	42,541.01

Further Notes:

Details of the subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Ownership Interest % as on 31 March 2022
POWERGRID Vizag Transmission Limited	India	100%
POWERGRID Kala Amb Transmission Limited	India	74%
POWERGRID Parli Transmission Limited	India	74%
POWERGRID Warora Transmission Limited	India	74%
POWERGRID Jabalpur Transmission Limited	India	74%

POWERGRID Infrastructure Investment Trust (the "Trust") has paid the consideration for acquisition of 74% equity share capital of POWERGRID Vizag Transmission Limited ('PVTL'), POWERGRID Kala Amb Transmission Limited ('PKATL'), POWERGRID Parli Transmission Limited ('PPTL'), POWERGRID Warora Transmission Limited ('PWTL') and POWERGRID Jabalpur Transmission Limited ('PJTL') from Power Grid Corporation of India Limited on 13 May 2021 pursuant to separate share purchase agreements.

Remaining 26% equity share capital of PVTL was acquired by the Trust on 31 March 2022 as per share purchase agreement dated 22 April 2021 and now trust hold 100% equity share of PVTL.

Notes

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

NOTE 4/ LOANS

₹ in million

Particulars	As at 31 March 2022
Unsecured, Considered good	
Loans to Related Parties	
Loans to Subsidiaries*	52,382.84
TOTAL	52,382.84

Further Notes:

* Details of loans to related parties is provided in Note 25.

*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 @ 14.5% p.a.

NOTE 5/ OTHER NON-CURRENT ASSETS

₹ in million

Particulars	As at 31 March 2022
Advance Tax and Tax Deducted at Source	11.13
Less: Tax Liabilities (Refer Note 17)	(11.13)
TOTAL	-

NOTE 6/ CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31 March 2022
Balance with banks-	
- In Current accounts	0.97
- In term deposits (with maturity less than 3 months)	2,803.49
TOTAL	2,804.46

Further Notes:

Balance in current account does not earn interest. Surplus money is transferred into Term Deposits.

NOTE 7/ BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31 March 2022
Earmarked balance with banks (For Distribution Payments)*	1.74
TOTAL	1.74

Further Notes:

*Earmarked balance with banks pertains to unclaimed distribution to unitholders.

Notes

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

NOTE 8/ OTHER CURRENT FINANCIAL ASSETS

₹ in million

Particulars	As at 31 March 2022
Unsecured, Considered good	
Interest accrued on term deposits	0.68
Others	2.38
TOTAL	3.06

NOTE 9/ UNIT CAPITAL

₹ in million

Particulars	As at 31 March 2022
Unit Capital	
Issued, subscribed and paid up	
909,999,200 units (Issue Price of ₹ 100 Each)	90,999.92
Total	90,999.92

Further Notes:

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.

A Unitholder has no equitable or proprietary interest in the projects of PGINVIT 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 PGINVIT. A Unitholder's right is limited to the right to require due administration of PGINVIT in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

Reconciliation of the number of units outstanding and the amount of unit capital:

Particulars	No. of Units	₹ in million
At the beginning of the year	-	-
Issued during the year*	909,999,200	90,999.92
At the end of the year	909,999,200	90,999.92

* During the year the Trust has issued 909,999,200 units at the rate of ₹ 100.00 per unit. Out of which, Fresh issue comprised of 499,348,300 no. of units and 410,650,900 no. of units allotted to the Sponsor. In compliance with InvIT Regulations, Sponsor retained 136,500,100 no. of units and made an Offer for Sale for 274,150,800 no. of units.

Details of Sponsor holding:

Particulars	No. of Units	% holding
Power Grid Corporation of India Limited (Sponsor)	136,500,100	15.00%

Notes

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

Unitholders holding more than 5 (five) percent units in the Trust as on 31 March 2022:

Name of Unitholder	Nos. in million	% holding
POWER GRID CORPORATION OF INDIA LIMITED (SPONSOR)	136.50	15.00%
CPP INVESTMENT BOARD PRIVATE HOLDINGS 4 INC	91.84	10.09%
NPS TRUST	63.59	6.99%
CAPITAL INCOME BUILDER	59.15	6.50%
HDFC TRUSTEE COMPANY LTD	46.59	5.12%

NOTE 10/OTHER EQUITY

₹ in million

Particulars	As at 31 March 2022
Retained Earnings	
Balance at the beginning of the year	-
Net Profit for the year	7,798.33
Interim Distribution	(6,824.99)
Balance at the end of the year	973.34

Retained earnings

Retained earnings are the profits earned till date, less any transfers to general reserve, dividends or other distributions paid to unit holders.

NOTE 11/BORROWINGS

₹ in million

Particulars	As at 31 March 2022
Secured Indian Rupee Loan from Banks	
Term loan from HDFC BANK LTD	5,755.85
Less: Current maturities	28.78
	5,727.07
Less: Unamortised transaction cost	6.79
Total	5,720.28

Further Notes:

The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realized 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 and (iii) First and exclusive charge on Debt Service Reserve Account.

Interest rate on term loan from bank is 3 months T-Bill rate plus spread of 194 basis points. The Loan is repayable in 64 quarterly installments of varying amounts commencing from 30 June 2022.

There have been no breaches in the financial covenants with respect to borrowings.

There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

Notes

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

NOTE 12/OTHER NON-CURRENT FINANCIAL LIABILITY

₹ in million

Particulars	As at 31 March 2022
Deposit/Retention money from contractor and others	0.05
Total	0.05

NOTE 13/BORROWINGS

₹ in million

Particulars	As at 31 March 2022
Secured Indian Rupee Loan from Banks	
Current maturities of Term loan from HDFC Bank Ltd.	28.78
Total	28.78

Refer Note no.11

NOTE14/OTHER CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31 March 2022
Unclaimed Distribution	1.74
Others	6.41
Total	8.15

NOTE 15/OTHER CURRENT LIABILITY

₹ in million

Particulars	As at 31 March 2022
Statutory Dues	0.99
Total	0.99

Notes

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

NOTE 16/ PROVISIONS

₹ in million

	As at 31 March 2022
Provisions	
As per last balance sheet	-
Additions/(adjustments) during the year	1.49
Additions/(adjustments) during the year	-
Closing Balance	1.49

NOTE 17/CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31 March 2022
Taxation (Including interest on tax)	
As per last balance sheet	-
Additions during the year	11.24
Amount adjusted during the year	-
Total	11.24
Net off against Advance tax and TDS (Note 5)	(11.13)
Total	0.11

NOTE 18/REVENUE FROM OPERATIONS

₹ in million

Particulars	For the year ended 31 March 2022
Operating Revenue	
Interest Income on Loans given to Subsidiaries	6,408.37
Dividend Income from Subsidiaries	3,322.93
Total	9,731.30

Further Notes:

- i) Disclosure with regard to Transactions with related parties is given in note 25.

Notes

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

NOTE 19/OTHER INCOME

₹ in million

Particulars	For the year ended 31 March 2022
Other Income	
Interest on Fixed Deposits	21.31
Miscellaneous Income	4.99
Total	26.30

NOTE 20/OTHER EXPENSES

₹ in million

Particulars	For the year ended 31 March 2022
Legal Expenses	0.97
RTA Fee	0.43
Professional Charges	0.88
Rating Fee	0.59
Other Expenses	0.09
Total	2.96

NOTE 21/ FINANCE COST

₹ in million

Particulars	For the year ended 31 March 2022
Interest and finance charges on financial liabilities at amortised cost	
Interest on Secured Indian Rupee Term Loan from Banks	0.91
Total	0.91

Notes

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

22. 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 period plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

The following reflects the profit and unit data used in the basic and diluted EPU computation:

Particulars	For the year ended on 31 March 2022
Profit after tax for calculating basic and diluted EPU (₹ in million)	7,798.33
Weighted average number of units in calculating basic and diluted EPU (No. in million)	815.90
Earnings Per Unit	
Basic (Rupees/unit)	9.56
Diluted (Rupees/unit)	9.56

23. 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.

Judgement

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, PGINvIT is required to distribute to unitholders not less than ninety percent of the net distributable cash flows of PGINvIT 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 October 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 disclosure

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external valuer, as mandated under InvIT Regulations, to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs for valuation. 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 projects. The inputs for the valuation 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.

Notes

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

b) Impairment of Investment in Subsidiaries

The provision for impairment/ (reversal of impairment) of investments in subsidiaries is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiaries has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies.

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

₹ In million			
Significant unobservable input	Input for 31 March 2022	Sensitivity of input to the fair value	Increase/ (Decrease) in fair value
WACC	7.70% to 8.00%	+0.50%	4,114.31
		-0.50%	(3,687.89)

c) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

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

₹ in million					
Particulars	Date of valuation	Level 1	Level 2	Level 3	Total
Assets for which fair values are disclosed:					
Investment in subsidiaries (Including loan to subsidiaries)	31 March 2022	-	-	94,923.85	94,923.85

d) Income Taxes:

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

24. 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.

25. RELATED PARTY DISCLOSURES

(A) Disclosure as per Ind AS 24 - "Related Party Disclosures"

(i) Subsidiaries

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest as at 31 March 2022
POWERGRID Vizag Transmission Limited	India	100%*
POWERGRID Kala Amb Transmission Limited	India	74%
POWERGRID Parli Transmission Limited	India	74%
POWERGRID Warora Transmission Limited	India	74%
POWERGRID Jabalpur Transmission Limited	India	74%

*26% stake acquired on 31 March 2022.

Notes

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

(ii) Other related parties

Name of entity	Place of business/ country of incorporation	Relationship with Trust
Power Grid Corporation of India Limited	India	Sponsor and Project Manager / Entity with significant influence

(B) Disclosure as per Regulation 2(1)(zv) of the InvIT Regulations

(i) Parties to Trust

Name of entity	Place of business/ country of incorporation	Relationship with Trust
Power Grid Corporation of India Limited	India	Sponsor and Project Manager
POWERGRID Unchahar Transmission Limited	India	Investment Manager
IDBI Trusteeship Services Limited	India	Trustee

(ii) Promoters of the parties to Trust specified in (i) above

Name of entity	Promoter
Power Grid Corporation of India Limited	Government of India
POWERGRID Unchahar Transmission Limited	Power Grid Corporation of India Limited
IDBI Trusteeship Services Limited	IDBI Bank Limited Life Insurance Corporation General Insurance Corporation

(iii) Directors of the parties to Trust specified in (i) above

a) Directors of Power Grid Corporation of India Limited:

Shri K. Sreekant
Smt. Seema Gupta
Shri Vinod Kumar Singh
Shri M. Taj Mukarrum
Shri Abhay Choudhary
Shri Dilip Nigam (Ceased to be Director w.e.f. 30 April 2022)
Shri Mritunjay Kumar Narayan (Ceased to be Director w.e.f. 06 Dec 2021)
Shri Ghanshyam Prasad (Appointed as Director w.e.f. 21 Dec 2021)

Shri Chetan Bansilal Kankariya (Appointed as Director w.e.f. 17 Nov 2021)

Shri Korachara Nagappa Onkarappa (Appointed as Director w.e.f. 17 Nov 2021)

Shri Ram Naresh Tiwari (Appointed as Director w.e.f. 18 Nov 2021)

Shri Sunil Kumar Sharma (Ceased to be Director w.e.f. 23 July 2021)

Shri M.N. Venkatesan

Smt. A.R. Mahalakshmi (Ceased to be Director w.e.f. 26 July 2021)

b) Directors of POWERGRID Unchahar Transmission Limited

Smt. Seema Gupta

Shri A K Singhal

Shri M.N. Venkatesan (Ceased to be Director w.e.f. 15 Dec 2021)

Shri Sunil Kumar Sharma (Ceased to be Director w.e.f. 23 July 2021)

Shri B. Anantha Sarma (Appointed as Director w.e.f. 14 Dec 2021 & Ceased to be Director w.e.f. 11 Feb 2022)

Shri Korachara Nagappa Onkarappa (Appointed as Director w.e.f. 10 Feb 2022)

Shri Ram Naresh Tiwari (Appointed as Director w.e.f. 10 Feb 2022)

c) Key Managerial Personnel of POWERGRID Unchahar Transmission Limited

Shri Purshottam Agarwal (CEO)

Shri Amit Garg (CFO)

Smt. Anjana Luthra (Company Secretary)

d) Directors of IDBI Trusteeship services LTD

Shri J. Samuel Joseph

Shri Pradeep Kumar Jain

Smt. Jayashree Ranade

Smt. Madhuri J. Kulkarni

Smt. Padma V. Betai

Notes

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

(C) Related Party Transactions

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

₹ in million

Particulars	As at 31 March 2022
Loans given to subsidiaries (Unsecured)	
POWERGRID Vizag Transmission Limited	7,839.88
POWERGRID Kala Amb Transmission Limited	1,860.00
POWERGRID Parli Transmission Limited	13,567.94
POWERGRID Warora Transmission Limited	16,172.07
POWERGRID Jabalpur Transmission Limited	12,942.95
Total	52,382.84

(ii) The transactions with related parties during the period are as follows: -

₹ in million

Particulars	For the year ended on 31 March 2022
Income - Interest on loans to subsidiaries	
POWERGRID Vizag Transmission Limited	1,005.98
POWERGRID Kala Amb Transmission Limited	238.67
POWERGRID Parli Transmission Limited	1,668.96
POWERGRID Warora Transmission Limited	1,976.36
POWERGRID Jabalpur Transmission Limited	1,518.40
Total	6408.37
Income - Dividend received from subsidiaries	
POWERGRID Vizag Transmission Limited	1,005.70
POWERGRID Kala Amb Transmission Limited	234.73
POWERGRID Parli Transmission Limited	803.25
POWERGRID Warora Transmission Limited	765.44
POWERGRID Jabalpur Transmission Limited	513.81
Total	3322.93
Loans to Subsidiaries	
POWERGRID Vizag Transmission Limited	7,839.88
POWERGRID Kala Amb Transmission Limited	1,860.00
POWERGRID Parli Transmission Limited	13,567.94
POWERGRID Warora Transmission Limited	16,172.07
POWERGRID Jabalpur Transmission Limited	12,942.95
Total	52,382.84
Payment of Investment Manager fee (Including Taxes)	
POWERGRID Unchahar Transmission Limited (Investment Manager)	111.57
Payment of Trustee fee (Including Taxes)	

Particulars	For the year ended on 31 March 2022
IDBI Trusteeship Services Limited (Trustee)	0.35
Purchase of Equity Shares of PVTL	
Power Grid Corporation of India Limited	14,869.20
Purchase of Equity Shares of PKATL	
Power Grid Corporation of India Limited	2,022.92
Purchase of Equity Shares of PJTL	
Power Grid Corporation of India Limited	7,234.13
Purchase of Equity Shares of PWTL	
Power Grid Corporation of India Limited	10,327.52
Purchase of Equity Shares of PPTL	
Power Grid Corporation of India Limited	9,919.16
Issue of Unit Capital	
Power Grid Corporation of India Limited	41,065.09
Distribution Paid	
Power Grid Corporation of India Limited	1,023.75

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:

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

During the financial year ended 31 March 2022, the Trust has acquired 74% equity share capital of POWERGRID Kala Amb Transmission Limited ('PKATL'), POWERGRID Parli Transmission Limited ('PPTL'), POWERGRID Warora Transmission Limited ('PWTL') and POWERGRID Jabalpur Transmission Limited ('PJTL') and 100% equity share capital of POWERGRID Vizag Transmission Limited ('PVTL'), from Power Grid Corporation of India Limited.

The Trust has paid the consideration for acquisition of 74% equity share capital of PVTL, PKATL, PPTL, PWTL and PJTL from Power Grid Corporation of India Limited on 13 May 2021 pursuant to separate share purchase agreements. Summary of the valuation report dated 26 February 2021 issued by the independent valuer appointed under the InvIT Regulations, expressing opinion on the fair valuation of the specified SPVs as of 31 December 2020 is as follows:

SPV	WACC	Enterprise Value (₹ in million)	Equity Value (₹ in million)	No. of Shares	Value per share (₹)
PVTL	7.80%	23,136.10	15,313.80	209,730,000	73.0
PKATL	7.60%	4,535.20	2,679.50	61,000,000	43.9

Notes

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

SPV	WACC	Enterprise Value (₹ in million)	Equity Value (₹ in million)	No. of Shares	Value per share (₹)
PPTL	7.70%	25,976.40	13,138.60	322,100,000	40.8
PWTL	7.70%	29,036.80	13,679.50	393,300,000	34.8
PJTL	7.60%	21,163.00	9,582.10	226,910,000	42.2

Further, in terms of the share purchase agreement, 26% equity share capital of PPTL was acquired by PGInvIT on 31 March 2022. Summary of the valuation report dated 17 February 2022 issued by the independent valuer appointed under the InvIT Regulations, expressing opinion on the fair valuation of the PPTL as of 31 January 2022 is as follows:

SPV	WACC	Enterprise Value (₹ in million)	Equity Value (₹ in million)	No. of Shares	Value per share (₹)
PVTL	7.90%	21,876.20	14,568.00	209,730,000	69.5

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

Acquisition of POWERGRID Vizag Transmission Limited (PVTL): Pursuant to the share purchase agreements dated 22 April 2021 ("SPA") (and amendments thereof) executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Vizag Transmission Limited, Trust acquired 74% equity stake in PVTL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed and undertook to sell the balance 26% equity stake of PVTL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of POWERGRID Kala Amb Transmission Limited (PKATL): Pursuant to the share purchase agreements dated 22 April 2021 ("SPA") executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Kala Amb Transmission Limited, Trust acquired 74% equity stake in PKATL.

Under the Agreement, the Trust agreed and undertook to purchase from the POWERGRID and POWERGRID agreed and undertook to sell the balance 26% equity stake of PKATL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of POWERGRID Parli Transmission Limited (PPTL): Pursuant to the share purchase agreements dated 22 April 2021 ("SPA") executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Parli Transmission Limited, Trust acquired 74% equity stake in PPTL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed and undertook to sell the balance 26% equity stake of PPTL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of POWERGRID Warora Transmission Limited (PWTL): Pursuant to the share purchase agreements dated 22 April 2021 ("SPA") executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Warora Transmission Limited, Trust acquired 74% equity stake in PWTL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed and undertook to sell the balance 26% equity stake of PWTL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of POWERGRID Jabalpur Transmission Limited (PJTL): Pursuant to the share purchase agreements dated 22 April 2021 ("SPA") executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Jabalpur Transmission Limited, Trust acquired 74% equity stake in PJTL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed

Notes

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

and undertook to sell the balance 26% equity stake of PJTL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of balance 26% equity stake in POWERGRID Vizag Transmission Limited (PVT): Pursuant to the share purchase agreements dated 22 April 2021 ("SPA") (and amendments thereof) executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Vizag Transmission Limited, the balance 26% equity stake was acquired.

The above acquisition was financed through Rupee Term Loan from HDFC Bank Limited. Interest rate on term loan is 3 months T-Bill rate plus spread of 194 basis points.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

26. INVESTMENT MANAGER FEES

Pursuant to the Investment Management Agreement dated 18 December 2020, Investment Manager fees is aggregate of

- ₹ 72,500,000 per annum, in relation to the initial SPVs; and
- 0.10% of the aggregate Gross Block of all Holding Companies and SPVs acquired by the InvIT after the execution of this agreement.

Further, the management fee set out above shall be subject to escalation on an annual basis at the rate of 6.75% of the management fee for the previous year. Any applicable taxes, cess or charges, as the case may be, shall be in addition to the management fee.

During the period, Trust has not acquired any assets other than initial SPVs.

Investment Manager Fees during the year includes ₹ 24.38 million for the period from 18 December 2020 to 31 March 2021.

27. CONTINGENT LIABILITY

The Trust has no contingent liability to be reported

28. CAPITAL AND OTHER COMMITMENTS

The Trust has entered into separate Share Purchase agreements with POWERGRID for acquisition of balance 26% equity stake in each of the subsidiary i.e. PKATL, PPTL, PWTL and PJTL.

Other commitments related to services to be rendered / procurements made in the normal course of business are not disclosed to avoid excessive details.

29. 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.

30. FINANCIAL RISK MANAGEMENT

The Trust's principal financial liabilities comprises of borrowings denominated in Indian rupees, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Trust's investments and operations.

The Trust's principal financial assets include investments, loans, cash and cash equivalents and other financial assets that are generated from its operations.

The Trust's activities expose it to the following financial risks, namely,

- Credit risk
- Liquidity risk
- Market risk

The Investment Manager oversees the management of these risks.

This note presents information regarding the Trust's exposure, objectives and processes for measuring and managing these risks.

The management of financial risks by the Trust is summarized below: -

(A) Credit Risk

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

Notes

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

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

(B) Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and marketable securities for 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 for short term operational needs as well as for servicing of financial obligation under term loan. 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.

Maturities of financial liabilities

The table below analyses the Trust's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows.

₹ in million				
Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
As at 31 March 2022				
Borrowings (including interest outflows)	359.12	1,475.51	8,492.87	10,327.50
Other financial liabilities	8.15	0.05	-	8.20
Total	367.27	1,475.56	8,492.87	10,335.70

(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 three types of risk:

- (i) Currency risk
- (ii) Interest rate risk
- (iii) Equity price risk

(i) Currency risk

As on Reporting date the Trust does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services.

(ii) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's exposure to the risk of changes in market interest rates relates primarily to the Trust's long-term debt obligations with floating interest rates.

The Trust's exposure to interest rate risk due to variable interest rate borrowings is as follows:

₹ in million

Particulars	Amount	Impact on profit / loss before tax for the year due to Increase or decrease in interest rate by 50 basis points
As at 31 March 2022	5755.85	9.62
Term Loan from Bank		

(iii) Equity price risk

The Trust has investments in equity shares of subsidiaries. Future value of the investment in subsidiaries are subject to market price risk arising due to fluctuation in the market conditions. Reports on the fair value of investment in subsidiaries are submitted to the management on periodic basis.

At the reporting date, the exposure to equity investments in subsidiary at carrying value was ₹ 42,541.01 million. Sensitivity analyses of significant unobservable inputs used in the fair value measurement are disclosed in Note 24.

31. CAPITAL MANAGEMENT

Trust's objectives when managing capital are to

- maximize the unit holder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of trust's capital management, unit capital includes issued unit capital and all other reserves attributable to the unit holders of the Trust. Trust manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, 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 the ratio of long term debt to total Equity plus long term debt. The Trust's policy

Notes

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

is to keep the gearing ratio optimum. The trust includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The gearing ratio of the Trust was as follows: -

Particulars	As at 31 March 2022
(a) Long term debt (₹ in million)	5,755.85
(b) Total Equity (₹ in million)	91,973.26
(c) Total Equity plus long term debt (₹ in million) (a+b)	97,729.11
(d) Gearing Ratio (a/c)	5.89%

The Trust'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.

Distributions

Particulars	₹ in million As at 31 March 2022
Interim distributions for the year ended 31.03.2022 of ₹ 7.50 per unit (Comprising Taxable Dividend – ₹ 1.68, Exempt Dividend – ₹ 0.80, Interest – ₹ 5.01 and Treasury Income – ₹ 0.01)	6,824.99

Distribution not recognized at the end of the reporting period:

In addition to above distribution, the Board of Directors of POWERGRID Unchahar Transmission Limited in its capacity as the Investment Manager to POWERGRID Infrastructure Investment Trust ("PGInvIT") on 26 May 2022 recommended distribution related to last quarter of FY 2021-22 of ₹3.00 per unit.

32. ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III TO THE COMPANIES ACT, 2013

- The Trust does not hold benami property and no proceeding has been initiated or pending against the Trust for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial year.
- The Trust do not have any transactions with struck off companies.

- The Trust was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.

d) Ratios

Ratio	Numerator	Denominator	Current Year
(a) Current Ratio	Current Assets	Current Liabilities	71.08
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.06
(c) Debt Service Coverage Ratio	Profit for the period before tax + Depreciation and amortization expense + Finance costs + Impairment	Interest & Lease Payments + Principal Repayments	10596.05
(d) Return on Equity Ratio	Profit for the period after tax	Average Shareholder's Equity	0.17
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	-
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	-
(g) Trade payables turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	-
(h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	3.51
(i) Net profit ratio	Profit for the period after tax	Revenue from Operations	0.80
(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.08
(k) Return on investment	Income from Investment + Capital Appreciation	Average Investments	NA

Being the first year of operation of the InvIT, comparative information for the immediately preceding financial year is not available.

- The Trust has not received/advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) through Intermediaries during the financial year.
- The Trust does not have any transaction that was not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Trust has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes

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

33. IMPACT OF COVID – 19

The Subsidiaries of the Trust are mainly engaged in the business of transmission of electricity and earns revenue pursuant to the long-term transmission service agreements (TSAs) with designated Inter-state customer. In addition, maintaining the availability of the assets in excess of 98% gives the subsidiaries the right to claim incentives under the respective TSAs.

Due to the continuing COVID-19 pandemic, various lockdowns were declared by the Central/ State Governments/ Local Authorities from time to time. However, as per the Government of India guidelines, power transmission units and services falls under the

category of essential services and were exempted from the said lockdown. Trust has considered various internal and external information available up to the date of approval of Financial Statements and there has been no material impact of COVID-19 pandemic on the operations of the Subsidiaries for the year ended 31 March 2022.

However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Trust will continue to monitor any material changes to future economic conditions.

34. OTHER NOTES

- a) Figures have been rounded off to nearest rupees in million up to two decimals.

As per our report of even date

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

For and on behalf of Board of Directors

Anjana Luthra

Company Secretary

PAN: ABYPL2312H

Place: Gurugram

Seema Gupta

Chairperson

DIN:- 06636330

Place: Gurugram

Ashok Kumar Singhal

Director

DIN:- 08578420

Place: Gurugram

(CA Gaurav Mittal)

Membership Number: 099387

Place: Gurugram

Purshottam Agarwal

CEO

PAN: ABWPA7859E

Place: Gurugram

Amit Garg

CFO

PAN: ACSPG1833F

Place: Gurugram

Date: 26.05.2022

Independent Auditors' Report

To

The Unit holders of POWERGRID Infrastructure Investment Trust ("PGInvIT")

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Financial Statements of POWERGRID Infrastructure Investment Trust ("PGInvIT") (hereinafter referred to as "the Trust") and its subsidiaries (the Trust and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2022, 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 flows for the year then ended, the consolidated Statement of Net Assets at fair value as at 31 March 2022, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows ('NDCF's') of the Trust and each of its subsidiaries for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder, in the manner so required and give a true and fair view in conformity with Indian Accounting

Standards (Ind AS) and/or any addendum thereto as defined in the Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, its consolidated profit and total comprehensive income, its consolidated movement of the unit holders' equity and its consolidated cash flows for the year ended 31 March 2022, its consolidated net assets at fair value as at 31 March 2022, its consolidated total returns at fair value and the net distributable cash flows of the Trust and each of its subsidiaries for the year ended 31 March 2022.

Basis of Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India ("ICAI"). 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 ICAI and we have fulfilled our other ethical responsibilities in accordance with the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter	How our audit addressed the key audit matter
1	Assessing Impairment of Goodwill <p>The Group recognized goodwill amounting to ₹ 9,575.91 million in accordance with Ind AS 103 'Business Combination' for acquisition of Subsidiaries.</p> <p>Management reviews regularly whether there are any indicators of impairment of goodwill by reference to the requirements under Ind AS.</p> <p>Goodwill is tested for impairment by the Group using enterprise value of respective subsidiaries to which the goodwill relates to.</p>	<p>In making the assessment of the Enterprise Value, we relied on the valuation report issued by the independent valuer appointed by the Investment Manager in accordance with SEBI InvIT Regulations.</p>

Enterprise value calculation involves use of future cashflow projections, discounted to present value, terminal value and other variables and accordingly, the evaluation of impairment of goodwill has been determined as a key audit matter.

- 4 Computation and disclosures as prescribed in the InvIT regulations relating to Statement of Net Assets and Total Returns at Fair Value

As per the provisions of InvIT Regulations, the Trust is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. 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.

Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the consolidated financial statements.

Our audit procedures include the following-

- Read the requirements of SEBI InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value.
- Read/Assessed the disclosures in the consolidated financial statements for compliance with the relevant requirements of InvIT Regulations.
- Relied on the valuation report issued by the independent valuer appointed by the Investment Manager in accordance with SEBI InvIT Regulations.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The management of POWERGRID Unchahar Transmission Limited ("Investment Manager") is responsible for the preparation of the other information. The other information comprises the information that may be included in the Management Discussion and Analysis, Investment Manager's report including Annexures to Investment Manager's Report and Investment Manager's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

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

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

When we read those documents including Annexures, if any thereon, if we conclude that there is a material misstatement

therein, we shall communicate the matter to those charged with the governance.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Management of POWERGRID Unchahar Transmission Limited ("Investment Manager"), is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position as at 31 March 2022, consolidated financial performance including other comprehensive income, consolidated movement of the unit holders' equity, the consolidated cash flows for the year ended 31 March 2022, its consolidated net assets at fair value as at 31 March 2022, its consolidated total returns at fair value of the Trust, the net distributable cash flows of the Trust and each of its subsidiaries in accordance with accounting principles generally accepted in India, including the Indian 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 read with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "InvIT Regulations").

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the up and for preventing

and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial 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 of the Trust, as aforesaid.

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

The 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 financial controls 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 such controls.
- 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, to express a opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For companies included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate

the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Trust 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements and other financial information of 5 subsidiaries, whose financial statements reflect total assets of ₹ 70,778.63 Million and net worth of ₹ 14,315.36 Million as at 31 March 2022, total revenue from operation of ₹ 12,173.39 Million and net cash inflows amounting to ₹ 303.49 Million for the period from 13 May 2021 to 31 March 2022, as considered in the consolidated financial statements before giving effect to elimination of intra-group transactions. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion

on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of InvIT regulations, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

Based on our audit and as required by InvIT Regulations, 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 purpose of our audit;
- b) The Consolidated Balance Sheet, and the Consolidated Statement of Profit and Loss including other comprehensive income dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements; and
- c) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

Place: Gurugram

UDIN: 22099387AJQRAM1945

Dated: 26 May 2022

(CA Gaurav Mittal)

Partner

Membership No.: 099387

Consolidated Balance Sheet

as at 31 March 2022

₹ in million

Particulars	Note No	As at 31 March 2022
ASSETS		
Non-current assets		
Property, Plant and Equipment	3	98,359.54
Capital work-in-progress	4	39.75
Goodwill on Acquisition	5	5,896.50
Other Intangible assets	6	4,664.66
Other non-current assets	7	467.09
		109,427.54
Current assets		
Inventories	8	308.28
Financial Assets		
Trade receivables	9	3,334.77
Cash and cash equivalents	10	5,268.59
Bank balances other than Cash and cash equivalents	11	1.74
Other current financial assets	12	39.81
Other current assets	13	160.94
		9,114.13
Total Assets		118,541.67
EQUITY AND LIABILITIES		
Equity		
Unit Capital	14	90,999.92
Other Equity	15	(1,063.66)
Non-Controlling Interest		9,314.95
		99,251.21
Liabilities		
Non-current Liabilities		
Financial Liabilities		
Borrowings	16	5,720.28
Deferred tax liabilities(Net)	17	13,297.93
Other non current liability	18	0.05
		19,018.26

₹ in million

Particulars	Note No	As at 31 March 2022
Current liabilities		
Financial Liabilities		
Borrowings	19	28.78
Trade payables		
total outstanding dues of micro enterprises and small enterprises.		-
total outstanding dues of creditors other than micro enterprises and small enterprises	20	2.76
Other current financial liability	21	214.64
Other current liabilities	22	15.96
Provisions	23	9.95
Current Tax Liabilities (Net)	24	0.11
		272.20
Total Equity and Liabilities		118,541.67

The accompanying notes (1 to 51) form an integral part of financial statements.

Being the first year of operation of the InvIT, comparative information for the immediately preceding financial year is not available.

As per our report of even date

For and on behalf of Board of Directors

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

Anjana Luthra
Company Secretary
PAN: ABYPL2312H
Place: Gurugram

Seema Gupta
Chairperson
DIN:- 06636330
Place: Gurugram

Ashok Kumar Singhal
Director
DIN:- 08578420
Place: Gurugram

(CA Gaurav Mittal)

Membership Number: 099387

Place: Gurugram

Purshottam Agarwal

CEO
PAN: ABWPA7859E
Place: Gurugram

Amit Garg

CFO
PAN: ACSPG1833F
Place: Gurugram

Date: 26.05.2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

₹ in million

Particulars	Note No	For the year ended on 31 March 2022
Income		
Revenue From Operations	25	12,173.39
Other Income	26	260.74
Total Income		12,434.13
Expenses		
Valuation Expenses		0.12
Payment to Auditor		
- Statutory Audit Fees		0.43
- Other Services (Including Tax Audit & Certifications)		0.42
Insurance Expenses		185.11
Project Manager Fees		38.52
Investment Manager Fees		111.57
Trustee Fee		0.35
Repairs And Maintenance of Transmission Assets		272.55
Other Expenses	27	168.38
Employee Benefits Expense	28	3.15
Finance Costs	29	0.92
Depreciation And Amortization Expense	30	2,697.50
Impairment of Goodwill		3,679.41
Total Expenses		7,158.43
Profit for the period before tax		5,275.70
Tax Expense:		
Current Tax – Current Year		245.96
– Earlier Years		-
Deferred Tax		396.60
Total Tax Expenses		642.56
Profit For The Period After Tax		4,633.14
Other Comprehensive Income		
Items That Will Not Be Reclassified To Profit Or Loss		-
Items That Will Be Reclassified To Profit Or Loss		-
Total Comprehensive Income For The Period		4,633.14
Net Profit Attributable To:		
Owners Of The Trust		5,068.42
Non-Controlling Interest		(435.28)

₹ in million

Particulars	Note No	For the year ended on 31 March 2022
Total Comprehensive Income Attributable To:		
Owners of The Trust		5,068.42
Non-Controlling Interest		(435.28)
Earnings Per Unit		
Basic (In Rupees)		6.21
Diluted (In Rupees)		6.21

The accompanying notes (1 to 51) form an integral part of financial statements.

Being the first year of operation of the InvIT, comparative information for the immediately preceding financial year is not available .

As per our report of even date

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

For and on behalf of Board of Directors

Anjana Luthra

Company Secretary

PAN: ABYPL2312H

Place: Gurugram

Seema Gupta

Chairperson

DIN:- 06636330

Place: Gurugram

Ashok Kumar Singhal

Director

DIN:- 08578420

Place: Gurugram

(CA Gaurav Mittal)

Membership Number: 099387

Place: Gurugram

Purshottam Agarwal

CEO

PAN: ABWPA7859E

Place: Gurugram

Amit Garg

CFO

PAN: ACSPG1833F

Place: Gurugram

Date: 26.05.2022

Consolidated Statement of Changes in Unitholders' Equity

for the year ended 31 March 2022

A. UNIT CAPITAL	₹ in million
Balance as at 01 April 2021	-
Units issued during the year	90,999.92
Balance as at 31 March 2022	90,999.92

₹ in million

B. OTHER EQUITY	Reserves and Surplus			Total
	Capital Reserve	Self Insurance Reserve	Retained Earnings	
Balance as at 01 April 2021	-	-	-	-
Total Comprehensive income for the year	-	-	5,068.42	5,068.42
Distribution during the year	-	-	(6,824.99)	(6,824.99)
Transfer from Self Insurance Reserve	-	(0.60)	0.60	-
Transfer to Self Insurance Reserve	-	0.60	(0.60)	-
Other adjustment	-	-	362.76	362.76
Differential Amount of Non-Controlling Acquisition	330.15	-	-	330.15
Balance as at 31 March 2022	330.15	-	(1,393.81)	(1,063.66)

The accompanying notes (1 to 51) form an integral part of financial statements.

Being the first year of operation of the InvIT, comparative information for the immediately preceding financial year is not available.

As per our report of even date

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

For and on behalf of Board of Directors

Anjana Luthra
 Company Secretary
 PAN: ABYPL2312H
 Place: Gurugram

Seema Gupta
 Chairperson
 DIN:- 06636330
 Place: Gurugram

Ashok Kumar Singhal
 Director
 DIN:- 08578420
 Place: Gurugram

(CA Gaurav Mittal)
 Membership Number: 099387
 Place: Gurugram

Purshottam Agarwal
 CEO
 PAN: ABWPA7859E
 Place: Gurugram

Amit Garg
 CFO
 PAN: ACSPG1833F
 Place: Gurugram

Date: 26.05.2022

Consolidated Statement of Cash Flow

for the year ended 31 March 2022

₹ in million

Particulars	For the year ended on 31 March 2022
A. Cash Flow from Operating Activities:	
Profit before Tax	5,275.70
Adjustments:	
Impairment of investment in Goodwill	3,679.41
Interest income	(131.98)
Depreciation & Amortization Expenses	2,697.50
Finance Cost	0.92
Operating Profit before Changes in Assets & Liabilities	11,521.55
Adjustment for Changes in Assets and Liabilities	
- Increase/(Decrease) in Trade Payables	(10.76)
- Increase/(Decrease) in Other current financial liabilities	(191.78)
- Increase/(Decrease) in Other Current Liabilities	(3.14)
- Increase/(Decrease) in Provisions	9.11
- (Increase)/Decrease in Other Non Current financial liabilities	0.05
- (Increase)/Decrease in Trade Receivables	726.09
- (Increase)/Decrease in Other Current Financial Assets	(322.09)
- (Increase)/Decrease in Inventories	1.65
- (Increase)/Decrease in Other Current Assets	25.07
Cash Generated from Operations	11,755.75
Direct taxes Paid	(276.86)
Income Tax refund received	159.15
Net cash flow from operating activities	11,638.04
B. Cash Flow from Investing Activities:	
Property Plant & Equipment and Capital Work in Progress	(43.04)
Acquisition of Non-Controlling Interest*	(3,307.85)
Purchase of Intangible Assets**	(3,041.50)
Interest income received	99.88
Net cash flow used in investing activities	(6,292.51)
C. Cash Flow from Financing Activities:	
Proceeds from issue of unit capital	49,934.83
Proceeds from Borrowings	5,755.85
Repayment of Borrowings	(49,934.83)
Finance Cost Paid	(0.92)
Payment of Distribution to Unitholders	(6,824.99)
Dividend paid to Non-Controlling Interest holder	(1,167.52)
Net cash flow from financing activities	(2,237.58)
Net increase in cash and cash equivalents (A + B + C)	3,107.95
Cash and cash equivalents as on the Acquisition date	2,160.64
Cash and cash equivalents as at year end	5,268.59

*Acquisition of 26% equity stake of PVTI on 31 March 2022.

**Acquisition of rights of additional revenue due to Change in law for PPTL, PWTL and PJTL

Components of Cash and cash equivalents:

Balances with banks	₹ in million
On current accounts	57.69
Deposit with original maturity of less than 3 months	5,210.90
Total cash and cash equivalents	5,268.59

Consolidated Statement of Cash Flow

for the year ended 31 March 2022

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

Particulars	Long term borrowings (Including Current maturities)
01 April 2021	-
Cash flow	
- Interest	(0.91)
- Proceeds/(repayments)	5,755.85
Accrual	(5.88)
31 March 2022	5,749.06

The accompanying notes (1 to 51) form an integral part of financial statements.

Being the first year of operation of the InvIT, comparative information for the immediately preceding financial year is not available.

As per our report of even date

For S.K.Mittal & Co.

Chartered Accountants

FRN: 001135N

For and on behalf of Board of Directors

Anjana Luthra

Company Secretary

PAN: ABYPL2312H

Place: Gurugram

Seema Gupta

Chairperson

DIN:- 06636330

Place: Gurugram

Ashok Kumar Singhal

Director

DIN:- 08578420

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CEO

PAN: ABWPA7859E

Place: Gurugram

Amit Garg

CFO

PAN: ACSPG1833F

Place: Gurugram

Date: 26.05.2022

Consolidated Statement of Net Assets at Fair Value

as at 31 March 2022

A. STATEMENT OF NET ASSETS AT FAIR VALUE

₹ in million

Sl. No.	Particulars	As at 31 March 2022	
		Book value	Fair value*
A	Assets	118,541.67	121,132.41
B	Liabilities (at book value)	19,290.46	19,290.46
C	Net Assets (A-B)	99,251.21	101,841.95
D	Non-Controlling Interest	9,314.95	9,868.69
E	Net Assets attributable to PGIInvIT (C-D)	89,936.26	91,973.26
F	Number of units	910.00	910.00
G	NAV	98.83	101.07

* Fair value of the assets as at 31 March 2022 as disclosed in the above table has been derived based on the equity value as per the fair valuation report issued by the independent valuer appointed under SEBI (Infrastructure Investment Trusts) Regulations, 2014, book value of debt and book value of other assets and liabilities.

Project wise break up of Fair value of Assets as at 31 March 2022

₹ in million

Particulars	As at 31 March 2022
POWERGRID Vizag Transmission Limited	22,503.95
POWERGRID Kala Amb Transmission Limited	4,878.86
POWERGRID Parli Transmission Limited	27,575.46
POWERGRID Warora Transmission Limited	30,812.36
POWERGRID Jabalpur Transmission Limited	23,159.15
	108,929.78
Assets of PGIInvIT	2,809.26
Add/(Less): Elimination and Other Adjustments*	9,393.37
Total Assets	121,132.41

* It includes eliminations primarily pertaining to inter company lending / borrowing and consolidation adjustments

B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE

₹ in million

Particulars	As at 31 March, 2022
Total Comprehensive Income (As per the Statement of Profit and Loss)#	5,068.42
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income	-
Total Return	5,068.42

Total comprehensive income as per Profit & Loss statement captures the impact of fair valuation through impairment of Investment in subsidiaries. Same is based on the fair valuation report of the independent valuer appointed under SEBI (Infrastructure Investment Trusts) Regulations, 2014.

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_s) OF PGINVIT

₹ in million

Particulars	For the year ended on 31 March 2022
Cash flows received from Portfolio Assets in the form of interest/accrued interest/ additional interest	6,408.37
Add: Cash flows received from Portfolio Assets in the form of dividend	3,322.93
Add: Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust	-
Add: Cash Flow / 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	-
Add: Cash Flow / Proceeds from the sale of the Portfolio Assets not distributed pursuant to an earlier plan to reinvest, or if such proceeds are not intended to be invested subsequently	-
Less: Costs/retentions associated with sale of the Portfolio Assets (a) Related debts settled or due to be settled from sale proceeds of Portfolio Assets (b) Transaction costs paid on sale of the assets of the Portfolio Assets; and (c) Capital gains taxes on sale of assets/shares in Portfolio Assets/other investments	-
Add: Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	26.30
Total cash inflow at the Trust level (A)	9,757.60
Less: Any payment of fees, interest and expenses incurred at the Trust level, including but not limited to the fees of the Investment Manager, Trustee, Auditor, Valuer, Credit Rating Agency	(114.37)
Less: Reimbursement of expenses in relation to the Initial Public Issue of units of the Trust, if any	-
Less: Repayment of external debt (principal), net of any debt raised by refinancing of existing debt or/ and any new debt raised	-
Less: Net cash set aside to comply with DSRA under loan agreements, if any.	-
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues	(11.13)
Less: Proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due.	-
Add: Net proceeds from fresh issuance of units by the Trust	-
Add/Less: Any other adjustment to be undertaken by the IM Board to ensure that there is no double counting of the same item for the above calculations	(2.65)
Total cash outflows / retention at Trust level (B)	(128.15)
Net Distributable Cash Flows (C) = (A+B)	9,629.45

B) STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCF_s) OF PVTI

₹ in million

Particulars	For the year ended on 31 March 2022
Profit after tax as per profit and loss account (standalone) (A)	921.27
Add: Depreciation, impairment and amortisation as per profit and loss account. In case of impairment reversal, same needs to be deducted from profit and loss.	227.94
Add: Interest on loans availed from Trust as per profit and loss account	1,005.99
Add: Interest on unpaid interest (on account of loans availed from Trust) as per profit and loss account	-
Add/Less: Decrease/Increase in working capital affecting the cash flow	27.33
Add/less: Loss/gain on sale of infrastructure assets	-
Add: Net Proceeds (after applicable taxes) 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: Net Proceeds (after applicable taxes) 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.	-
Less: Capital expenditure, if any	-
Less: Investments made in accordance with the investment objective, if any	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to	-
- 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, lease rents, etc.	(89.39)
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. / net cash set aside to comply with borrowing requirements under agreements including DSRA, net of any debt raised by refinancing of existing debt or/and any new debt raised	-
Add/ less: Amounts added or retained to make the distributable cash flows in accordance with the Transaction Documents or the loan agreements	-
Add/Less: Any other adjustment to be undertaken by the board of directors of the Investment Manager (the "IM Board") to ensure that there is no double counting of the same item for the above calculation	(100.60)
Total Adjustments (B)	1,071.27
Net Distributable Cash Flows (C)=(A+B)	1,992.54

Note: During the period, amount not less than 90% of NDCF has already been distributed to PGIInvIT.

C) STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCF_s) OF PKATL

₹ in million

Particulars	For the year ended on 31 March 2022
Profit after tax as per profit and loss account (standalone) (A)	135.50
Add: Depreciation, impairment and amortisation as per profit and loss account. In case of impairment reversal, same needs to be deducted from profit and loss.	54.80
Add: Interest on loans availed from Trust as per profit and loss account	238.67
Add: Interest on unpaid interest (on account of loans availed from Trust) as per profit and loss account	-
Add/Less: Decrease/Increase in working capital affecting the cash flow	(65.17)
Add/Less: Loss/gain on sale of infrastructure assets	-
Add: Net Proceeds (after applicable taxes) 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: Net Proceeds (after applicable taxes) 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.	-
Less: Capital expenditure, if any	(14.56)
Less: Investments made in accordance with the investment objective, if any	-
Add/Less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to	-
- 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, lease rents, etc.	34.74
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. / net cash set aside to comply with borrowing requirements under agreements including DSRA, net of any debt raised by refinancing of existing debt or/and any new debt raised	-
Add/ less: Amounts added or retained to make the distributable cash flows in accordance with the Transaction Documents or the loan agreements	-
Add/Less: Any other adjustment to be undertaken by the board of directors of the Investment Manager (the "IM Board") to ensure that there is no double counting of the same item for the above calculation	41.68
Total Adjustments (B)	290.16
Net Distributable Cash Flows (C)=(A+B)	425.66

Note: During the period, amount not less than 90% of NDCF has already been distributed to PGIInvIT.

D) STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCF_s) OF PPTL

₹ in million

Particulars	For the year ended on 31 March 2022
Profit after tax as per profit and loss account (standalone) (A)	401.49
Add: Depreciation, impairment and amortisation as per profit and loss account. In case of impairment reversal, same needs to be deducted from profit and loss.	310.88
Add: Interest on loans availed from Trust as per profit and loss account	1,668.96
Add: Interest on unpaid interest (on account of loans availed from Trust) as per profit and loss account	-
Add/Less: Decrease/Increase in working capital affecting the cash flow	225.72
Add/less: Loss/gain on sale of infrastructure assets	-
Add: Net Proceeds (after applicable taxes) 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: Net Proceeds (after applicable taxes) 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.	-
Less: Capital expenditure, if any	(600.13)
Less: Investments made in accordance with the investment objective, if any	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to	-
- 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, lease rents, etc.	164.54
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. / net cash set aside to comply with borrowing requirements under agreements including DSRA, net of any debt raised by refinancing of existing debt or/and any new debt raised	-
Add/ less: Amounts added or retained to make the distributable cash flows in accordance with the Transaction Documents or the loan agreements	416.58
Add/Less: Any other adjustment to be undertaken by the board of directors of the Investment Manager (the "IM Board") to ensure that there is no double counting of the same item for the above calculation	(2.47)
Total Adjustments (B)	2,184.08
Net Distributable Cash Flows (C)=(A+B)	2,585.57

Note: During the period, amount not less than 90% of NDCF has already been distributed to PGIInvIT.

E) STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCF_s) OF PWTL

₹ in million

Particulars	For the year ended on 31 March 2022
Profit after tax as per profit and loss account (standalone) (A)	364.84
Add: Depreciation, impairment and amortisation as per profit and loss account. In case of impairment reversal, same needs to be deducted from profit and loss.	375.99
Add: Interest on loans availed from Trust as per profit and loss account	1,976.36
Add: Interest on unpaid interest (on account of loans availed from Trust) as per profit and loss account	-
Add/Less: Decrease/Increase in working capital affecting the cash flow	281.85
Add/less: Loss/gain on sale of infrastructure assets	-
Add: Net Proceeds (after applicable taxes) 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: Net Proceeds (after applicable taxes) 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.	-
Less: Capital expenditure, if any	(844.39)
Less: Investments made in accordance with the investment objective, if any	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to	-
- 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, lease rents, etc.	154.48
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. / net cash set aside to comply with borrowing requirements under agreements including DSRA, net of any debt raised by refinancing of existing debt or/and any new debt raised	-
Add/ less: Amounts added or retained to make the distributable cash flows in accordance with the Transaction Documents or the loan agreements	571.33
Add/Less: Any other adjustment to be undertaken by the board of directors of the Investment Manager (the "IM Board") to ensure that there is no double counting of the same item for the above calculation	(2.11)
Total Adjustments (B)	2,513.51
Net Distributable Cash Flows (C)=(A+B)	2,878.35

Note: During the period, amount not less than 90% of NDCF has already been distributed to PGINVIT.

F) STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCF_s) OF PJTL

₹ in million

Particulars	For the year ended on 31 March 2022
Profit after tax as per profit and loss account (standalone) (A)	386.41
Add: Depreciation, impairment and amortisation as per profit and loss account. In case of impairment reversal, same needs to be deducted from profit and loss.	263.37
Add: Interest on loans availed from Trust as per profit and loss account	1,518.40
Add: Interest on unpaid interest (on account of loans availed from Trust) as per profit and loss account	-
Add/Less: Decrease/Increase in working capital affecting the cash flow	(329.58)
Add/less: Loss/gain on sale of infrastructure assets	-
Add: Net Proceeds (after applicable taxes) 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: Net Proceeds (after applicable taxes) 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.	-
Less: Capital expenditure, if any	(823.44)
Less: Investments made in accordance with the investment objective, if any	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to	-
- 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, lease rents, etc.	156.17
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. / net cash set aside to comply with borrowing requirements under agreements including DSRA, net of any debt raised by refinancing of existing debt or/and any new debt raised	-
Add/ less: Amounts added or retained to make the distributable cash flows in accordance with the Transaction Documents or the loan agreements	823.61
Add/Less: Any other adjustment to be undertaken by the board of directors of the Investment Manager (the "IM Board") to ensure that there is no double counting of the same item for the above calculation	87.22
Total Adjustments (B)	1,695.75
Net Distributable Cash Flows (C)=(A+B)	2,082.16

Note: During the period, amount not less than 90% of NDCF has already been distributed to PGINVIT.

Notes

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

1. GROUP INFORMATION:

POWERGRID Infrastructure Investment Trust ("PGInvIT"/"Trust") was set up on 14 September 2020 as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882. The Trust was registered with SEBI on 7 January 2021 as an infrastructure investment trust under Regulation 3(1) of the SEBI InvIT Regulations having registration number IN/InvIT/20-21/0016.

Power Grid Corporation of India Limited ("POWERGRID") is the Sponsor to the Trust. IDBI Trusteeship Services Limited is the Trustee to the Trust. POWERGRID Unchahar Transmission Limited ("PUTL") is appointed as the investment manager and POWERGRID is appointed as the project manager to the Trust.

The investment objectives of the Trust are to carry on the activities of and to make investments as an infrastructure investment trust as permissible in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines, notifications and amendments issued thereunder (collectively the "InvIT Regulations") and in accordance with the Trust Deed. The investment of the Trust shall be in any manner permissible under, and in accordance with the InvIT Regulations and applicable law including in holding companies and/or special purpose vehicles and/or infrastructure projects and/or securities in India.

PGInvIT is holding special purpose vehicle ("SPV") / subsidiaries which are infrastructure projects engaged in the power transmission business in India. Details of the same as on 31 March 2022 are as follows:

Name of the SPV	Equity Holding
1. POWERGRID Vizag Transmission Limited ("PVTL")	100%
2. POWERGRID Kala Amb Transmission Limited ("PKATL")	74%
3. POWERGRID Parli Transmission Limited ("PPTL")	74%
4. POWERGRID Warora Transmission Limited ("PWTL")	74%
5. POWERGRID Jabalpur Transmission Limited ("PJTL")	74%

The consolidated financial statements, comprise financial statement of PGInvIT and its subsidiaries (collectively, "the Group") for the year ended 31 March 2022, were approved by the Board of Directors of Investment manager on 26 May 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements. The Consolidated financial statements of the group are consisting of the Trust and its subsidiaries.

2.1 Basis of Preparation

i) Compliance with Ind AS and InvIT Regulations

The consolidated financial statements comprise of the Consolidated Balance Sheet as at 31 March 2022, 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 31 March 2022 and the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the Trust and each of its subsidiaries for the year then ended and a summary of significant accounting policies and other explanatory notes prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and InvIT Regulations, in each case, to the extent applicable and as amended thereafter.

ii) Basis of Measurement

The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

Certain financial assets and liabilities measured at fair value (refer Note no. 2.15 for accounting policy regarding financial instruments).

iii) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (Rupees or ₹), which is the Group's functional and presentation currency and all amounts are rounded to the nearest million and two decimals thereof, except as stated otherwise.

iv) Use of estimates

The preparation of consolidated financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period.

Notes

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

Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 32 on critical accounting estimates, assumptions and judgments).

v) Current and 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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 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 settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The Group recognizes twelve months period as its operating cycle.

2.2 Principles of Consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statement of the subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Inter Group transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are harmonised to ensure consistency with the policies adopted by the Group.

The acquisition method of accounting is used to account for business combination by the group.

Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Trust.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 – 'Consolidated Financial Statements'

2.3 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are recognised in the statement of profit and loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired

Notes

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

and liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any. Any impairment loss for goodwill is recognised in the statement of profit and loss.

2.4 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the 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 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 investments in subsidiaries, 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 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 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 based upon relevant documents.

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

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

- Quantitative disclosures of fair value measurement hierarchy (Note 37)
- Disclosures for valuation methods, significant estimates and assumptions (Note 32 and 37)
- Financial instruments (including those carried at amortised cost) (Note 9,12,16,20,21)

Notes

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

2.5 Property, Plant and Equipment

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection component is not available, the estimated cost of similar new parts/inspection component is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/ liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on levelling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the group and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

Derecognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon their disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.6 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

2.7 Intangible Assets and Intangible Assets under development

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

Notes

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

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Depreciation / Amortisation

Property, Plant and Equipment

Depreciation/Amortisation on the items of Property, Plant and Equipment related to transmission business is provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for the following items of property, plant and equipment on which depreciation is provided based on estimated useful life as per technical assessment and considering the terms of Transmission Service Agreement entered with Long Term Transmission Customers

Particulars	Useful life
a. Computers and Peripherals	3 Years
b. Servers and Network Components	5 years
c. Buildings (RCC frame structure)	35 years
d. Transmission line	35 years
e. Substation Equipment	35 years

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business

Mobile phones are charged off in the year of purchase.

Residual value is considered as 5% of the Original Cost for all items of Property, Plant and Equipment in line with Companies Act, 2013 except for Computers and

Peripherals and Servers and Network Components for which residual value is considered as Nil.

Property, plant and equipment costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively.

Depreciation on additions to/deductions from Property, Plant and Equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The residual values, useful lives and methods of depreciation for items of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, wherever required

Right of Use Assets:

Right of Use assets are fully depreciated from the lease commencement date on a straight line basis over the lease term.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower. Leasehold land acquired on perpetual lease is not amortized.

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

Afforestation charges are amortized over thirty-five years from the date of capitalization of related transmission assets following the straight line method, with Nil Residual Value.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The amortization period and the amortization method for an intangible asset are reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

Notes

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

2.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs includes interest expenses, other costs in connection with borrowing of fund and exchange differences to the extent regarded as an adjustment to borrowing costs.

2.10 Impairment of non-financial assets

The carrying amounts of the Groups' non-financial assets are reviewed at least annually to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

2.12 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment including spare parts whose cost is less than ₹500000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.13 Leases

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves use of an identified asset, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) As a Lessee

At the date of commencement of the lease, the group recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the group recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the

Notes

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

lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.10 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.9 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

ii) As a Lessor

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

b) Operating leases

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

2.14 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided

2.15 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

Classification

The group classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair

Notes

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

value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt Instruments at Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt Instruments at Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income (OCI) is reclassified from the equity to profit and loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The group may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Derecognition of financial assets

A financial asset is derecognized only when

- i) The rights to receive cash flows from the asset have expired, or
- ii) a) The group has transferred the rights to receive cash flows from the financial asset (or) retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients and

- b) the group has transferred substantially all the risks and rewards of the asset (or) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the Statement of Profit and Loss.

Impairment of financial assets:

For trade receivables and contract assets, the group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Financial Liabilities

Financial liabilities of the group are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the group.

The group's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities.

Subsequent measurement

After initial recognition, financial liabilities 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 effective interest rate. Any difference between the proceeds (net of transaction costs) and the redemption

Notes

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

amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing 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 between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

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.

2.16 Foreign Currencies Translation

The Group's 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 the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated with reference to the rates of exchange ruling on the date of 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.

2.17 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit

and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the countries where the group operates and generates taxable income and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the group's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.18 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group

Notes

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

recognizes revenue when it transfers control over a product or service to a customer.

2.18.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees (RPC) and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers. Where certification by RPCs is not available, incentive/ disincentive is accounted for on provisional basis as per estimate of availability by the group and differences, if any, is accounted upon certification by RPCs.

2.18.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap and conductor scrap are accounted for as and when sold.

Insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

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

2.19 Cash distributions 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

2.20 Provision and contingencies

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. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

2.21 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

Notes

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

2.22 Earnings per unit

Basic earnings per unit is computed using the net profit or loss for the year attributable to the unitholders and weighted average number of shares outstanding during the year.

Diluted earnings per unit is computed using the net profit or loss for the year attributable to the unitholders and

weighted average number of units and potential units outstanding during the year, except where the result would be anti-dilutive.

2.23 Statement of Cash Flows

Statement of Cash flows is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows.

Notes

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

NOTE 3/PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost				Accumulated depreciation				Net Book Value		
	Addition due to acquisition of Projects	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	Addition due to acquisition of Projects	Additions during the year	Disposal		Adjustment during the year	As at 31 March 2022
LAND											
Freehold	309.04	-	-	-	309.04	-	-	-	-	-	309.04
BUILDINGS											
Sub-Stations & Office	300.11	14.06	-	0.03	314.14	22.39	7.57	-	-	29.96	284.18
Township	14.31	-	-	-	14.31	0.87	0.36	-	-	1.23	13.08
PLANT & EQUIPMENT											
Transmission	94,859.74	0.89	-	4.56	94,856.07	8,396.38	2,275.73	-	-	10,672.11	84,183.96
Substation	15,174.36	64.81	-	2.50	15,236.67	1,385.81	364.01	-	-	1,749.82	13,486.85
Unified Load Despatch & Communication	42.41	-	-	-	42.41	4.43	1.72	-	-	6.15	36.26
Furniture and Fixtures	11.42	9.69	-	-	21.11	2.12	1.49	-	-	3.61	17.50
Office equipment	2.46	-	-	-	2.46	0.65	0.36	-	-	1.01	1.45
Electronic Data Processing & Word Processing Machines	0.74	-	-	-	0.74	0.68	0.04	-	-	0.72	0.02
Construction and Workshop equipment	0.14	-	-	-	0.14	0.02	0.00	-	-	0.02	0.12
Electrical Installation	4.06	-	-	-	4.06	0.72	0.30	-	-	1.02	3.04
Workshop & Testing Equipments	17.65	7.39	-	-	25.04	0.32	0.77	-	-	1.09	23.95
Miscellaneous Assets/Equipments	0.18	-	-	-	0.18	0.05	0.04	-	-	0.09	0.09
Total	110,736.62	96.84	-	7.09	110,826.37	9,814.44	2,652.39	-	-	12,466.83	98,359.54

Notes

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

NOTE 4/CAPITAL WORK IN PROGRESS

₹ in million

Particulars	Addition due to acquisition of Projects	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2022
Buildings					
Sub-Stations & Office	-	14.06	14.09	(0.03)	-
Township	29.46	19.05	23.75	-	24.76
Plant & Equipments (including associated civil works)					
Transmission	-	1.11	5.67	(4.56)	-
Sub-Station	58.71	58.99	34.05	69.71	13.94
Furniture & Fixtures	-	-	(9.69)	9.69	-
Construction Stores (Net of Provision)	-	1.05	-	-	1.05
Total	88.17	94.26	67.87	74.81	39.75

Ageing of Capital work in progress is as follows:

₹ in million

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Project in progress	34.13	5.62	-	-	39.75
Total	34.13	5.62	-	-	39.75

NOTE 5/ GOODWILL ON ACQUISITION

₹ in million

Particulars	As at 31 March 2022
Goodwill due to acquisition of Projects	9,575.91
Less: Impairment	3,679.41
Total	5,896.50

Refer Note 47.

NOTE 6/OTHER INTANGIBLE ASSETS

₹ in million

Particulars	Cost					Accumulated Amortisation				Net Book Value	
	Addition due to acquisition of Projects	Additions during the year	Disposal	Adjustment during the year	As at 31.03.2022	Addition due to acquisition of Projects	Additions during the year	Disposal	Adjustment during the year	As at 31.03.2022	As at 31.03.2022
Electronic Data Processing Software	0.07	-	-	-	0.07	0.07	-	-	-	0.07	-
Right of Way-Afforestation Expenses	1,798.60	4.06	-	-	1,802.66	134.39	44.84	-	-	179.23	1,623.43
Right Of Additional Revenue*	-	3,041.50	-	-	3,041.50	-	0.27	-	-	0.27	3,041.23
Total	1,798.67	3,045.56	-	-	4,844.23	134.46	45.11	-	-	179.57	4,664.66

*Rights to additional revenue acquired at gross consideration of ₹ 3,041.50 million from POWERGRID by respective SPVs i.e, PPTL, PWTL and PJTL.

Notes

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

NOTE 7/OTHER NON-CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

₹ in million

Particulars	As at 31 March 2022
Advances for Other than Capital Expenditure	
Security deposits - Unsecured	3.12
Balance with Customs Port Trust and other authorities	0.18
	3.30
Others	
Advance Tax and Tax Deducted at Source	1,894.90
Less: Tax Liabilities - (From Note 24)	1,431.11
	463.79
TOTAL	467.09

NOTE 8/INVENTORIES

₹ in million

Particulars	As at 31 March 2022
(For mode of valuation refer Note 2.12)	
Components, Spares & other spare parts	307.65
Loose tools	0.63
	308.28
Less Provision for Shortages/damages etc	-
TOTAL	308.28

NOTE 9/TRADE RECEIVABLES

₹ in million

Particulars	As at 31 March 2022
Trade receivables	
Unsecured Considered good	3,334.77
Considered doubtful (Credit Impaired)	18.96
	3,353.73
Less: Provision for doubtful trade receivables	18.96
TOTAL	3,334.77

Notes

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

Further Notes:

₹ in million

Ageing of Trade Receivables is as follows:

Particulars		Unbilled	0-6M	6M-1Y	1Y-2Y	2Y-3Y	>3Y	Total
As at 31 March 2022								
Considered – Good	Undisputed	1713.44	1154.04	288.24	177.51	0.73	0.81	3334.77
	Disputed	-	-	-	-	-	-	-
Significant increase in Credit Risk	Undisputed	-	-	-	-	-	-	-
	Disputed	-	-	-	-	-	-	-
Credit Impaired	Undisputed	-	-	-	0.08	0.12	18.76	18.96
	Disputed	-	-	-	-	-	-	-
		1713.44	1154.04	288.24	177.59	0.85	19.57	3,353.73

Trade receivables includes receivables from various DICs through CTU

Refer note 48 for disclosure as per Ind AS 115 “Revenue from Contract With Customers”

*Trade Receivable includes Contract Assets which represents Transmission Charges and surcharge for the month of March 2022 amounting to ₹ 1,421.32 and ₹ 49.75 Million respectively billed to beneficiaries in the subsequent month i.e April 2022, Transmission Incentive of ₹ 242.37 Million to be billed in FY 2022-23.

NOTE 10/CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31 March 2022
Balance with banks-	
In Current accounts	57.69
In term deposits (with maturity less than 3 months)	5,210.90
Total	5,268.59

Further Notes:

Balance in current account does not earn interest . Surplus money is transferred into Term Deposits.

NOTE 11/BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31 March 2022
Balance with banks-	
In designated Current accounts (For Distribution Payments)*	1.74
Total	1.74

Further Notes:

*Earmarked balance with banks pertains to unclaimed distribution to unitholders.

NOTE12/OTHER CURRENT FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

₹ in million

Particulars	As at 31 March 2022
Interest accrued on Term Deposits	33.89
Others	5.92
Total	39.81

Notes

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

NOTE 13/OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

₹ in million

Particulars	As at 31 March 2022
Advances recoverable in kind or for value to be received	
Balance with Customs Port Trust and other authorities	0.16
Others*	33.70
	33.86
Prepaid Expenses	127.08
Total	160.94

* Others include Entry tax deposit as per Orders of Appellate authority for stay, part of contingent liability Refer note no. 43

NOTE 14/ UNIT CAPITAL

₹ in million

Particulars	As at 31 March 2022
Unit Capital	
Issued, subscribed and paid up	
909,999,200 units (Issue Price of ₹ 100 Each)	90,999.92
Total	90,999.92

Further Notes:

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.

A Unitholder has no equitable or proprietary interest in the projects of PGInvIT 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 PGInvIT. A Unitholder's right is limited to the right to require due administration of PGInvIT in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

Reconciliation of the number of units outstanding and the amount of unit capital:

Particulars	No. of Units	₹ in million
At the beginning of the year	-	-
Issued during the year*	909,999,200	90,999.92
At the end of the year	909,999,200	90,999.92

* During the year the Trust has issued 909,999,200 units at the rate of ₹ 100.00 per unit. Out of which, Fresh issue comprised of 499,348,300 no. of units and 410,650,900 no. of units allotted to the Sponsor. In compliance with InvIT Regulations, Sponsor retained 136,500,100 no. of units and made an Offer for Sale for 274,150,800 no. of units.

Details of Sponsor holding:

Particulars	No. of Units	% holding
Power Grid Corporation of India Limited (Sponsor)	136,500,100	15.00%

Notes

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

Unitholders holding more than 5 (five) percent units in the Trust as on 31 March 2022:

Name of Unitholder	Nos. in million	% holding
POWER GRID CORPORATION OF INDIA LIMITED (SPONSOR)	136.50	15.00%
CPP INVESTMENT BOARD PRIVATE HOLDINGS 4 INC	91.84	10.09%
NPS TRUST	63.59	6.99%
CAPITAL INCOME BUILDER	59.15	6.50%
HDFC TRUSTEE COMPANY LTD	46.59	5.12%

NOTE 15/OTHER EQUITY

₹ in million

Particulars	As at 31 March 2022
Reserves and Surplus	
Capital Reserve	330.15
Self Insurance Reserve	-
Retained Earnings	(1,393.81)
Total	(1,063.66)

Capital Reserve

₹ in million

Particulars	As at 31 March 2022
Balance at the beginning of the year	-
Addition during the year*	330.15
Deduction during the year	-
Balance at the end of the year	330.15

*Difference between carrying amount of Non-controlling interest and the fair value of the consideration paid has been transferred to Capital Reserve

Self Insurance Reserve

₹ in million

Particulars	As at 31 March 2022
Balance at the beginning of the year	-
Addition during the year	0.60
Deduction during the year	(0.60)
Balance at the end of the year	-

Notes

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

Retained Earnings

₹ in million

Particulars	As at 31 March 2022
Balance at the beginning of the year	-
Add: Additions	
Net Profit for the period	5,068.42
Transfer from Self Insurance Reserve	0.60
Other adjustment	362.76
	5431.78
Less: Appropriations	
Self Insurance Reserve	0.60
Distribution during the year	6,824.99
	6,825.59
Balance at the end of the year	(1,393.81)

Retained earnings are the profits earned till date, less any transfers to general reserve, dividends or other distributions paid to unit holders.

NOTE 16/ BORROWINGS

₹ in million

Particulars	As at 31 March 2022
Secured Indian Rupee Loan from Banks	-
Term loan from HDFC Bank Ltd.	5,755.85
Less: Current maturities	28.78
	5,727.07
Less: Unamortised transaction cost	6.79
Total	5,720.28

Further Notes:

The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realized 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 and (iii) First and exclusive charge on Debt Service Reserve Account.

Interest rate on term loan from bank is 3 months T-Bill rate plus spread of 194 basis points. The Loan is repayable in 64 quarterly installments of varying amounts commencing from 30 June 2022.

There have been no breaches in the financial covenants with respect to borrowings.

There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

Notes

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

NOTE 17/ DEFERRED TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31 March 2022
Deferred Tax Liability	
Difference in book depreciation and tax depreciation	16,855.75
	16,855.75
Deferred Tax Assets	
Unused Tax Losses	2,202.96
MAT Credit Entitlement	1,354.71
Provisions	0.14
Others	0.01
	3,557.82
Net Deferred tax liability	13,297.93

Movement in Deferred Tax Liability

₹ in million

Particulars	Property, Plant & Equipment
Addition due to acquisition of Projects	16,046.28
(Charged)/ Credited to Profit or Loss	809.47
As at 31 March 2022	16,855.75

Movement in Deferred Tax asset

₹ in million

Particulars	Unused Tax Losses	Provisions	MAT Credit	Others	Total
Addition due to acquisition of Projects	2,011.81	0.14	1,132.99	0.01	3,144.95
(Charged)/ Credited to Profit or Loss	191.15	-	221.72	-	412.87
As at 31 March 2022	2,202.96	0.14	1,354.71	0.01	3,557.82

Amount taken to Statement of Profit and Loss

₹ in million

Particulars	As at 31 March 2022
Increase/(Decrease) in Deferred Tax Liabilities	809.47
(Increase)/Decrease in Deferred Tax Assets	(412.87)
Net Amount taken to Statement of Profit and Loss	396.60

NOTE 18/OTHER NON CURRENT LIABILITY

₹ in million

Particulars	As at 31 March 2022
Deposit/Retention money from contractors and others	0.05
Total	0.05

Notes

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

NOTE 19/BORROWINGS

₹ in million

Particulars	As at 31 March 2022
Secured Indian Rupee Loan from Banks	
Current maturities of Term loan from HDFC Bank Ltd.	28.78
Total	28.78

Refer Note No. 16

NOTE 20/TRADE PAYABLES

₹ in million

Particulars	As at 31 March 2022
For goods and services	
Total outstanding dues of Micro enterprises and small enterprises	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2.76
Total	2.76

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 36.

Further Note :

₹ in million

Ageing of Trade Payables is as follows:	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
As at 31 March 2022						
MSME						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Total						
Others						
Disputed	-	-	-	-	-	-
Undisputed	2.76	-	-	-	-	2.76
Total	2.76	-	-	-	-	2.76

NOTE 21/OTHER CURRENT FINANCIAL LIABILITY

₹ in million

Particulars	As at 31 March 2022
Unclaimed Distribution	1.74
Others	
Dues for capital expenditure	191.26
Deposits/Retention money from contractors and others.	12.27
Related parties	1.63
Others	7.74
	212.90
Total	214.64

Notes

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

NOTE 22/OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at 31 March 2022
Statutory dues	15.96
Total	15.96

NOTE 23/PROVISIONS

₹ in million

Particulars	As at 31 March 2022
Provisions	
As per last balance sheet	0.88
Additions during the year	19.97
Adjustments during the year	(10.90)
Closing Balance	9.95

NOTE 24/CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31 March 2022
Taxation (Including interest on tax)	
Addition due to acquisition of Projects	1,139.79
Additions during the year	291.43
Adjustments during the year	-
Total	1,431.22
Net off against Advance tax and TDS (Note 7)	(1,431.11)
Closing Balance	0.11

NOTE 25/REVENUE FROM OPERATIONS

₹ in million

Particulars	For the year ended 31 March 2022
Sales of services	
Transmission Business	
Sales of services	
Transmission Charges	12,173.39
Total	12,173.39

The transmission charges includes ₹ 413.38 Million based on CERC Order no.610/MP/2020 Dated 28.10.2021 for admitting the claim made, to revise the tariff due to increased capital cost on account of change in law.

Refer note 48 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers"

Notes

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

NOTE 26/OTHER INCOME

₹ in million

Particulars	For the year ended 31 March 2022
Interest	
Indian Banks	131.98
Others	10.69
	142.67
Others	
Surcharge	105.74
Liquidated damage recovery	0.01
Miscellaneous income	12.32
	118.07
Total	260.74

NOTE 27/OTHER EXPENSES

₹ in million

Particulars	For the year ended 31 March 2022
Power Charges	11.54
Water Charges	0.61
System and Market Operation Charges	19.05
CERC petition & Other charges	9.50
Security Expenses	14.66
Legal Expenses	1.36
Professional Charges(Including TA/DA)	1.87
RTA Fee	0.43
Rating Fee	0.59
Cost Audit and Physical verification Fees	0.15
Miscellaneous Expenses	0.07
Internal Audit Fee	0.04
Internal Audit - Out of Pocket Expenses	0.01
Rates and Taxes	0.54
Brokerage & Commission	0.01
Expenditure on Corporate Social Responsibility (CSR)	107.95
Total	168.38

Notes

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

NOTE 28/EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars	For the year ended 31 March 2022
Salaries, wages, allowances & benefits	3.15
Total	3.15

NOTE 29/FINANCE COSTS

₹ in million

Particulars	For the year ended 31 March 2022
Interest and finance charges on financial liabilities at amortised cost	
Interest on Secured Indian Rupee Term Loan from Banks	0.91
Others	0.01
Total	0.92

NOTE 30/DEPRECIATION AND AMORTIZATION EXPENSE

₹ in million

Particulars	For the year ended 31 March 2022
Depreciation of Property, Plant and Equipment	2,652.39
Amortisation of Intangible Assets	45.11
Total	2,697.50

Notes

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

31. 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 period plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

The following reflects the profit and unit data used in the basic and diluted EPU computation:

Particulars	For the year ended on 31 March 2022
Profit after tax for calculating basic and diluted EPU (₹ in million)	5,068.42
Weighted average number of units in calculating basic and diluted EPU (No. in million)	815.90
Earnings Per Unit	
Basic (Rupees/unit)	6.21
Diluted (Rupees/unit)	6.21

32. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgement

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.

a) Classification of Unitholders' Funds

Under the provisions of the InvIT Regulations, Group is required to distribute to unitholders not less than ninety percent of the net distributable cash flows of Group for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual

obligation of the Group 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 October 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

a) Fair Valuation and disclosure

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value, the Group engages independent qualified external valuer, as mandated under InvIT Regulations, to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs for valuation. 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 projects. The inputs for the valuation 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) Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of

Notes

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

obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The group reviews at the end of each reporting date the useful life of property, plant and equipment and are adjusted prospectively, if appropriate

c) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

d) Income Taxes:

Significant estimates are involved in determining the provisions for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

33. PARTY BALANCES AND CONFIRMATIONS

- Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
- In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

34. DISCLOSURE AS PER IND AS 116 - "LEASES"

The group does not have any lease arrangements either as a lessor or lessee therefore Ind AS 116 "leases" does not apply to the company"

35. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (CSR Policy) Amendment Rules, 2021, the Subsidiaries of the Trust are required

to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years. Accordingly, subsidiaries of the Trust have spent ₹ 107.95 million during the year.

36. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

		₹ in million
Sr. No	Particulars	Amount As at 31 March 2022
1	Principal amount and interest due there on remaining unpaid to any supplier as at end of each accounting year:	
	Principal	NIL
	Interest	NIL
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL
3	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 MSMED Act, 2006	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL
5	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 MSMED Act 2006	NIL

37. 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.

Notes

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

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

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

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

₹ in million			
Significant unobservable input	Input for 31 March 2022	Sensitivity of input to the fair value	Increase/ (Decrease) in fair value
WACC	7.70% to 8.00%	+0.50% -0.50%	5,128.00 (4,597.60)

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

₹ in million					
Particulars	Date of valuation	Level 1	Level 2	Level 3	Total
Assets for which fair values are disclosed:					
Property Plant and Equipment, Intangible Assets and Goodwill*	31 March 2022	-	-	109,014.21	109,014.21

* Statement of Net assets at fair value and total return at fair value require disclosure regarding fair value of assets (liabilities are considered at book value). Since the fair value of assets other than the Property Plant and Equipment, Intangible Asset and Goodwill, approximate their book value hence these have been disclosed above.

The Value disclosed above represents 100% value of the Property Plant and Equipment, Intangible Assets and Goodwill without adjustment for Non-Controlling Interest

38. RELATED PARTY DISCLOSURES

(A) Disclosure as per Ind AS 24 - "Related Party Disclosures"

(a) Entity with significant influence over trust

Name of entity	Place of business/ country of incorporation	Relationship with Trust
Power Grid Corporation of India Limited	India	Sponsor and Project Manager / Entity with significant influence

(B) Disclosure as per Regulation 2(1)(zv) of the InvIT Regulations

(a) Parties to Trust

Name of entity	Place of business/ country of incorporation	Relationship with Trust
Power Grid Corporation of India Limited	India	Sponsor and Project Manager
POWERGRID Unchahar Transmission Limited	India	Investment Manager
IDBI Trusteeship Services Limited	India	Trustee

(b) Promoters of the parties to Trust specified in (i) above

Name of entity	Promoter
Power Grid Corporation of India Limited	Government of India
POWERGRID Unchahar Transmission Limited	Power Grid Corporation of India Limited
IDBI Trusteeship Services Limited	IDBI Bank Limited Life Insurance Corporation General Insurance Corporation

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

(i) Directors of Power Grid Corporation of India Limited:

Shri K. Sreekant
Smt. Seema Gupta
Shri Vinod Kumar Singh
Shri M. Taj Mukarrum
Shri Abhay Choudhary
Shri Dilip Nigam (Ceased to be Director w.e.f. 30 April 2022)
Shri Mritunjay Kumar Narayan (Ceased to be Director w.e.f. 06 Dec 2021)

Notes

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

Shri Ghanshyam Prasad (Appointed as Director w.e.f. 21 Dec 2021)

Shri Chetan Bansilal Kankariya (Appointed as Director w.e.f. 17 Nov 2021)

Shri Korachara Nagappa Onkarappa (Appointed as Director w.e.f. 17 Nov 2021)

Shri Ram Naresh Tiwari (Appointed as Director w.e.f. 18 Nov 2021)

Shri Sunil Kumar Sharma (Ceased to be Director w.e.f. 23 July 2021)

Shri M.N. Venkatesan

Smt. A.R. Mahalakshmi (Ceased to be Director w.e.f. 26 July 2021)

(ii) Directors of POWERGRID Unchahar Transmission Limited

Smt. Seema Gupta

Shri A K Singhal

Shri M.N. Venkatesan (Ceased to be Director w.e.f. 15 Dec 2021)

Shri Sunil Kumar Sharma (Ceased to be Director w.e.f. 23 Jul 2021)

Shri B. Anantha Sarma (Appointed as Director w.e.f. 14 Dec 2021 & Ceased to be Director w.e.f. 11 Feb 2022)

Shri Korachara Nagappa Onkarappa (Appointed as Director w.e.f. 10 Feb 2022)

Shri Ram Naresh Tiwari (Appointed as Director w.e.f. 10 Feb 2022)

(iii) Key Managerial Personnel of POWERGRID Unchahar Transmission Limited

Shri Purshottam Agarwal (CEO)

Shri Amit Garg (CFO)

Smt. Anjana Luthra (Company Secretary)

(iv) Directors of IDBI Trusteeship services Ltd.

Shri J. Samuel Joseph

Shri Pradeep Kumar Jain

Smt. Jayashree Ranade

Smt. Madhuri J. Kulkarni

Smt. Padma V. Betai

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

₹ in million

Particulars	As at 31 March 2022
Amounts Payable	
Power Grid Corporation of India Limited (Sponsor and Project Manager)	
Incentive on O&M Consultancy fees and PIMA fees thereon	6.33
Total	6.33

(D) The transactions with related parties during the period are as follows:

₹ in million

Particulars	For the period ended on 31 March 2022
Power Grid Corporation of India Limited (Sponsor and Project Manager)	
Purchase of Equity Shares of PVTL	14,869.20
Purchase of Equity Shares of PKATL	2,022.92
Purchase of Equity Shares of PJTL	7,234.13
Purchase of Equity Shares of PWTL	10,327.52
Purchase of Equity Shares of PPTL	9,919.16
Issue of Unit Capital	41,065.09
Acquisition of additional revenue on account of claims under change in Law	3041.5
Interest Paid	420.00
Distribution paid	1,023.75
Dividend paid	1167.52
Repayment of Loan during the period	49934.84
Payment of Operation & Maintenance Charges (Including Taxes)	272.55
Payment of Project Implementation & Management Charges (Including Taxes)	38.52
Consultancy Fees	2.95
Reimbursement of BG extension charges (Including taxes)	0.05
POWERGRID Unchahar Transmission Limited (Investment Manager)	
Payment of Investment Manager fee (Including Taxes)	111.57
IDBI Trusteeship Services Limited (Trustee)	
Payment of Trustee fee (Including Taxes)	0.35

Notes

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

DETAILS IN RESPECT OF RELATED PARTY TRANSACTIONS INVOLVING ACQUISITION OF INVIT ASSETS AS REQUIRED BY PARA 4.4(B)(IV) OF SECTION A OF ANNEXURE A TO SEBI CIRCULAR DATED 20 OCTOBER 2016 ARE AS FOLLOWS:

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

During the financial year ended 31 March 2022, the Trust has acquired 74% equity share capital of POWERGRID Kala Amb Transmission Limited ('PKATL'), POWERGRID Parli Transmission Limited ('PPTL'), POWERGRID Warora Transmission Limited ('PWTL') and POWERGRID Jabalpur Transmission Limited ('PJTL') and 100% equity share capital of POWERGRID Vizag Transmission Limited ('PVTL') from Power Grid Corporation of India Limited.

The Trust has paid the consideration for acquisition of 74% equity share capital of PVTL, PKATL, PPTL, PWTL and PJTL from Power Grid Corporation of India Limited on 13 May 2021 pursuant to separate share purchase agreements. Summary of the valuation report dated 26 February 2021 issued by the independent valuer appointed under the InvIT Regulations, expressing opinion on the fair valuation of the specified SPVs as of 31 December 2020 is as follows:

SPV	WACC	Enterprise Value (₹ in million)	Equity Value (₹ in million)	No. of Shares	Value per share (₹)
PVTL	7.80%	23,136.10	15,313.80	209,730,000	73.0
PKATL	7.60%	4,535.20	2,679.50	61,000,000	43.9
PPTL	7.70%	25,976.40	13,138.60	322,100,000	40.8
PWTL	7.70%	29,036.80	13,679.50	393,300,000	34.8
PJTL	7.60%	21,163.00	9,582.10	226,910,000	42.2

Further, in terms of the share purchase agreement, 26% equity share capital of PVTL was acquired by PGINVIT on 31 March 2022. Summary of the valuation report dated 17 February 2022 issued by the independent valuer appointed under the InvIT Regulations, expressing opinion on the fair valuation of the PVTL as of 31 January 2022 is as follows:

SPV	WACC	Enterprise Value (₹ in million)	Equity Value (₹ in million)	No. of Shares	Value per share (₹)
PVTL	7.90%	21,876.20	14,568.00	209,730,000	69.5

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

Acquisition of POWERGRID Vizag Transmission Limited (PVTL): Pursuant to the share purchase agreement dated 22 April 2021 ("SPA") (and amendments thereof) executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Vizag Transmission Limited, Trust acquired 74% equity stake in PVTL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed and undertook to sell the balance 26% equity stake of PVTL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of POWERGRID Kala Amb Transmission Limited (PKATL): Pursuant to the share purchase agreement dated 22 April 2021 ("SPA") executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Kala Amb Transmission Limited, Trust acquired 74% equity stake in PKATL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed and undertook to sell the balance 26% equity stake of PKATL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of POWERGRID Parli Transmission Limited (PPTL): Pursuant to the share purchase agreement dated 22 April 2021 ("SPA") executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Parli Transmission Limited, Trust acquired 74% equity stake in PPTL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed

Notes

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

and undertook to sell the balance 26% equity stake of PPTL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of POWERGRID Warora Transmission Limited (PWTL): Pursuant to the share purchase agreement dated 22 April 2021 ("SPA") executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Warora Transmission Limited, Trust acquired 74% equity stake in PWTL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed and undertook to sell the balance 26% equity stake of PWTL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of POWERGRID Jabalpur Transmission Limited (PJTL): Pursuant to the share purchase agreement dated 22 April 2021 ("SPA") executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Jabalpur Transmission Limited, Trust acquired 74% equity stake in PJTL.

Under the Agreement, the Trust agreed and undertook to purchase from POWERGRID and POWERGRID agreed and undertook to sell the balance 26% equity stake of PJTL to the Trust.

No external financing has been obtained for the above acquisition and the transaction was funded by issue of units of the Trust to POWERGRID.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

Acquisition of balance 26% equity stake in POWERGRID Vizag Transmission Limited (PVTTL): Pursuant to the share purchase agreements dated 22 April 2021 ("SPA") (and amendments thereof) executed among Power Grid Corporation of India Limited, IDBI Trusteeship Services Limited, POWERGRID Unchahar Transmission Limited, and POWERGRID Vizag Transmission Limited, the balance 26% equity stake was acquired.

The above acquisition was financed through Rupee Term Loan from HDFC Bank Limited. Interest rate on term loan is 3 months T-Bill rate plus spread of 194 basis points.

No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

39. INVESTMENT MANAGER FEES

Pursuant to the Investment Management Agreement dated 18 December 2020, Investment Manager fees is aggregate of

- ₹ 72,500,000 per annum, in relation to the initial SPVs; and
- 0.10% of the aggregate Gross Block of all Holding Companies and SPVs acquired by the InvIT after the execution of this agreement.

Further, the management fee set out above shall be subject to escalation on an annual basis at the rate of 6.75% of the management fee for the previous year. Any applicable taxes, cess or charges, as the case may be, shall be in addition to the management fee.

During the period, Trust has not acquired any assets other than initial SPVs.

Investment Manager Fees during the year includes ₹ 24.38 million for the period from 18 December 2020 to 31 March 2021.

40. PROJECT MANAGER FEES

Pursuant to the Project Implementation and Management Agreement dated January 23, 2021, Project Manager is entitled to fees @ 15% of the aggregate annual fees payable under the O&M Agreements. Any applicable taxes, cess or charges, as the case may be, shall be in addition to the fee.

41. SEGMENT REPORTING

The Group's activities comprise of transmission of electricity in India. Based on the guiding principles given

Notes

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

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.

42. CAPITAL AND OTHER COMMITMENTS

₹ in million

Particulars	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	102.11

The Group has entered into separate Share Purchase agreements with POWERGRID for acquisition of balance 26% equity stake in each of the subsidiary i.e. PKATL, PPTL, PWTL and PJTL.

The Group has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group has to ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties.

Other commitments related to services to be rendered / procurements made in the normal course of business are not disclosed to avoid excessive details.

43. CONTINGENT LIABILITY

- a) Claims against the Group not acknowledged as debts in respect of Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters
 - i) Disputed Entry Tax Matters amounting to ₹ 96.28 million contested before the Appellant Deputy Commissioner.

In this regard, the ADC vide order dt.26.07.2018 in ADC Order No.777 had granted a conditional stay upon the Company depositing 35% of the disputed tax, i.e., ₹ 33.70 million. In hearing of the case, ADC (CT) has dismissed the appeal vide order dated 17.06.2020. The company filed writ petition with Hon'ble High Court of the state of Telangana on 17.08.2020 and Hon'ble High Court grant stay for all further proceedings against the ADC order dated 17.06.2020. The Company is confident that this matter will be disposed off in favour of the Company.

- ii) Intimation from Income Tax Department Under Section 143(1a) amounting ₹ 3.11 Million (For the Assessment Year 2019-20) against the Income Tax Return Filed for FY 2018-19. Appeal has been made to IT Department against the same.

- iii) In respect of claims made by various State/ Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 5.89 million has been estimated

- iv) In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 0.01 Million (Previous Year 0.01 Millions) has been estimated

- b) Other contingent liabilities amount to ₹ 105.77 million related to arbitration cases/RoW cases & land compensation cases have been estimated.

44. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprises of borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's investments and operations.

The Group's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that are generated from its operations.

The Group's activities expose it to the following financial risks, namely,

- (A) Credit risk
- (B) Liquidity risk
- (C) Market risk

This note presents information regarding the Group's exposure, objectives and processes for measuring and managing these risks.

The management of financial risks by the Group is summarized below: -

(A) Credit Risk

Credit risk is the risk that 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 on account of trade receivables, deposits with banks and other financial instruments.

Notes

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

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Group operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where such recoveries are made, these are recognized in the statement of profit and loss.

(i) Trade Receivables and Contract Assets

The Group primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows, a graded rebate is provided for payments made within due date. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

Contract Assets primarily relates to the Group's right to consideration for services provided but not billed at the reporting date and has substantially the same risk characteristics as the trade receivables for the same type of contracts.

(ii) Other Financial Assets (excluding trade receivables and Contract Assets)

a) Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 5,268.59 Million. The cash and cash equivalents are held with reputed commercial banks and do not have any significant credit risk.

(iii) Exposure to credit risk

₹ in million

Particulars	As at 31 March 2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Cash and cash equivalents	5,268.59
Deposits with banks and financial institutions	1.74
Other current financial assets	39.81
Total	5,310.14
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)	
Trade receivables	3,353.73

(iv) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables and Contract Assets) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, no loss allowance for impairment has been recognised.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Group has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behavior.

Considering the above factors and the prevalent regulations, the trade receivables and Contract Assets continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

(B) Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and marketable securities for 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

Notes

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

optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds for short term operational needs as well as for servicing of financial obligation under term loan. 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.

MATURITIES OF FINANCIAL LIABILITIES

The table below analyses the Trust's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows.

₹ in million				
Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
As at 31 March 2022				
Borrowings (including interest outflows)	359.12	1,475.51	8,492.87	10,327.50
Trade Payables	2.76	-	-	2.76
Other financial liabilities	214.59	0.05	-	214.64
Total	576.47	1,475.56	8,492.87	10,544.90

(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 three types of risk:

- (i) Currency risk
- (ii) Interest rate risk
- (iii) Equity price risk

(i) Currency risk

As on Reporting date the Group does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services.

(ii) Interest rate risk

Interest rate risk is the risk that fair value or 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 rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's exposure to interest rate risk due to variable interest rate borrowings is as follows:

₹ in million		
Particulars	Amount	Impact on profit / loss before tax for the year due to Increase or decrease in interest rate by 50 basis points
As at 31 March 2022	5755.85	9.62
Term Loan from Bank		

(iii) Equity price risk

The Group does not have any investments in equity shares which may be subject to equity price risk.

45. CAPITAL MANAGEMENT

Group's objectives when managing capital are to

- maximize the unit holder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of Group's capital management, unit capital includes issued unit capital and all other reserves attributable to the unit holders of the Trust. Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, Group may adjust the distribution to unitholders (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders), return capital to unitholders or issue new units. The Group monitors capital using a gearing ratio, which is the ratio of long term debt to total Equity plus long term debt. The Group's policy is to keep the gearing ratio optimum. The Group includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The gearing ratio of the Group was as follows: -

Particulars	As at 31 March 2022
(a) Long term debt (₹ in million)	5,755.85
(b) Total Equity (₹ in million) *	89,936.26
(c) Total Equity plus long term debt (₹ in million) (a+b)	95,692.11
(d) Gearing Ratio (a/c)	6.02%

* Total Equity includes unit capital and other equity.

Notes

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

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.

Distributions

₹ in million	
Particular	As at 31 March 2022
Interim distributions for the year ended 31.03.2022 of ₹ 7.50 per unit (Comprising Taxable Dividend – ₹ 1.68, Exempt Dividend – ₹ 0.80, Interest – ₹ 5.01 and Treasury Income – ₹ 0.01)	6,824.99

Distribution not recognized at the end of the reporting period:

In addition to above distribution, the Board of Directors of POWERGRID Unchahar Transmission Limited in its capacity as the Investment Manager to POWERGRID Infrastructure Investment Trust ("PGInvIT") on 26.05.2022 recommended distribution related to last quarter of FY 2021-22 of ₹ 3.00 per unit.

46. INCOME TAX EXPENSE

This note provides an analysis of the group's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

(a) Income tax expense

₹ in million	
Particulars	For the year ended 31 March 2022
Current Tax	
Current tax on profits for the year	245.96
Adjustments for current tax of prior periods	
TOTAL CURRENT TAX EXPENSE (A)	
Deferred Tax Expense	
Origination and reversal of temporary differences	396.60
Previously unrecognised tax credit recognised as Deferred Tax Asset this year	-
Total deferred tax expense /benefit (B)	396.60
Income tax expense (A+B)	642.56

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

₹ in million	
Particulars	For the year ended 31 March 2022
Profit before income tax expense including movement in Regulatory Deferral Account Balances	5,275.70
Tax at the Company's domestic tax rate	1,654.91
Tax effect of:	
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961	(664.29)
Deferred Tax Expense/(Income)	396.60
Minimum alternate tax adjustments	(145.46)
Tax Adjustments on accounting profit	(599.20)
Income tax expense	642.56

(c) MAT Credit / Current Tax

As company have option to avail MAT credit in future against Income Tax payable and hence MAT paid during earlier and in current year are carried forward.

47. DISCLOSURES PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS"

i) Acquisition of subsidiaries

Pursuant to the Share Purchase Agreements dated 22 April 2021, the Trust acquired 74% of equity stake of the PVTI, PKATL, PPTL, PWTL and PJTL on 13 May 2021, the acquisition date, for an equity consideration of ₹ 41,065.09 Millions.

Accordingly, the financial statements of the aforesaid subsidiaries for the period 13 May 2021 to 31 March 2022 have been considered in the consolidated financial statements of the Group. The funding for the said acquisition was raised through public issue of units of the Trust. The Group has carried out a fair valuation of the net assets of the SPVs and accordingly the goodwill /gain from bargain purchase has been recorded in the consolidated financial statements.

Notes

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

ii) Assets acquired and liabilities recognised on the date of acquisition are as follows

₹ in million

Particulars	PVTL	PKATL	PPTL	PWTL	PJTL	Total
Non current assets						
Property, Plant and Equipment	22,445.45	4,543.18	25,604.15	28,322.65	20,009.33	1,00,924.76
Capital Work-in-Progress	-	58.71	-	29.46	-	88.17
Other Intangible Assets	-	5.74	129.28	604.64	924.56	1,664.22
Other Non-Current Assets	0.15	67.19	201.42	235.17	122.08	626.01
	22,445.60	4,674.82	25,934.85	29,191.92	21,055.97	1,03,303.16
Current assets						
Inventories	108.07	-	46.60	57.52	97.74	309.93
Trade Receivables	543.15	120.25	590.59	485.40	446.81	2,186.20
Cash and Cash Equivalents	496.96	91.06	609.54	449.67	513.41	2,160.64
Other Current Financial Assets	173.34	45.23	466.82	720.08	156.48	1,561.95
Other Current Assets	54.94	20.55	40.30	45.10	25.13	186.02
	1,376.46	277.09	1,753.85	1,757.77	1,239.57	6,404.74
Total Assets	23,822.06	4,951.91	27,688.70	30,949.69	22,295.54	1,09,707.90
Non current liabilities						
Borrowings	7,839.88	1,860.00	13,005.00	15,400.00	11,829.95	49,934.83
Deferred Tax Liabilities (Net)	320.22	276.56	1,046.70	1,157.94	523.99	3,325.41
	8,160.10	2,136.56	14,051.70	16,557.94	12,353.94	53,260.24
Current liabilities						
Trade Payables	5.27	0.52	3.67	3.99	0.06	13.51
Other Current Financial Liability	0.23	80.70	222.50	425.27	161.39	890.09
Other Current Liabilities	2.20	0.46	6.44	6.24	3.76	19.10
Provisions	0.04	-	0.12	0.14	0.54	0.84
Current Tax Liabilities (Net)	30.76	-	-	-	-	30.76
	38.50	81.68	232.73	435.64	165.75	954.30
Total Liabilities	8,198.60	2,218.24	14,284.43	16,993.58	12,519.69	54,214.54
Net Assets at Fair Value	15,623.46	2,733.67	13,404.27	13,956.11	9,775.85	55,493.36

iii) Calculation of Goodwill / (Capital Reserve)

₹ in million

Particulars	PVTL	PKATL	PPTL	PWTL	PJTL	Total
Purchase consideration	11,561.36	2,022.92	9,919.16	10,327.52	7,234.13	41,065.09
Less: 74% of Net Assets at Fair Value	11,561.36	2,022.92	9,919.16	10,327.52	7,234.13	41,065.09
Goodwill on acquisition	-	-	-	-	-	-
Goodwill on account of DTL arising due to acquisition	2,573.30	463.29	2,405.76	2,350.97	1,782.59	9,575.91
Goodwill on Business Acquisition	2,573.30	463.29	2,405.76	2,350.97	1,782.59	9,575.91

Notes

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

48. DISCLOSURE AS PER IND AS 115 - "REVENUE FROM CONTRACTS WITH CUSTOMER"

- a) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:

₹ in million	
Particulars	For the year ended 31 March 2022
Contracted price	11,825.56
Add/ (Less)- Discounts/ rebates provided to customer	(46.36)
Add/ (Less)- Performance bonus	394.19
Add/ (Less)- Adjustment for significant financing component	-
Add/ (Less)- Other adjustments	-
Revenue recognised in profit or loss statement	12,173.39

Project wise break up of revenue from contracts with Customers

₹ in million	
Particulars	For the year ended 31 March 2022
POWERGRID Vizag Transmission Limited	2,604.51
POWERGRID Kala Amb Transmission Limited	626.98
POWERGRID Parli Transmission Limited	2,975.01
POWERGRID Warora Transmission Limited	3,324.77
POWERGRID Jabalpur Transmission Limited	2,642.12
Total	12,173.39

49. ADDITIONAL REGULATORY INFORMATION AS PER SCHEDULE III TO THE COMPANIES ACT, 2013

- a) The Group does not hold benami property and no proceeding has been initiated or pending against the any entity of the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial year.
- b) The Group do not have any transactions with struck off companies.

- c) Any entity of the Group was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.

- d) Ratios

Ratio	Numerator	Denominator	Current Year
(a) Current Ratio	Current Assets	Current Liabilities	33.48
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.06
(c) Debt Service Coverage Ratio	Profit for the period before tax+ Depreciation and amortization expense + Finance costs+ Impairment	Interest & Lease Payments + Principal Repayments	12,666.88
(d) Return on Equity Ratio	Profit for the period after tax	Average Shareholder's Equity	0.09
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	78.98
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	7.26
(g) Trade payables turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	563.36
(h) Net capital turnover ratio	Revenue from Operations	Current Assets – Current Liabilities	1.38
(i) Net profit ratio	Profit for the period after tax	Revenue from Operations	0.38
(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.05
(k) Return on Investment	Interest from Investment	Average Investments	NA

Being the first year of operation of the InvIT, comparative information for the immediately preceding financial year is not available.

- e) The Group has not received/advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) through Intermediaries during the financial year.

Notes

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

- f) The Group do not have any transaction that was not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- g) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

and external information available up to the date of approval of Financial Statements and there has been no material impact of COVID-19 pandemic on the operations of the Subsidiaries for the year ended 31 March 2022.

However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions.

50. IMPACT OF COVID – 19

The Group is mainly engaged in the business of transmission of electricity and earns revenue pursuant to the long-term transmission service agreements (TSAs) with designated Inter-state customers. In addition, maintaining the availability of the assets in excess of 98% gives the right to claim incentives under the respective TSAs.

Due to the continuing COVID-19 pandemic, various lockdowns were declared by the Central/ State Governments/ Local Authorities from time to time. However, as per the Government of India guidelines, power transmission units and services falls under the category of essential services and were exempted from the said lockdown. Trust has considered various internal

51. OTHER NOTES

- a) 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. 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.
- b) Figures have been rounded off to nearest rupees in million up to two decimals.

As per our report of even date

For S.K.Mittal & Co.
Chartered Accountants
FRN: 001135N

For and on behalf of Board of Directors

Anjana Luthra
Company Secretary
PAN: ABYPL2312H
Place: Gurugram

Seema Gupta
Chairperson
DIN:- 06636330
Place: Gurugram

Ashok Kumar Singhal
Director
DIN:- 08578420
Place: Gurugram

(CA Gaurav Mittal)
Membership Number: 099387
Place: Gurugram

Purshottam Agarwal
CEO
PAN: ABWPA7859E
Place: Gurugram

Amit Garg
CFO
PAN: ACSPG1833F
Place: Gurugram

Date: 26.05.2022

Glossary

BOOM	Build-Own-Operate-Maintain
BSE	Bombay Stock Exchange
CARE	CARE Ratings Limited
CERC	Central Electricity Regulatory Commission
ckm	circuit kilometer
COD	Commercial Operation Date
CPSE	Central Public Sector Enterprise
CRISIL	CRISIL Ratings Limited
CSR	Corporate Social Responsibility
CTUIL	Central Transmission Utility of India Ltd
CWIP	Capital Work-In-Progress
D/C	Double Circuit
DCF	Discounted Cash Flow
DIC	Designated ISTS Customers
DPU	Distribution Per Unit
DSRA	Debt Service Reserve Account
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EPU	Earnings per Unit
Final Offer Document	Final Offer Document of PGINVIT dated May 6, 2021
FY	Financial Year
Gol	Government of India
GW	Gigawatt
ICRA	ICRA Limited
IM	Investment Manager
Ind AS	Indian Accounting Standards
InSTS	Intra-State Transmission System
InvIT	Infrastructure Investment Trust
InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
IPA	Initial Portfolio Asset (interchangeably used as SPVs)
IPO	Initial Public Offer
IRDAI	Insurance Regulatory and Development Authority of India
ISTS	Inter State Transmission System
ITSL	IDBI Trusteeship Services Limited
kV	kilovolt
LILO	Loop-In-Loop-Out
LTTCs	Long Term Transmission Customers
MD&A	Management Discussion and Analysis
MSME	Micro, Small and Medium Enterprises

MVA	Mega Volt Ampere
NAV	Net Asset Value
NDCF	Net Distributable Cash Flows
NIP	National Infrastructure Pipeline
NMP	National Monetisation Pipeline
NSE	National Stock Exchange
NTPC	NTPC Limited
O&M	Operation & Maintenance
PAT	Profit After Tax
PFRDA	Pension Fund Regulatory and Development Authority
PGInvIT	POWERGRID Infrastructure Investment Trust
PJTL	POWERGRID Jabalpur Transmission Limited
PKATL	POWERGRID Kala Amb Transmission Limited
POWERGRID	Power Grid Corporation of India Limited
PPTL	POWERGRID Parli Transmission Limited
PSU	Public Sector Undertaking
PUTL	POWERGRID Unchahar Transmission Limited
PVTL	POWERGRID Vizag Transmission Limited
PWTL	POWERGRID Warora Transmission Limited
RBI	Reserve Bank of India
RE	Renewable Energy
RPC	Regional Power Committee
SCORES	SEBI Complaints Redressal System
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SPV	Special Purpose Vehicle (interchangeably used as IPAs)
TBCB	Tariff-Based Competitive Bidding
TDS	Tax Deducted at Source
Trust	POWERGRID Infrastructure Investment Trust
TSA	Transmission Service Agreement
UPSI	Unpublished Price Sensitive Information
WACC	Weighted Average Cost of Capital

DISCLAIMER

This report is prepared for the consumption of the unitholders of POWERGRID Infrastructure Investment Trust ("PGInvIT") pursuant to the Securities and Exchange Board of India (Infrastructure Investment Trusts), 2014, as amended, and issued by POWERGRID Unchahar Transmission Limited (the "Investment Manager") in its capacity as the Investment Manager of PGInvIT. This report (a) is for information purposes only without regards to specific objectives, financial situations or needs of any particular person, (b) should not be construed as legal, tax, investment or other advice, (c) should not be considered as a prospectus, an offer/offer document, an advertisement or a recommendation to any person to purchase/subscribe to any units or any other securities / instruments issued or proposed to be issued by PGInvIT, and (d) should not be disclosed, reproduced, retransmitted, summarized, distributed or furnished, in whole or in part, to any other person or persons.

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