

Date: February 24, 2021

B S E Limited

Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai — 400 001

National Stock Exchange of India Ltd

Exchange Plaza, C/1, Block G,
Bandra-Kurla Complex, Bandra (East),
Mumbai — 400 051

Security Code- 540565

Symbol- INDIGRID

Subject: Acquisition of NER II Transmission Limited and Extra-ordinary General Meeting

Dear Sir/ Madam,

With reference to the captioned subject, we hereby inform that the Committees and the Board of Directors of Investment Manager of India Grid Trust ("IndiGrid") on February 24, 2021 has approved the acquisition of NER II Transmission Limited subject to unitholders and other regulatory approvals.

We are enclosing herewith the Notice of Extra-ordinary General Meeting of Unitholders of IndiGrid to be held on March 19, 2021.

Further in relation to aforesaid acquisition, please find attached the valuation report issued by the independent valuer of IndiGrid, Mr. S. Sundararaman which is annexed to aforesaid notice.

You are requested to take the same on record.

Thanking you,

**For and on behalf of the IndiGrid Investment Managers Limited
(formerly known as Sterlite Investment Managers Limited)**

Representing India Grid Trust as its Investment Manager

Swapnil Patil

Company Secretary & Compliance Officer
ACS-24861

Copy to-

Axis Trustee Services Limited

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



INDIA GRID TRUST

(An Infrastructure Investment Trust registered with Securities & Exchange Board of India vide registration no. IN/InvIT/16-17/0005)

Principal Place of Business: Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra

Tel: +91 7208493885

Compliance Officer: Mr. Swapnil Patil; **E-mail:** complianceofficer@indigrid.co.in; **Website:** www.indigrid.co.in

Notice of Extra Ordinary General Meeting

NOTICE IS HEREBY GIVEN that the EXTRA ORDINARY GENERAL MEETING (the “**EGM**”) of the unitholders (the “**Unitholders**”) of India Grid Trust (“**IndiGrid**” or “**the Trust**”) will be held on Friday, March 19, 2021 at 3.00 p.m. IST at Unit No 101, First Floor, Windsor, Village KoleKalyan, Off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India to transact the following business:

ITEM NO. 1: TO APPROVE THE PROPOSED ACQUISITION OF POWER TRANSMISSION ASSET AND MATTERS RELATED THERETO

To consider and, if thought fit, to pass with or without modification(s), the following resolution by way of simple majority (i.e. where present and voting unitholders, cast votes in favour of the resolution that are more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended and the notifications, circulars and guidelines issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “**InvIT Regulations**”):

“**RESOLVED THAT** pursuant to the provisions of Regulation 18, 19, 22 and all other applicable provisions, if any, of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, and the notifications, circulars and guidelines issued thereunder (“**InvIT Regulations**”), and other applicable laws, including any statutory modifications, amendments or re-enactments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by any regulatory, statutory or governmental authority in India from time to time (to the extent applicable), the requisite approvals (if any) of Securities and Exchange Board of India, the stock exchanges, any relevant governmental, statutory or regulatory authorities or third party approval, if any and subject to such terms and conditions as may be prescribed by any such authority while granting such approvals as may be necessary, the consent of the Unitholders, be and is hereby granted to India Grid Trust or any entity controlled by India Grid Trust (“**IndiGrid**” or “**the Trust**”) acting through its Trustee, Axis Trustee Services Limited (the “**Trustee**”) and/ or its Investment Manager, IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) (the “**Investment Manager**”) to enter into material related party transaction, being the acquisition, in one or more tranches, of 100% (one hundred percent) shareholding and beneficial ownership of NER II Transmission Limited (“**NER**”) from Sterlite Grid 4 Limited (“**SGL4**”), a wholly owned subsidiary of Sterlite Power Transmission Limited (“**Sponsor**” or “**SPTL**”) and the nominee shareholders of SGL4 and/or of 100% (one hundred percent) shareholding and beneficial ownership of SGL4 and the nominee shareholders of SPTL, and refinancing or novation of the existing debt availed by NER from SGL4

or SPTL or external lenders in cash for an enterprise value not exceeding Rs. 46,250 million subject to all other adjustments on account of movement in unrestricted cash, realizable tariff receivables over and above the normalized net working capital, other assets net of debt and other liabilities outstanding as per the management certified (and subsequently audited) financial statements submitted, and as specified in the definitive documents to be entered into (“**Closing Adjustments**”) in line with the terms of the framework agreement executed by SPTL, Investment Manager and the Trustee dated April 30, 2019, as amended, (the “**Framework Agreement**”), for such acquisition and to ensure compliance with all contractual obligations, InvIT Regulations and other applicable laws.”

“**RESOLVED FURTHER THAT** the consent of the Unitholders be and is hereby granted for the execution, modification, amendments of all documents, agreements, deeds in relation to the acquisition of the issued, subscribed and paid-up share capital, all other securities issued by and refinancing of existing debt, if any, of NER and/or SGL4 including, inter alia, securities purchase agreement or facility agreement to be entered into between all relevant parties including but not limited to SPTL, SGL4, NER, Investment Manager and the Trustee (acting on behalf of, and its capacity as, the Trustee to IndiGrid).”

“**RESOLVED FURTHER THAT** the Trustee and/or the Board of Directors of the Investment Manager be and are hereby severally authorised to negotiate the terms and conditions of the transaction documents including provisions on indemnities, representations and warranties and conditions precedents and to settle, finalise, execute, amend or modify and deliver, for and on behalf of the Trust, all definitive agreements and all amendments, addendums and supplemental agreements thereto, on behalf of IndiGrid, and any other ancillary agreements or forms, consent terms, certificates, undertakings or other documents as may be required to be executed in this regard and to do all such other acts, deeds and things as may be considered necessary and expedient in the interest of IndiGrid.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Investment Manager and/or the Trustee be and is hereby authorised to delegate all or any of the powers to any validly constituted Committee of the Board of Directors of the Investment Manager, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary & Compliance Officer or any other person authorized by Investment Manager and/or the Trustee so as to give effect to the aforesaid resolutions.”

On behalf of India Grid Trust
IndiGrid Investment Managers Limited
(formerly known as Sterlite Investment Managers Limited)
(as the Investment Manager to India Grid Trust)

Swapnil Patil
Company Secretary & Compliance Officer

Mumbai, February 24, 2021

NOTES

1. **A UNITHOLDER ENTITLED TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING OF INDIGRID (THE “EGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE EGM, AND SUCH PROXY NEED NOT BE A UNITHOLDER OF INDIGRID.**
2. The instrument appointing the proxy must be deposited at the Registered Office of Investment Manager not less than 48 hours before the commencement of the EGM.
3. An Explanatory Statement setting out material facts and reasons for the proposed resolution as mentioned above, is appended herein below for perusal.
4. Route map of the venue of the EGM is annexed hereto.
5. Relevant documents referred to in the accompanying Notice, if any, are open for inspection by the Unitholders at the Principal Place of Business of IndiGrid on all working days (i.e. all days except Saturdays, Sundays and Public Holidays) between 11.00 a.m. and 5.00 p.m. up to the date of the EGM. The aforesaid documents will also be available for inspection by Unitholders at the EGM.
6. The Investment Manager, on behalf of the Trust, is providing a facility to the Unitholders as on the cut-off date, being March 12, 2021, (the “Cut-Off Date”) to exercise their right to vote by electronic voting systems from a place other than venue of the EGM (“Remote e-Voting”) on any or all of the businesses specified in the accompanying Notice. Details of the process and manner of Remote e-Voting is provided under Annexure C. Any person who acquires Units of IndiGrid and becomes a Unitholder of IndiGrid after the dispatch of the Notice, and holds Units as on the Cut-Off Date, may obtain the user ID and password by sending a request at evoting@kfintech.com, complianceofficer@indigrid.co.in or contact M/s. KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) (“KFin”) at 040 33215204. Voting by electronic mode is a convenient means of exercising voting rights and may help to increase the Unitholders’ participation in the decision-making process. It may be noted that the Remote e-Voting facility is optional. The Investment Manager, on behalf of IndiGrid, has signed an agreement with, and engaged the services of KFin for the purpose of providing Remote e-Voting facility to the Unitholders.
7. Unitholders (such as companies or body corporates) intending to send their authorized representative(s) to attend the EGM are requested to send to the Principal Place of Business of IndiGrid, a certified true copy of the relevant Board Resolution/Power of Attorney, together with the specimen signature(s) of the representatives authorized under the said Board Resolution/Power of Attorney to attend and vote on their behalf at the EGM.
8. In case of joint holders attending the EGM, only such joint holder who is higher in the order of names will be entitled to vote at the EGM.
9. Unitholders are requested to address all correspondence, including distribution matters, to the Registrar, KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) (Unit: India Grid Trust), Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, India.
10. Unitholders are requested to send their queries, if any, to the Investment Manager at least 10 days prior to the EGM to enable the Investment Manager to provide the required information.
11. IndiGrid is also making arrangement for voting by the Unitholders by physical ballot at the venue of the EGM. However, Unitholders who have cast their vote by Remote e-Voting prior to the EGM shall not be entitled to cast their vote again but may attend the EGM. Unitholders can opt for only one mode of voting, i.e. physical ballot or Remote e-Voting. If a Unitholder opts for Remote e-Voting, then he/she shall not vote by physical ballot and vice versa. In case a Unitholder casts his/her vote, both by physical ballot and Remote e-Voting mode, then the voting done by Remote e-Voting shall prevail and the voting by physical ballot shall be treated as invalid.
12. The Results declared along with Scrutinizer’s Report(s) will be available on the website of IndiGrid (www.indigrid.co.in), and on KFin’s website (<https://evoting.kfintech.com>) within two days of passing of the resolution at the EGM of the Trust and communication of the same to the BSE Limited and the National Stock Exchange of India Limited.
13. Unitholders who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including annual reports, notices, circulars etc. from the Investment Manager, on behalf of IndiGrid, electronically.
14. Due to COVID 19, we request Unitholders to follow below COVID safety protocol
 - Keep social distance
 - Maintain distance of nearly 2 meters
 - At the entry of venue, Unitholders shall be scanned for symptoms of COVID such as checking temperature (using non-contact type thermometer) and ask for visible symptoms.
 - Unitholders with temperature more than 37.5 C (99 F) or showing any flu like symptoms shall not be allowed to attend EGM
 - Government guidelines and safety instructions of the facility management shall be followed strictly.

Principal Place of Business and Contact Details of the Trust:

India Grid Trust

Unit No. 101, First Floor, Windsor,
Village KoleKalyan, off CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East), Mumbai - 400 098, Maharashtra

SEBI Registration Number: IN/InvIT/16-17/0005

Tel: +91 72084 93885

E-mail: complianceofficer@indigrid.co.in

Website: www.indigrid.co.in

Compliance Officer: Mr. Swapnil Patil

Registered Office, Corporate Office and Contact Details of the Investment Manager:

IndiGrid Investment Managers Limited

Unit No. 101, First Floor, Windsor,
Village KoleKalyan, off CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East), Mumbai - 400 098, Maharashtra

CIN: U28113MH2010PLC308857

Tel: +91 72084 93885

E-mail: complianceofficer@indigrid.co.in

Contact Person: Mr. Swapnil Patil

EXPLANATORY STATEMENT

ITEM NO. 1: TO APPROVE THE PROPOSED ACQUISITION OF POWER TRANSMISSION ASSET AND MATTERS RELATED THERETO

Attention of the Unitholders is drawn to the fact that pursuant to the Framework Agreement among Sterlite Power Transmission Limited (“SPTL” or “Sponsor” or “Project Manager”), IndiGrid Investment Managers Limited (“IIML” or “Investment Manager”) and Axis Trustee Services Limited (“Trustee”) dated April 30, 2019, as amended, (the “Framework Agreement”), SPTL had provided India Grid Trust (“IndiGrid”) with rights to purchase with respect to three power transmission assets located in India, which are owned or developed by the Sponsor or its existing subsidiaries. NER II Transmission Limited (NER) is one of the assets identified in Framework Agreement to be acquired upon commissioning. IndiGrid has, after conducting due diligence and completing other necessary actions, agreed to acquire 100% (one hundred percent) shareholding and beneficial ownership of NER (the “Target Asset”), in one or more tranches, from Sterlite Grid 4 Limited (“SGL4”), a wholly owned subsidiary of Sterlite Power Transmission Limited (“Sponsor” or “SPTL”) and the nominee shareholders of SGL4 and/or of 100% (one hundred percent) shareholding and beneficial ownership of SGL4 and the nominee shareholders of SPTL and refinancing or novation of the existing debt availed by NER from SGL4 or SPTL or external lenders, subject to approval of the Unitholders of IndiGrid, approval of regulatory authorities, provisions of TSA and completion of customary condition precedents by SGL4 and SPTL prior to acquisition.

The Target Asset was awarded to bidder company under the ‘tariff based competitive bidding’ mechanism (“TBCB”) on a ‘build-own-operate-maintain’ (“BOOM”) basis. The Target Asset earns revenue pursuant to long-term Transmission Service Agreement (“TSA”) and the regulations and tariff orders passed by Central Electricity Regulatory Commission (“CERC”) in accordance with the Electricity Act, 2003 (“Tariff Orders”). The Target Asset is entitled to receive availability-based tariffs under the TSA irrespective of the quantum of power transmitted through the line, substantially via the Point of Connection (“PoC”) mechanism, whereby the tariff is pooled by Central Transmission Utility (CTU) on behalf of all the TBCB transmission project developers and distributing proportionately to each developer, significantly de-risking the counterparty and collection risk. The tariff for inter-state power transmission projects in India, including the Target Asset is contracted for the period of the TSA, which is up to 35 years from the scheduled date of commissioning (“SCOD”) of the Target Asset, which may be renewed further via extensions of the TSA in accordance with the provisions of the Electricity Act, 2003.

Brief particulars of the aforesaid Target Asset are provided in Annexure A hereto. The Board of Directors of the Investment Manager considered the aforesaid acquisition and appointed various reputed consultants and independent valuer to carry out the necessary due diligence (including technical, legal, financial and tax diligence) and valuation of Target Asset respectively.

The independent valuer of IndiGrid, Mr. S. Sundaraman (the “Valuer”), has undertaken a full valuation of the

Target Asset, in accordance with the InvIT Regulations, and prepared a valuation report as of December 31, 2020 (the “Valuation Report”). The Enterprise Valuation of the Target Asset as per the Valuation Report and based on the assumptions mentioned therein is appearing in Annexure B. The Valuation Report is available on the website of IndiGrid and has also been made available to the BSE Limited and the National Stock Exchange of India Limited for the purposes of uploading on their respective websites. A summary of the full Valuation Report is provided as Annexure B hereto.

The aforesaid acquisition has been finalized with a view to grow the Assets Under Management of IndiGrid and increase DPU yield from the underlying IndiGrid portfolio in the long term.

In accordance with Regulation 2(1)(zv) of the InvIT Regulations, the Seller of the Target Asset, being SGL4 (the “Seller”) and SPTL, are related parties of IndiGrid. Regulation 19(3) of the InvIT Regulations states that an approval from the Unitholders is required to be obtained (in terms of Regulation 22 of the InvIT Regulations) prior to entering into a transaction with any related party if the total value of all the related party transactions, in a financial year, pertaining to acquisition or sale of assets exceeds 5% (five per cent) of the value of the InvIT assets, and voting by any person who is a related party in such transaction as well as associates of such person(s) shall not be considered on the specific issue. The transaction would be executed on arm’s length basis.

The Investment Committee on February 12, 2021 followed by Audit Committee and the Board of Directors of the Investment Manager has approved the aforesaid acquisition and material related party transaction on February 24, 2021 and has noted that this transaction is at arm’s length.

Information in respect of the proposed related party transaction is as under:

Name of the Related Parties	<ol style="list-style-type: none"> 1. Sterlite Power Transmission Limited (“SPTL”)*; 2. Sterlite Grid 4 Limited (“SGL4”)*; 3. NER II Transmission Limited (“NER”)* <p style="text-align: right;"><i>*Including nominee shareholders</i></p>
Relationship with IndiGrid	<ol style="list-style-type: none"> 1. Sterlite Power Transmission Limited is one of the Sponsor and the Project Manager of IndiGrid. 2. Sterlite Grid 4 Limited is the wholly owned subsidiary of the Sponsor and NER is the wholly owned subsidiary of SGL4.
Monetary Value	An enterprise value not exceeding Rs. 46,250 million, subject to Closing Adjustments as consideration to be paid to the Seller & outgoing lenders of Target Asset in the form of cash and/or for a consideration other than cash.

ANNEXURE A

Brief particulars of the Target Asset are as under:

NER II Transmission Limited (NER)

NER was incorporated on April 21, 2015. NER entered into a TSA (the "NER TSA") on December 27, 2016. The project was awarded by the Ministry of Power on February 22, 2017 for a 35-year period from the scheduled commercial operation date of the NER project, on a BOOM basis. The project has 11 elements. The project has two substation elements, four transmission line elements, one LILO element and four line bays. The project is located in the state of Tripura, Assam and Arunachal Pradesh. NER project would strengthen the interconnection between the states of Assam and Arunachal Pradesh and provide an additional source of power to the capital city of Itanagar. The project would also provide a strong interconnection between northern and southern part of North Eastern Region.

Details of NER's transmission lines and substations are provided below:

El. No.	Element	Specification	State	Revenue %
A	TL: Silchar - Misa	400 kV D/C (178 km)	Assam	53.67%
B	TL: Biswanath Chariyalli - Itanagar	132 kV D/C (68 km)	Assam, Arunachal Pradesh	3.38%
C	2 nos. line bays at Itanagar S/s	132 kV	Arunachal Pradesh	0.49%
D	LILO of one circuit of Biswanath Chariali (PG) - Itanagar	132 kV DC (8 km)	Arunachal Pradesh	0.29%
E	S/s at P.K. Bari	400/132 kV, 2x315 MVA	Tripura	8.28%
F	TL: Surajmaninagar - P. K. Bari	400 kV D/C	Tripura	17.38%
G	S/s at Surajmaninagar	400/132 kV, 2x315 MVA	Tripura	8.28%
H	2 nos. of line bays at Palatana GBPP switchyard	400 kV	Tripura	1.51%
I	2 nos. line bays at PK Bari S/s	132 kV	Tripura	0.49%
J	TL: AGTPP (NEEPCO) - P.K. Bari	132kV D/C (101 km)	Tripura	5.74%
K	2 nos. line bays at NEEPCO S/s	132 kV	Tripura	0.49%

Nature, Material Terms, Value, Particulars of the Arrangement and any other Relevant/ Important Information

SECURITIES PURCHASE AGREEMENT

The Trustee, on behalf of IndiGrid, propose to enter into Securities Purchase Agreement and other ancillary agreement for the purpose of acquiring 100% (one hundred percent) shareholding and beneficial ownership of NER II Transmission Limited, in one or more tranches, from SGL4 and the nominee shareholders of SGL4 and/or of 100% (one hundred percent) shareholding and beneficial ownership of SGL4 and the nominee shareholders of SPTL. Additionally, IndiGrid proposes to refinance the entire debt, including any outstanding loan, in one or more tranches from SGL4 or SPTL, in the Target Asset as on the Closing Date (as defined below).

CONSIDERATION

Upon satisfaction or waiver of all the conditions precedent to the transaction, IndiGrid and the Seller will undertake the closure of the transaction, in one or more tranches, in line with the provisions of the Securities Purchase Agreement (such date referred to as "Closing Date(s)") and the TSA. On respective Closing Date and subsequent tranches as per TSA, IndiGrid proposes to pay a consideration amounting to the equity value of NER as calculated based on the management certified financial statements (to be audited subsequently post- Closing Date) submitted on or immediately prior to the respective Closing Date(s) ("Closing Equity Value"), as adjusted by the difference between such Closing Equity Value and the final equity value as certified and upon audit of such management certified financial statements by the statutory auditors of NER. Additionally, IndiGrid proposes to refinance entire debt outstanding in NER, in one or more tranches, on the Closing Date(s) as agreed under Securities Purchase Agreement. Pursuant to the proposed Securities Purchase Agreement, the aggregate of Closing Equity Value and outstanding debt of NER will be a sum of an amount agreed in writing by the parties not exceeding ₹ 46,250 million (the "Enterprise Value") subject to Closing Adjustments as per the Framework Agreement and Securities Purchase Agreement. Further, the Seller has agreed to provide certain customary representations, warranties and indemnities to the Trustee (acting in its capacity as the Trustee of IndiGrid) and the Investment Manager in relation to itself and NER.

ANNEXURE B

Summary of the Full Valuation Report

(a) Background and scope

- Sterlite Power Transmission Limited (“Sponsor”) is primarily engaged into installation and operation of electricity transmission projects.
- The India Grid Trust (“IndiGrid” or “the Trust”) is an infrastructure investment trust under the InvIT Regulations. IndiGrid Investment Managers Limited (“Investment Manager”) has been appointed as the Investment Manager to the Trust by Axis Trustee Services Limited (“the Trustee”) and will be responsible to carry out the duties of such person as mentioned under the InvIT Regulations.
- The Trust intends to acquire NER from SGL4, a subsidiary of the Sponsor. For this purpose, the Investment Manager appointed Mr. S. Sundararaman (the “Valuer”) to undertake an independent valuation of Target Asset at the enterprise level (including debt) as per the extant provisions of the InvIT Regulations.

(b) Valuation Approach & Assumptions

The Valuer has estimated the enterprise value of Target Asset using Discounted Cash Flow approach (“DCF”) basis projected financial statement of the Target Asset as provided by the Investment Manager.

Key Assumptions

- Transmission Revenue: The transmission revenue comprises of non escalable transmission revenue and escalable transmission revenue as provided in the Transmission Service Agreement (“TSA”) for the life of the project.
- Non Escalable Transmission Revenue: The non escalable transmission revenue contracted for the entire life of the project.
- Escalable Transmission Revenue: Escalable transmission revenue is the revenue component where the revenue is duly escalated based on the rationale as provided in the respective TSA and documents provided to the valuer by the Investment Manager. The escalation is to mainly compensate with the inflation factor. There is no escalable revenue in NER.
- Incentive: As provided in the respective TSA, if the annual availability exceeds 98% (ninety eight percent), the Target Assets shall be entitled to an annual incentive as provided in TSA.
- Extension of contractual life beyond TSA period and value computed on the basis of Gordon growth model with 0% terminal growth rate.

(c) Conclusion of Value

Based on the methodology and assumptions discussed above, the Valuer has arrived at the Fair Enterprise Value (“EV”) of Target Asset as on the

valuation date:

Fair Enterprise Value as on the Valuation Date

(in ₹ million)

Name	Fair Enterprise Value
NER II Transmission Limited	51,175

Except to the extent of shareholding or directorship in respective entities, none of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the resolution mentioned at Item No. 1 of the Notice.

The Investment Manager recommends the resolution as set out in the Notice for your approval by way of ordinary majority (i.e. where the votes cast in favor of the resolution are required to be more than the votes cast against the resolution).

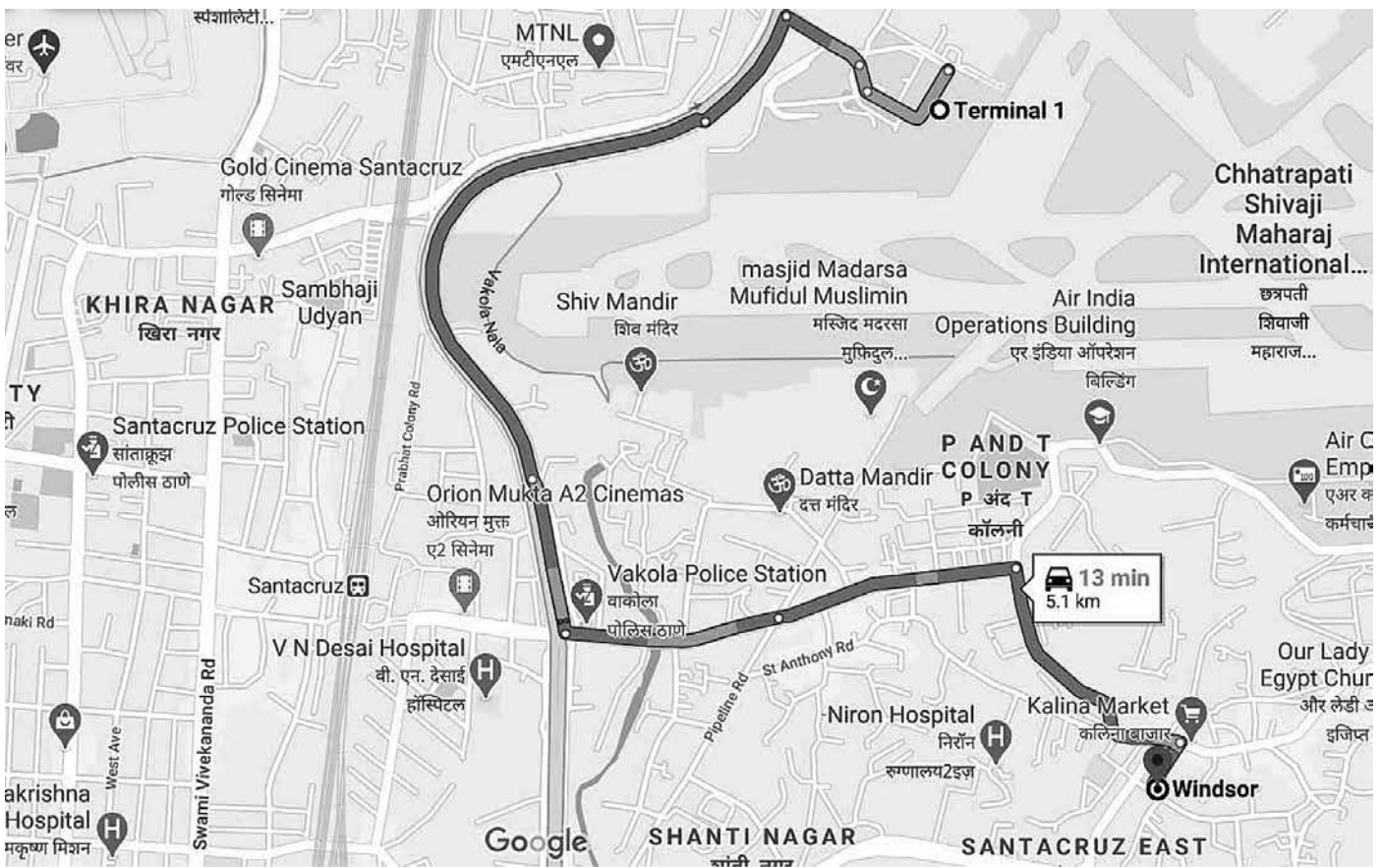
ANNEXURE C

The instruction for e-voting are as under:

- A. In case a Unitholder receives an email from KFin [for Unitholders whose email IDs are registered with the Trust/ Depository Participants(s)]:
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
 - ii. Enter the login credentials (i.e., EVENT No., User ID and password mentioned on Covering letter. EVENT No. followed by Folio No. / DP ID- Client ID will be your User ID. However, if you are already registered with KFin for remote e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on “LOGIN”.
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommend that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. After changing password, you need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the “EVENT” i.e., [IndiGrid].
 - vii. On the voting page, enter the number of Units (which represents the number of votes) as on the Cut off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total

- number in "FOR/AGAINST" taken together not exceed your total Unitholding as mentioned herein above. You may also choose the option ABSTAIN. If the Unitholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the Units held will not be counted under either head.
- viii. Unitholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Unitholders can login any numbers of times till they have voted on the Resolution(s).
 - xii. Corporate/ Institutional Unitholders (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail narasimhan.b8@gmail.com with a copy marked to evoting@kfintech.com. Please note that, the mail id of Scrutinizer will be used only for e-voting related matters. For any other queries, investors are requested to contact KFin on the contact details mentioned in this notice. The scanned image of the above mentioned documents should be in the naming format "IndiGrid, Extraordinary General Meeting".
 - xiii. In case a person has become the Unitholder of the Trust after dispatch of EGM Notice but on or before the cut- off date i.e. March 12, 2021, may write to KFin on the email Id: evoting@kfintech.com or contact at 040 33215204 or write to KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) [Unit: India Grid Trust], Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case a Unitholder receives physical copy of the Notice of EGM for Unitholders whose email IDs are not registered with the Trust/Depository Participants (s) or requesting physical copy.
- i. User ID and initial Password as provided on the enclosed slip.
 - ii. Please follow necessary steps mentioned above, to cast vote.
- C. In case of any queries relating to e-voting please visit Help & FAQ section of <https://evoting.kfintech.com> (KFin Website).
 - D. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - E. The e-voting period commences on Tuesday, March 16, 2021 (10.00 AM) and ends on Thursday, March 18, 2021 (5.00 PM). During this period Unitholders of the Trust, holding Units in dematerialized form, as on the cut-off date being Friday, March 12, 2021, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Unitholder, the Unitholder shall not be allowed to change it subsequently. Further, the Unitholders who have casted their vote electronically shall not vote by way of poll, if held at the meeting.
 - F. The voting rights of Unitholders shall be in proportion to their Units of the Unit capital of the Trust as on the cut-off date i.e. Friday, March 12, 2021.
 - G. The Board of Directors of Investment Manager has appointed Mr. B Narasimhan failing him, Mr. Venkataraman K., Practicing Company Secretaries, as the Scrutinizer(s) to scrutinize the e-voting process in a fair and transparent manner.
 - H. The Scrutinizer shall immediately after the conclusion of the voting at EGM, first count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two (2) witnesses not in the employment of the Trust and make a Scrutinizer's Report of the votes cast in favour or against, if any, forth with to the Chairman of the Investment Manager.
 - I. The Results shall be declared on or after the EGM of the Trust and the resolution will be deemed to be passed on the EGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
 - J. The results declared along with the Scrutinizer's report shall be placed on the Trust's website www.indigrid.co.in and on the website of the service provider (<https://evoting.kfintech.com>) within two (2) days of passing of the resolution at the EGM of the Trust and communicated to BSE Limited and National Stock Exchange of India Limited.

ROUTE MAP



NOTES

A series of horizontal dotted lines for writing notes.

Attendance Slip



INDIA GRID TRUST

Principal Place of Business: Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra

SEBI Registration Number: IN/InvIT/16-17/0005

Extra-ordinary General Meeting, Friday, March 19, 2021

Registered Folio No./ DP ID No. / Client ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of units held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a Unitholder / proxy for the Unitholder of India Grid Trust (the Trust).

I hereby record my presence at the EXTRAORDINARY GENERAL MEETING of the Trust on Friday, March 19, 2021 at 03.00 p.m. at Unit No 101, First Floor, Windsor, Village KoleKalyan, Off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India.

.....
Name of the Unitholder / proxy
(in BLOCK letters)

.....
Signature of the Unitholder / proxy

NOTE: PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

PROXY FORM



INDIA GRID TRUST

(An irrevocable trust set up under the Indian Trusts Act, 1882, and

registered as an infrastructure investment trust with the Securities and Exchange Board of India)

Principal Place of Business: Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra

SEBI Registration Number: IN/InvIT/16-17/0005

Name of the Unitholder (s) :
Registered address :
E-mail Id :
Folio No./Client Id : DP ID :

I/We, being the Unitholder(s) holding Units of India Grid Trust ("Trust"), hereby appoint

1. of having e-mail Id :, or failing him
2. of having e-mail Id :, or failing him
3. of having e-mail Id :

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting of the Trust, to be held on Friday, March 19, 2021 at 03.00 p.m. at Unit No 101, First Floor, Windsor, Village KoleKalyan, Off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution	For	Against
1. TO APPROVE THE PROPOSED ACQUISITION OF POWER TRANSMISSION ASSET AND MATTERS RELATED THERETO		

Signed this day of 2021

Affix
Revenue
Stamp

Signature of Unitholder

Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder

Notes:

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Principal Place of Business of the Trust not less than 48 hours before the commencement of the meeting.**
- (2) **A Proxy need not be a Unitholder of the Trust.**
- ** (3) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Appointing a proxy does not prevent a Unitholder from attending the meeting in person if he so wishes.
- (5) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended

SPV: NER-II Transmission Limited (“NERTL”)

Valuation Date: 31st December 2020

Mr. S Sundararaman,
Registered Valuer,
IBBI Registration No - IBBI/RV/06/2018/10238

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RV/SSR/R/2021/08

Date: 16th February 2021

**The Board of Directors
IndiGrid Investment Managers Limited
(Formerly known as Sterlite Investment Managers Ltd.)
(Investment Manager of India Grid Trust)**
Unit No. 101, 1st Floor,
Windsor Village, Kole Kalyan Off CST Road,
Vidyanagari Marg, Santacruz (E),
Mumbai - 400 098,
Maharashtra, India.

**Mr. S Sundararaman,
Registered Valuer,
5B, "A" Block,
5th Floor, Mena Kampala Arcade,
New #18 & 20, Thiagaraya Road,
T.Nagar,
Chennai – 600 017**

**The Axis Trustee Services Limited
(acting on behalf of the Trust)**
The Ruby, 2nd Floor, SW, 29,
Senapati Bapat Marg,
Dadar (W), Mumbai - 400 028,
Maharashtra, India.

Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations")

Dear Sirs/Madams,

I, S. Sundararaman ("Registered Valuer" or "RV" or "I" or "My" or "Me") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 18th December 2020, as an independent valuer, as defined under the SEBI InvIT Regulations, by **IndiGrid Investment Managers Limited** (formerly known as Sterlite Investment Managers Limited) ("the **Investment Manager**" or "**IIML**"), acting as the investment manager for **India Grid Trust** ("the **Trust**") and **Axis Trustee Services Limited** ("the **Trustee**") acting as the trustee for the Trust, for the purpose of the financial valuation of the Special Purpose Vehicle - **NER-II Transmission Limited** ("**NERTL**" or the "**SPV**") of Sterlite Power Grid Ventures Limited ("**SPGVL**") (now merged with Sterlite Power Transmission Limited ("**SPTL**")). IIML is acting as the investment manager to the Trust within the meaning of the SEBI InvIT Regulations.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPV or the Investment Manager except to the extent of my appointment as an independent valuer and the fee for this **Valuation Report** ("**Report**") and also for my appointment under Regulation 21(4) and 21(5) of the SEBI InvIT Regulations which is not contingent upon the values reported. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

I am enclosing the Report providing opinion on the fair enterprise value of the SPV on a going concern basis as at **31st December 2020** ("**Valuation Date**"). **Enterprise Value** ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

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The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

By nature, valuation is based on estimates and it includes the risks and uncertainties relating to the events occurring in the future. Accordingly, the actual figures in future may differ from these estimates and may have a significant impact on the valuation of the SPV.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

Further, I have been informed by the Investment Manager, that the forecasts / projections provided for the valuation exercises are prepared after reasonably evaluating and incorporating the impact of outbreak of COVID-19 pandemic as per prevalent conditions as on date.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the **Securities and Exchange Board of India ("SEBI")** there under.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 10 of this Report. This letter, the Report and the summary of valuation included herein can be provided to Trust's advisors and may be made available for the inspection to the public as a material document and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

RV draws your attention to the limitation of liability clauses in Section 10 of the Report.

This letter should be read in conjunction with the attached Report.

Yours faithfully,

Swaminathan
Sundaraman

Digitally signed by
Swaminathan
Sundaraman
Date: 2021.02.16 18:30:50
+05'30'

S. Sundaraman

Registered Valuer

IBBI Registration No - IBBI/RV/06/2018/10238

UDIN: 21028423AAAACN1918

Place: Chennai

Encl: As above

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Definition, abbreviation & glossary of terms

Abbreviations	Meaning
BOOM	Build-Own-Operate-Maintain
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Ckms	Circuit Kilometres
COD	Commercial Operation Date
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest , Taxes , Depreciation and Amortization
Esoteric	Esoteric II Pte. Ltd
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FY	Financial Year Ended 31 st March
FYP	Five year Plan
IIML or Investment Manager	IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)
INR	Indian Rupees
IVS	ICAI Valuation Standards, 2018
Kv	Kilo Volts
LTTC	Long Term Transmission Customer
Mn	Million
MVA	Mega Volt Ampere
MW	Mega Watts
NAV	Net Asset Value Method
NCA	Net Current Assets Excluding Cash and Bank Balances
NERTL or the SPV	NER-II Transmission Limited
O&M	Operation & Maintenance
PGCIL	Power Grid Corporation of India Limited
RV	Registered Valuer
SCOD	Scheduled Commercial Operation Date
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SIML	Sterlite Investment Managers Limited
SPGVL	Sterlite Power Grid Ventures Limited
SPTL	Sterlite Power Transmission Limited
SPV	Special Purpose Vehicle
T&D	Transmission & Distribution
the Trust or InvIT	India Grid Trust
the Trustee	Axis Trustee Services Limited
TAO	Tariff Adoption Order
TSA	Transmission Service Agreement
WACC	Weighted Average Cost of Capital

1. Executive Summary

1.1. Background

The Trust

- 1.1.1. India Grid Trust (“the **Trust**”) was established on 21st October 2016 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882 by Sterlite Power Grid Ventures Limited (“**SPGVL**”) (now merged with Sterlite Power Transmission Limited (“**SPTL**”)) and is registered with the Securities and Exchange Board of India (“**SEBI**”) as an InvIT on 28th November 2016, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time (“the **SEBI InvIT Regulations**”).
- 1.1.2. It is established to own power transmission assets in India. Pursuant to approval of unitholders obtained on 9th May 2020 and subsequent amendment to Trust Deed, the Investment Strategy of the Trust is to own and operate power transmission and renewable power generation assets in India.
- 1.1.3. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6th June 2017.
- 1.1.4. In the Annual General Meeting of the Trust held on 28th September 2020, the unitholders of the Trust approved the induction of Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc (“**Esoteric**”) as a Sponsor (as defined under the InvIT Regulations). Esoteric owns an approximately 23% stake in the Trust as on 31st December 2020.
- 1.1.5. Sterlite Power Grid Ventures Limited (“**SPGVL**”) (now merged with Sterlite Power Transmission Limited (“**SPTL**”)) is mainly engaged into the business of installation and operation of electricity transmission projects in India and Brazil. SPTL continues to be the Sponsor with approximately 0.35% stake in the Trust as on 31st December 2020.
- 1.1.6. SPTL and Esoteric are hereinafter together referred to as “the **Sponsors**”.
- 1.1.7. Shareholding of the Trust as on 31st December 2020 is as under:

Sr. No.	Particulars	No. of Units	%
1	Sponsors	13,84,16,431	23.72%
2	Insurance Companies	4,90,46,634	8.41%
3	Mutual Fund	43,54,560	0.75%
4	Provident or pension funds	33,81,588	0.58%
5	Foreign Portfolio Investors	18,62,85,015	31.93%
6	Non-institutional investors	20,19,98,853	34.62%
	Total	58,34,83,081	100.0%

Source: BSE

The Sponsors

- 1.1.8. SPGVL has been merged with SPTL; the holding company of SPGVL vide order issued by National Company Law Tribunal. Accordingly, SPTL has become one of the Sponsors of the Trust from the effective date of the merger, i.e. 15th November 2020.
- 1.1.9. SPGVL (now SPTL) is mainly engaged into the business of installation and operation of electricity transmission projects in India and Brazil. SPTL is a leading global developer of power transmission infrastructure with extensive experience in developing projects in India and Brazil. SPTL has successfully developed projects of about 13,700 circuit kilometers and 26,100 MVA in India and Brazil. Of the 15 power transmission projects in India executed by SPTL, 9 have been acquired by the Trust till date.
- 1.1.10. SPTL also serves as the Project Manager of the Trust. It entered into the Project Implementation and Management Agreement with the Trust on 10th November 2016.

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1.1.11. Shareholding of SPTL as on 31st March 2020:

Sr No.	Name of Shareholder	No of shares	% of Holding
1	Total Promoter and Promoter Group	4,65,70,601	76.1%
2	Total Public Shareholders	1,46,11,301	23.9%
	Institutional Investors	51,296	0.1%
	Non-institutional Investors	1,45,60,005	23.8%
	Total	6,11,81,902	100.0%

Source: Annual Report of SPTL

1.1.12. Esoteric II Pte. Ltd. (“**Esoteric**”) is an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”). Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with approximately US\$ 234 billion of assets under management as of 30th September 2020 that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds.

1.1.13. Shareholding of Esoteric as on 31st December 2020:

Sr. No.	Particulars	%
1	Esoteric I Pte. Limited	20.4%
2	KKR Ingrid Co-invest L.P.	76.7%
3	KKR PIP Investments L.P.	2.9%
	Total	100.0%

Source: Investment Manager

Investment Manager

1.1.14. IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) (“the **Investment Manager**” or “**IIML**”) has been appointed as the investment manager to the Trust by Axis Trustee Services Limited (“the **Trustee**”) and will be responsible to carry out the duties of such a person as mentioned under SEBI InvIT Regulations.

1.1.15. Shareholding of the Investment Manager as on 31st December 2020 is as under:

Sr. No.	Particulars	%
1	Electron IM Pte. Ltd. (KKR affiliate entity)	60%
2	SPTL	40%
	Total	100%

Source: Investment Manager

1.1.16. **Target Asset to be Valued**

NER-II Transmission Limited (“**NERTL**” or “the **SPV**”) is engaged in the business of installation and operation of transmission lines and Substation on a Build-Own-Operate and Maintain (“**BOOM**”) basis.

NERTL was incorporated on 21st April 2015. It entered into a Transmission Service Agreement (“**TSA**”) on 27th December 2016. NERTL project was awarded to SPGVL by the Ministry of Power on 22nd February 2017 for a 35 year period from the scheduled commercial operation of the NERTL project on BOOM basis. The SPV has entered into a TSA to provide transmission services for 35 years.

The NERTL project is currently under development. The Scheduled Commercial Operation Date (“**SCOD**”) of the different elements of the project as per TSA is between 31st March 2020 and 30th November 2020. As per the letter from Ministry of Power letter dated 27th July 2020, the project

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has received an extension of 5 months and accordingly the revised SCOD will be between 31st August 2020 and 30th April 2021.

Based on discussions with Investment Manager, I understand that the project is expected to be fully commissioned by March 2021. Accordingly, for current valuation exercise, I have considered the Estimated Commercial Operation Date (“**ECOD**”) for each element between 27th January 2021 and 31st March 2021 as represented by the Investment Manager.

The NERTL project comprises of 4 number of 400kV (DC) / 132kV (DC) lines and substations as shown below:

Sr No	Element	Location	Line Specificati on (kVDC)	Line Length (kms)	ECOD	% Completion
1	Biswanath Chariyalli – Itanagar	Assam, Arunachal Pradesh	132kV D/C	68	31-Mar-21	81%
2	LILO of Biswanath Chariali (PG) – Itanagar	Arunachal Pradesh	132kV DC	9	31-Mar-21	92%
3	2 Nos of 132 kV line bays at Itanagar substation	Arunachal Pradesh	132kV		31-Mar-21	Mechanically completed
4	Silchar – Misa	Assam	400kV D/C	193	31-Mar-21	Mechanically completed
5	2*315 MVA substation at Surajmaninagar	Tripura	400/132 kV, 2x315 MVA		27-Jan-21	Commissioned
6	2 Nos of 132 kV line bays at PK Bari substation	Tripura	400/132 kV, 2x315 MVA		27-Jan-21	Commissioned
7	Surajmaninagar – P. K. Bari	Tripura	400kV D/C	96	27-Jan-21	Commissioned
8	2 Nos of 400 kV line bays at Palatana GBPP switchyard	Tripura	400 kV		27-Jan-21	Commissioned
9	AGTPP (NEEPCO) – P.K. Bari	Tripura	132kV D/C	83	01-Mar 21	Mechanically completed
10	2 Nos of 132 kV line bays at NEEPCO substation	Tripura	132kV		01-Mar-21	Mechanically completed
11	2*315 MVA substation at P.K. Bari	Tripura	132kV		01-Mar-21	Mechanically completed

Source: Investment Manager

*As represented to me by the Investment Manager, NERTL shall be acquired by the Trust only after completion of the project and post the actual commercial operations date of the project.

The total Capital work in progress recorded in the books of NERTL as at 31st December 2020 is INR ~26,000 Mn. Further, NERTL is expected to incur an additional ~INR 2,000 Mn to complete the construction of the project. This amount will be incurred by NERTL only. The Trust shall acquire the equity stake in NERTL only once the project is completed and once the COD is achieved.

As at the Valuation Date, the SPV is owned 100% by Sterlite Grid Limited 4 (“**SGL4**”), the wholly owned subsidiary of SPGVL (now merged with SPTL) (one of the Sponsors).

1.1.17. **Proposed Transaction**

I understand that the Investment Manager is contemplating the acquisition of 100% equity stake / economic interest in NERTL from SPGVL (now merged SPTL) as per the extant terms of framework agreement between the Trust and the SPGVL (now merged SPTL). As represented to me by the Investment Manager, NERTL shall be acquired by the Trust only after completion of the project and post the actual commercial operations date of the project ("**Proposed Transaction**").

1.2. **Purpose and Scope of Valuation**

Purpose of Valuation

1.2.1. As per regulation 21(8)(a) of the SEBI InvIT Regulations, for any transaction of purchase or sale of infrastructure projects whether directly or through SPV, for publicly offered InvITs, a full valuation of the specific project shall be undertaken.

In this regard, the Investment Manager and the Trustee have appointed S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake the fair valuation at enterprise level of NERTL as per the SEBI InvIT Regulations as at 31st December 2020. Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

Registered Valuer declares that:

- i. The RV is competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
- ii. The RV is independent and has prepared the Valuation Report ("the **Report**") on a fair and unbiased basis;

This Report covers all the disclosures required as per the SEBI InvIT Regulations and the valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

1.2.2. **Scope of Valuation**

Nature of the Asset to be Valued

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value of NERTL. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

Valuation Base

Valuation Base means the indication of the type of value being used in an engagement. In the present case, RV has determined the fair value of NERTL at the enterprise level. Fair Value Bases defined as under:

Fair Value

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 valuation date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each

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other except in certain circumstances where characteristics of an asset translate into a special asset value for the party (ies) involved.

Valuation Date

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of NERTL is 31st December 2020 ("**Valuation Date**"). The attached Report is drawn up by reference to accounting and financial information as on 31st December 2020 as provided by the Investment Manager. The RV is not aware of any other events having occurred since 31st December 2020 till date of this Report which he deems to be significant for his valuation analysis.

Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPV on a Going Concern Value defined as under:

Going Concern Value

Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place etc.

- 1.2.3. For the amount pertaining to the operating working capital, the Investment Manager has acknowledged to consider the same as per the extant terms of the framework agreement between the Trust and SPGVL (now merged with SPTL) to carry out the valuation of NERTL. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of trade payables related to operating expenses and trade receivables related to operating revenue.

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1.3. **Summary of Valuation**

I have assessed the fair value of NERTL using the discounted cash flow method under the income approach. Following table summarizes my explanation on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business.
Income Approach	Discounted Cash Flow	Yes	The revenue of the project is defined for 35 years under the TSA known as "Concession Period". Hence, the growth potential of the SPV and the true worth of its business would be reflected in its future earnings potential and therefore, DCF Method under the income approach has been considered as an appropriate method for the present valuation exercise.
Market Approach	Market Price	No	The equity shares of the SPV are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I have not considered CCM method in the present case.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm (FCFF) has been used for the purpose of valuation of NERTL. In order to arrive at the fair EV of NERTL under the Discounted Cash Flow (DCF) Method, I have relied on provisional financial statements as at 31st December 2020 as per management's best estimates prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of NERTL provided by the Investment Manager as at the Valuation Date based on their best judgement. The discount rate considered for NERTL for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital of NERTL. As NERTL is engaged in the business of installation and operation of transmission lines and substations on BOOM basis, the ownership of the underlying assets shall remain with the NERTL even after the expiry of 35 years. Accordingly, terminal period value i.e. value on account of cash flows to be generated even after the expiry of concession period of 35 years has been considered. Based on the methodology and assumptions discussed further, RV has arrived at the Fair Enterprise Value of the NERTL as on the Valuation Date:

Sr No.	SPV	WACC	Fair EV (INR Mn)
1	NERTL	7.40%	51,175

(Refer Appendix I & II for the detailed workings)

Further to above considering that present valuation exercise is based on the future financial performance and based on opinions on the future credit risk, cost of debt assumptions, etc., which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular level of income

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or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and variations may be material. Accordingly, a quantitative sensitivity analysis is considered on the following unobservable inputs:

1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.0%
2. Total Expenses considered during the projected period by increasing / decreasing it by 20%
3. Free Cash Flow in terminal period considered for the SPV increasing / decreasing it by 20%

Particulars	Lower Range	Base Range	Higher Range
	INR Mn	INR Mn	INR Mn
WACC	+1%	7.40%	-1%
	45,348	51,175	58,781
Total Expenses	+20%	190	-20%
	50,389	51,175	51,961
Terminal Period Cashflow	-20%	3,424	+20%
	50,400	51,175	51,950

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2. Procedures adopted for current valuation exercise

- 2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards, 2018 (“**IVS**”) issued by the Institute of Chartered Accountants of India.
- 2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:
- 2.2.1. Requested and received financial and qualitative information relating to NERTL;
- 2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;
- 2.2.3. Discussions with the Management on:
- Understanding of the businesses of NERTL – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;
- 2.2.4. Undertook industry analysis:
- Research publicly available market data including economic factors and industry trends that may impact the valuation
 - Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by us.
- 2.2.5. Analysis of other publicly available information
- 2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by us.
- 2.2.7. Determination of fair EV of the NERTL.

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3. Overview of the InvIT and the SPV

The Trust

- 3.1. India Grid Trust was established on 21st October 2016 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882 by Sterlite Power Grid Ventures Limited (“**SPGVL**”) (now merged with Sterlite Power Transmission Limited (“**SPTL**”)) and is registered with the Securities and Exchange Board of India (“**SEBI**”) as an InvIT on 28th November 2016, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time (“the **SEBI InvIT Regulations**”).
- 3.2. It is established to own power transmission assets in India. Pursuant to approval of unitholders obtained on 9th May 2020 and subsequent amendment to Trust Deed, the Investment Strategy of the Trust is to own and operate power transmission and renewable power generation assets in India.
- 3.3. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6th June 2017. The unitholders of the Trust approved the induction of Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc (“**Esoteric**”) as a Sponsor (as defined under the InvIT Regulations) in the Annual General Meeting of the Trust held on 28th September 2020. SPTL and Esoteric are hereinafter together referred to as “the **Sponsors**”.
- 3.4. Shareholding of the Trust as on 31st December 2020 is as under:

Sr. No.	Particulars	No. of Units	%
1	Sponsors	13,80,76,231	23.66%
2	Insurance Companies	4,90,46,634	8.41%
3	Mutual Fund	43,54,560	0.75%
4	Provident or pension funds	33,81,588	0.58%
5	Foreign Portfolio Investors	18,62,85,015	31.93%
6	Non-institutional investors	20,23,39,053	34.68%
	Total	58,34,83,081	100.00%

Source: BSE

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- 3.5. The Trust has acquired from SPGVL the SPVs, viz. BDTCL, JTCL, MTL, RTCL, PKTCL, NRSS, OGPTL, GPTL; PTCL from Techno Electric & Engineering Company Limited (“TEECL”); ENICL from SPTL & SPGVL and JKTPL from Kalpataru Power Transmission Ltd & TEECL. Further, the Trust also acquired Parbati Koldam Transmission Company Limited (“PrKTCL”) from Reliance Infra Limited. Following is the summary of the past EVs and the date of acquisition of the SPVs:

EV (INR Mn)	BDTCL	JTCL	MTL	RTCL	PKTCL	PTCL	NRSS	OGPTL	ENICL	GPTL	JKTPL	PrKTCL
Acquisition Date	30 May 2017	30 May 2017	14 Feb 2018	14 Feb 2018	14 Feb 2018	31 Aug 2018	3 Jun 2019	27 Jun 2019	24 Mar 2020	28 Aug 2020	28 Sep 2020	9 Jan 2021
Acquisition Value	37,020		4,697	3,542	5,861	2,320	40,465	11,980	10,200	10,850	3,100	8,150
31 Mar 2015	20,113	14,295	-	-	-	-	-	-	-	-	-	-
31 Mar 2016	21,182	19,407	-	-	-	-	-	-	-	-	-	-
31 Mar 2017	21,541	16,125	-	-	-	-	-	-	-	-	-	-
31 Sep 2017	21,431	15,988	5,218	3,935	6,512	-	-	-	-	-	-	-
31 Mar 2018	20,319	15,431	5,564	4,054	6,618	-	-	-	-	-	-	-
30 Sep 2018	19,694	14,937	5,423	4,084	6,481	2,401	-	-	-	-	-	-
31 Mar 2019	19,470	14,608	5,268	4,035	6,390	2,423	-	-	-	-	-	-
30 Sep 2019	19,091	14,774	5,383	4,173	6,477	2,442	44,349	13,878	-	-	-	-
31 Mar 2020	18,565	14,426	5,437	4,008	6,439	2,370	43,911	14,105	10,949	-	-	-
30 Jun 2020	19,013	14,526	5,595	4,082	6,595	2,417	43,857	14,375	11,244	-	-	-
30 Sep 2020	19,124	15,063	5,760	4,157	6,701	2,461	45,362	14,644	11,439	11,413	2,884	-
31 Dec 2020	20,200	15,439	5,810	4,208	6,731	2,453	46,109	14,785	11,482	11,807	3,020	-

NER-II Transmission Limited ("NERTL" or "the SPV")

- 3.6. NERTL consists of two substations, five transmission lines and four bays to meet the rising power demand in North Eastern Region of India.
- 3.7. NERTL Project will span ~ 832 ckms while delivering 1260 MVA to enhance power transmission in the region.
- 3.8. Summary of details of the Project are as follows:

Parameters	Details
Estimated Project Cost	INR 29,200 Mn
Total Length	449 kms / 832 Ckms
Total Capacity (MVA)	1,260
TSA Signing Date	27 th December 2016
SCOD as per TSA	31 st March 2020 to 30 th November 2020
Expiry Date of License	25 years from issue of Transmission License
ECOD	27 th January 2021 to 31 st March 2021

Source: Investment Manager

- 3.9. The NERTL project was awarded to SGL 4, wholly owned subsidiary of SPGVL (now merged with SPTL), by the Ministry of Power for a period of 35 years from COD of NERTL on a BOOM basis. NERTL was granted Transmission Licence by CERC on 23rd May 2017. The project consists of the following transmission lines and substations and they are being implemented on contract basis:
- 3.10. As per the terms of TSA, the SCOD for various elements of the SPV is between 36 months to 44 months from effective date. As per the letter from Ministry of Power letter dated 27th July, the project has received an extension of 5 months and accordingly the revised SCOD will be between 31st August 2020 and 30th April 2021. Further, as per Investment Manager, the entire project is expected to commission by 31st March 2021. The element wise SCOD and Expected COD is given below:

Sr No	Element	Location	Line (kVDC)	Length (kms)	SCOD as per TSA	ECOD	% Completion
1	Biswanath Chariyalli – Itanagar	Assam, Arunachal Pradesh	132kV D/C	68	31-Mar-20	31-Mar-21	81%
2	LILO of Biswanath Chariyalli (PG) – Itanagar	Arunachal Pradesh	132kV DC	9	31-Mar-20	31-Mar-21	92%
3	2 Nos of 132 kV line bays at Itanagar substation	Arunachal Pradesh	132kV		31-Mar-20	31-Mar-21	Mechanically completed
4	Silchar – Misa	Assam	400kV D/C	193	30-Nov-20	31-Mar-21	Mechanically completed
5	2*315 MVA substation at Surajmaninagar	Tripura	400/132 kV, 2x315 MVA		31-Jul-20	27-Jan-21	Commissioned
6	2 Nos of 132 kV line bays at PK Bari substation	Tripura	400/132 kV, 2x315 MVA		31-Jul-20	27-Jan-21	Commissioned
7	Surajmaninagar – P. K. Bari	Tripura	400kV D/C	96	31-Jul-20	27-Jan-21	Commissioned
8	2 Nos of 400 kV line bays at Palatana GBPP switchyard	Tripura	400 kV		31-Jul-20	27-Jan-21	Commissioned
9	AGTTP (NEEPCO) – P.K. Bari	Tripura	132kV D/C	83	31-Mar-20	01-Mar-21	Mechanically completed
10	2 Nos of 132 kV line bays at NEEPCO substation	Tripura	132kV		31-Mar-20	01-Mar-21	Mechanically completed
11	2*315 MVA substation at P.K. Bari	Tripura	132kV		31-Mar-20	01-Mar-21	Mechanically completed

Source: Investment Manager

3.11. Following is the map showing area covered by NERTL:



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3.12. Due to the current scenario of Coronavirus (“Covid-19”) pandemic, it was not possible to carry out plant visit and therefore the pictures of the SPV are taken from the website of SPTL:



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4. Overview of the Industry

4.1. Introduction:

- 4.1.1. India is the third largest producer and second largest consumer of electricity in the world, with the installed power capacity reaching 373.44 GW as of 31st October 2020. The country also has the fifth largest installed capacity in the world.
- 4.1.2. Over FY16-FY20, electricity production in India grew at a CAGR of 3%. Per capita electricity consumption in the country grew at a CAGR of 2.38% during FY16-19, reaching 1,181 Kilo-Watt hour (“KWh”) in FY19.

4.2. Demand and Supply:

- 4.2.1 India continues to be a power deficient country even after an increasing trend in demand in the past. It is expected that energy requirement will continue to grow at healthy CAGR of 6.3% over FY19 to FY23. The primary growth drivers for rapid expansion in India's energy demand include green energy corridors for renewables, widening inter-regional demand-supply mismatch, rise in cross border trading in South Asian countries, rise in short term open access transactions, etc.
- 4.2.2 India has seen a robust growth in the installed power generation capacity in the past four years. With a generation of 1,558.7 Tera-Watt Hour (“TWh”), India is the third largest producer and the third largest consumer of electricity in the world.
- 4.2.3 Across India, energy requirement, peak demand and the supply of energy have all increased from an average year-on-year growth rate of ~5% in 2015-16 to 6% in 2018-19.
- 4.2.4 Details of Installed power capacity in India are as follows :-

Total installed capacity as at 31st October 2020

Sector	Total Capacity (GW)	% of Total
State sector	103.62	27.75%
Central sector	93.93	25.15%
Private sector	175.89	47.10%
Total	373.44	100.00%

Mode wise installed capacity as at 31st October 2020

Particulars	Total Capacity (GW)	% of Total
Thermal:		
- Coal	199.59	53.45%
- Lignite	6.26	1.68%
- Gas	24.96	6.68%
- Diesel	0.51	0.14%
Nuclear	6.78	1.82%
Hydro	45.70	12.24%
Renewable Energy Source	89.64	24.00%
Total	373.44	100.00%

- 4.2.5 As of 31st October 2020, India had installed 89.64 Gigawatts (“GW”) of renewable energy capacity. Further, India has an ambitious target of 227 GW of variable renewable energy by 2022. The Government plans to double the share of installed electricity generation capacity of renewable energy to 40% till 2030.
- 4.2.6 New renewable energy infrastructure can now be built within two years from initial plans through to completion, years faster than any new coal or LNG fired plants. Unlike conventional thermal generation capacity which takes more than 5 years, renewable capacity addition takes less than 2 years to develop.

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- 4.2.7 An additional 1.1 lakh ckms are required by financial year 2024 to manage the annual peak load demand of 225.7 GW, and to absorb the increasing share of variable renewable energy in the total electricity mix.
- 4.2.8 Further to support the power sector in the wake of ongoing COVID-19 pandemic, the government of India has announced an economic package amounting to INR 90,000 crores in the form of liquidity injection against receivables of power distribution companies.

4.3. India's economic outlook

- 4.3.1. The GDP of India has grown 6.8% during FY 2018-19. The GDP growth for the year 2019-20 was 4.2% which was affected due to the COVID-19 crisis.
- 4.3.2. India's power demand is likely to grow at 4-5% annually over the next decade and generation growth from renewable energy sources is likely to be faster.
- 4.3.3. Planned thermal capacity additions have slowed down significantly and the Government of India (GoI) has set massive renewable power capacity targets (450GW by 2030 – ambitious but signifies the policy maker's intentions)
- 4.3.4. Power is one of the key sectors attracting FDI inflows into India as 100 per cent FDI is allowed in this sector.
- 4.3.5. Cumulative FDI inflows into the sector from April 2000–June 2020 were US\$ 15.23 billion. Power sector accounted for 3 per cent of total inflows till December 2019.
- 4.3.6. From April 2000 to June 2020, India recorded FDI of US\$ 9.56 billion in non-conventional energy sector. New and renewable energy sector witnessed maximum power generation capacity addition, since 2000.
- 4.3.7. The country is also ranked sixth in list of countries to make most significant investments in clean energy by allotting US\$ 90 billion between 2010 and the second half of 2019.
- 4.3.8. As per Economic Survey 2018-19, additional investments in renewable plants up to year 2022 would be about US\$ 80 billion and an investment of around US\$ 250 billion for the period 2023-2030.
- 4.3.9. The ongoing liberalization of India's FDI regime has also led to a surge in investments, especially after the launch of the 'Make in India' campaign in October 2014.
- 4.3.10. Reduced macroeconomic vulnerability, coupled with improved government spending in infrastructure sectors, has enhanced India's Global Competitive Index (GCI) ranking to 68 in 2018-19 from 71 in 2014-15.

4.4. Power transmission network in India:

- 4.4.1. The transmission segment plays a key role in transmitting power continuously from the generation plants to various distribution entities. Transmission and sub-transmission systems supply power to the distribution system, which, in turn, supplies power to end consumers. In India, the Transmission and Distribution ("T&D") system is a three-tier structure comprising distribution networks, state grids and regional grids.
- 4.4.2. The distribution networks and state grids are primarily owned and operated by the respective State Transmission utilities or state governments (through state electricity departments). Most inter-state and inter-regional transmission links are owned and operated by Power Grid Corporation of India Limited ("PGCIL"), which facilitates the transfer of power from a surplus region to the ones with deficit.
- 4.4.3. The government's focus on providing electricity to rural areas has led to the T&D system being extended to remote villages. The total length of transmission lines in the country has grown at a slow rate of 6% CAGR during FY 11 and FY 17. The total transmission network has increased from 4,07,569 Ckms in FY 11 to around 425,071 Ckms in FY20.

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- 4.4.4. As on January 2019 approx. 7.2% of total transmission network is owned by private players which showcase the need of more private sector participation in this space. India has been underinvested as far as transmission is concerned.
- 4.4.5. PGCIL has remained the single largest player in inter regional power transmission capacity addition contributing to 45%-50% of the total investment in the sector. With a planned expenditure outlay of INR 1.10 Trillion for the 12th five year plan, PGCIL has spent around INR 1.12 Trillion over 2013-17.
- 4.4.6. Of the total capacity-addition projects in transmission during the 12th FYP, about 42% can be attributed to the state sector. The share of private sector in transmission line and substation additions since the beginning of 12th FYP is 14% and 7%, respectively, as the majority of high-capacity, long-distance transmission projects were executed by PGCIL and state transmission utilities during this period.
- 4.4.7. In order to strengthen the power system and ensure free flow of power, significant investments would be required in the T&D segment. Moreover, commissioning of additional generation capacity, rising penetration of renewable energy, regional demand-supply mismatches, up gradation of existing lines, rising cross border power trading would necessitate huge investments in transmission sector in India.
- 4.4.8. Thus, going forward, the share of power sector investments are expected to veer towards the T&D segment. Moreover, strong government focus on the T&D segment will also support investments. CRISIL Research expects the transmission segment share in total power sector investments to rise sharply to 33% over 2017-21 from only 20% over 2012-16. Thus, it is expected that transmission segments investments will increase 1.5 times to INR 3.1 trillion over 2017-21 as compared to the previous 5 year period.

(Source: CRISIL Opportunities in power transmission in India - March 2019 & August 2019, IBEF report on Power sector in India- December 2019, August 2019, August 2020 and November 2020, Central Electricity Authority Data as mentioned in PGCIL and Adani Transmission Limited Annual Reports, CEA Executive Summary on Power Sector October 2020, CEA website and the Hindu article dated 13th May 2020, Systematix Indian Power Sector dated 27th March 2020)

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5. Valuation Methodology and Approach

- 5.1. The present valuation exercise is being undertaken in order to derive the fair EV of NERTL.
- 5.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.
- 5.3. There are three generally accepted approaches to valuation:
 - (a) "Cost" approach
 - (b) "Market" approach
 - (c) "Income" approach

5.4. **Cost Approach**

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value ("NAV")

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria.

As an indicator of the total value of the entity, the net asset value method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, net asset value represents the minimum benchmark value of an operating business.

5.5. **Market Approach**

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("EBITDA") multiple and EV/Revenue multiple.

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Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

5.6. **Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow ("DCF") Method

Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("FCFF") or Free Cash Flow to Equity Method ("FCFE"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital ("WACC"). The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers equity–debt risk by incorporating debt–equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The Business/EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

Conclusion on Valuation Approach

- 5.7. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPV. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPV, and other factors which generally influence the valuation of companies and their assets.
- 5.8. The goal in selection of valuation approaches and methods for any financial instrument is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

Cost Approach

The existing book EV of NERTL comprising of the value of its Net fixed assets, Capital work in progress and working capital based on the provisional financial statement as at 31st December 2020 as per Investment Manager’s best estimates as per Indian Accounting Standards (Ind AS) are as under:

<i>INR Mn</i>		
Sr No.	SPV	Book EV
1	NERTL	26,450

The total Capital work in progress recorded in the books of NERTL as at 31st December 2020 is INR ~26,000 Mn. Further, NERTL is expected to incur an additional ~INR 2,000 Mn to complete the construction of the project. In the present case, since the SPV has entered into TSA, the revenue of SPV is pre-determined for the life of the projects. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, since the NAV does not capture the future earning potential of the businesses, I have not considered the cost approach for the current valuation exercise.

Market Approach

The present valuation exercise is to undertake fair EV of the SPV engaged in the power transmission business for a specific tenure. Further, the tariff revenue expenses are very specific to the SPV depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I have not considered CCM method in the present case. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPV are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Income Approach

The SPV is operating as BOOM model based projects. The revenues of the projects are defined for 35 years under the TSA. Hence, the growth potential of the SPV and the true worth of its business would be reflected in its future earnings potential and therefore, DCF Method under the income approach has been considered as an appropriate method for the present valuation exercise.

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6. Valuation of the SPV

I have estimated the EV of NERTL using the DCF Method. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of NERTL as provided by the Investment Manager.

Valuation

6.1. The key assumptions of the projections provided to me by the Investment Manager are:

Key Assumptions

6.1.1. **Commercial Operations Date:** As per the terms of TSA, the SCOD for various elements of the SPV is between 31st March 2020 and 30th November 2020; which is extended for a period of 5 months. Accordingly, the revised overall SCOD will be between 31st August 2020 and 30th April 2021 for different elements. However, as stated above, the Investment Manager expects that the entire project is will be completed by 31st March 2021.

Since acquisition of NERTL by the Trust shall be undertaken post achievement of COD as specified in the framework agreement between the Trust and SPGL (now merged with SPTL), all responsibilities pertaining to the SPV up to the date of acquisition shall be undertaken by SPGVL (now merged with SPTL).

6.1.2. **Transmission Revenue:** The transmission revenue of NERTL comprises of non escalable transmission revenue and escalable transmission revenue as provided in the TSA read with Tariff Adoption Order (“TAO”).

- **Non Escalable Transmission Revenue:** The Non Escalable Transmission Revenue remains fixed for the entire life of the project. I have corroborated the revenue considered in the financial projections with the respective TSA read with TAO and documents provided to me by the Investment Manager.
- **Escalable Transmission Revenue:** Escalable Transmission Revenue is the revenue component where the revenue is duly escalated based on the rationale as provided in the respective TSA read with TAO and documents provided to me by the Investment Manager. The escalation is to mainly compensate for the inflation factor. In case of NERTL, no escalable revenue has been considered as provided in the TAO.

6.1.3. **Incentives:** As provided in the respective TSA, if the annual availability exceeds 98%, the SPV shall be entitled to an annual incentive as provided in TSA. Provided no incentives shall be payable above the availability of 99.75%. In the present case, COD has not been achieved as on the Valuation Date. However, based on the experience of Investment Manager of operating similar assets over a period of time, I have been represented that annual availability shall be above 98% and the SPV shall be entitled to the incentives as provided in the respective TSA. Accordingly, incentives have been considered in the financial projections.

6.1.4. **Penalty:** If the annual availability in a contract year falls below 95%, the SPV shall be liable for an annual penalty as provided in the TSA. Based on my analysis in Para 6.1.2, in the present case, it is assumed that the annual availability will not fall below 95% and hence, penalty is not considered in the financial projections.

6.1.5. **Expenses:** Expenses are estimated by the Investment Manager for the projected period based on the inflation rate as determined for the SPV. I have relied on the projections provided by the Investment Manager.

- **Operations & Maintenance (“O&M”):** O&M expenditure is estimated by the Investment Manager for the projected period based on the inflation rate as determined for the SPV. The Investment Manager has projected expenses to be incurred for the O&M of the SPV

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including, but not limited to, transmission line maintenance expenses, rates and taxes, legal and professional fees and other general and administration expenses. I have relied on the projections provided by Investment Manager on the O&M expenses for the projected period.

- **Insurance Expenses:** I understand from the Investment Manager that the insurance expenses of the SPV are not reasonably expected to inflate for the projected period. I have relied on the projections provided by the Investment Manager on the insurance expenses for the projected period.
- 6.1.6. **Depreciation:** The book depreciation has been provided by the Investment Manager till the life of the SPV. For calculating depreciation as per Income Tax Act for the projected period, I have considered depreciation rate as specified in the Income Tax Act and WDV as provided by the Investment Manager.
- 6.1.7. **Capital Expenditure (“Capex”):** In the present case, the project is under construction and has not achieved COD as on the Valuation Date. However, as per the framework agreement between the Trust and SPGVL (now merged with SPTL), the liability on account of Capex shall be borne by SPGVL (now merged with SPTL) and not the Trust. Accordingly, Capex has not been considered for the projected period.
- 6.1.8. **Tax and Tax Incentive:** There have been changes in tax regime pursuant to introduction of Taxation Laws (Amendment) Ordinance 2019 made on 20th September 2019 which was enacted to make certain amendments in the Income Tax Act 1961 and the Finance (No 2) Act 2019.
- As per the discussions with the Investment Manager, the new provision of Income Tax Act has been considered for the projected period of the SPV for the current valuation exercise, which inter alia does not provide benefits of additional depreciation, section 115 JB and section 80IA. Accordingly, the base tax rate of 22% is considered.
- 6.1.9. **Working Capital:** The Investment Manager has represented the working capital requirement of the SPV for the projected period. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of trade receivables and trade payables.

6.2. Impact of Ongoing Material Litigation on Valuation

As informed by the Investment Manager, the status of ongoing litigations is updated in Appendix IV and the status of Legal notices received is updated in Appendix V. Investment Manager has informed me that it expects majority of the cases to be settled in favour of NERTL and accordingly no outflow is expected against the litigations.

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6.3. **Calculation of Weighted Average Cost of Capital for the SPV**

6.3.1. **Cost of Equity:**

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPV.

$$K(e) = R_f + (ERP * \text{Beta}) + \text{CSR}$$

Wherein:

K(e) = cost of equity

R_f = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSR = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).

For valuation exercise, I have arrived at adjusted cost of equity of the SPV based on the above calculation (Refer Appendix I).

6.3.2. **Risk Free Rate:**

I have applied a risk free rate of return of 6.25% on the basis of the relevant zero coupon yield curve as on 31st December 2020 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited (“CCIL”).

6.3.3. **Equity Risk Premium (“ERP”):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the above a 7% equity risk premium for India is considered appropriate.

6.3.4. **Beta:**

Beta is a measure of the sensitivity of a company’s stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPV for an appropriate period.

Based on my analysis of the listed InvITs and other companies in power and infrastructure sectors, I find it appropriate to consider the beta of Power Grid Corporation of India Limited (“PGCIL”) for the current valuation exercise.

I have further unlevered the beta of PGCIL based on market debt-equity of the respective company using the following formula:

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

However, for the current valuation exercise, I have adjusted the unlevered beta of PGCIL based on advantageous factors to the SPV like completion of projects, revenue certainty, and concentration in transmission business, lack of execution uncertainty etc. to arrive at the adjusted unlevered beta appropriate to the SPV.

Further I have re-levered it based on debt-equity at 70:30 based on the industry standard using the following formula:

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Accordingly, as per above, I have arrived at re-levered betas of the SPV. (Refer Appendix I)

6.3.5. Temporary Additional Risk Premium:

In the present case, I have valued the SPV EV considering the DCF Method of valuation, which is based on the principle that the fair market value of an entity may be measured by the present value of its future cash flows. The present value is calculated through the use of a discount rate.

A discount rate is the way an investor reflects the risks of an investment. In simple terms, the higher the risk, the higher the rate of return required. One element of the discount rate that has been directly impacted by COVID-19 is the equity risk premium (“ERP”). An ERP reflects the additional return that investors demand for investing in equity securities, as a group, relative to risk-free investments. Accordingly, I found it appropriate to consider a Temporary Additional Risk Premium (“TARP”) in the current valuation exercise. Given the current relatively improved market and situation after the initial uncertainty created due to the COVID-19 on the macro-economic factors, I have considered a TARP of 0.5% on the ERP which will be subject to frequent review.

6.3.6. Company Specific Risk Premium:

In the present case, NERTL project is currently under construction. The Trust is expected to acquire the equity stake or economic interest in the SPV only once NERTL achieves COD. Accordingly, I have not considered any company specific risk premium as the project completion risk shall not be borne by the Trust.

6.3.7. Cost of Debt:

The calculation of Cost of Debt post-tax can be defined as follows:

$$K(d) = K(d) \text{ pre tax} * (1 - T)$$

Wherein:

K(d) = Cost of debt

T = tax rate as applicable

The Trust shall acquire the SPV post completion of construction and achievement of COD and refinance the existing debt. Thus, as represented by the Investment Manager, going forward estimated average pre-tax cost of debt after refinancing is considered to be 7.80% p.a. for the SPV.

6.3.8. Weighted Average Cost of Capital (WACC):

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company’s optimal capital structure.

Formula for calculation of WACC:

$$WACC = [K(d) * Debt / (Debt + Equity)] + [K(e) * (1 - Debt / (Debt + Equity))]$$

In present valuation exercise, I have considered debt:equity at 70:30 based on industry standard. Accordingly, as per above, I have arrived the WACC of the SPV. (Refer Appendix I).

6.4. I understand from the representation of the Investment Manager that the SPV will generate cash flow even after the expiry of concession period of 35 years as the project is on BOOM model and the ownership will remain with the SPV even after the expiry of 35 years. The value of the SPV at the end of the concession period may be dependent on the expected renewal/extension of concession period with limited capital expenditure or the estimated salvage value the assets of the SPV can fetch.

Considering the estimation uncertainty involved in determining the salvage value and basis my discussion with the Investment Manager on the cash flow estimates for the period after the concession period, I found it appropriate to derive terminal period value, which represents the present value at the end of explicit forecast period/concession period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life, based

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on the perpetuity value derivation / Gordon growth model with 0% terminal growth rate. Accordingly, for the terminal period (i.e. after the expiry of 35 years), a terminal growth rate of 0% has been applied on EBITDA based on the projected industry outlook and Investment Manager's estimate.

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7. Valuation Conclusion

- 7.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.
- 7.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at EV of NERTL.
- 7.3. Based on the above analysis the EV as on the Valuation Date of NERTL is INR 51,175 Mn (Refer Appendix II).
- 7.4. EV is described as the total value of the equity in a business plus the value of its debt and debt-related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 7.5. The fair EV of NERTL is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.
- 7.6. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 7.7. Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which are as indicated below:
 1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.0%
 2. Total Expenses considered during the projected period by increasing / decreasing it by 20%
 3. Free Cash Flow in terminal period considered for the SPV increasing / decreasing it by 20%

Particulars	Lower Range	Base Range	Higher Range
	INR Mn	INR Mn	INR Mn
WACC	+1%	7.40%	-1%
	45,348	51,175	58,781
Total Expenses	+20%	190	-20%
	50,389	51,175	51,961
Terminal Period Cashflow	-20%	3,424	+20%
	50,400	51,175	51,950

8. Additional Procedures to be complied with in accordance with InvIT regulations

Scope of Work

- 8.1. The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT. The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of NERTL are as follows:
- List of one-time sanctions/approvals which are obtained or pending;
 - List of up to date/overdue periodic clearances;
 - Statement of assets;
 - Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
 - Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
 - On-going material litigations including tax disputes in relation to the assets, if any;
 - Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

Limitations

- 8.2. This Report is based on the information provided by the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to us. I have not verified the information independently with any other external source.
- 8.3. I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.
- 8.4. I have assumed that the documents submitted to me by the Investment Manager in connection with any particular issue are the only documents related to such issue.
- 8.5. I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for NERTL

A. List of one-time sanctions/approvals which are obtained or pending;

As informed by the Investment Manager there are no applications for government sanctions/licenses obtained by NERTL related to CERC / Transmission line for which approval is pending as on 31st December 2020 except for Substation Approval (Building NOC and Fire Inspection Report and Fire NOC) and Stage II Forest Clearance (Silchar to Misa Transmission Line, Biswanath Chariali to Itanagar Transmission Line and Biswanath Chariali to Itanagar Transmission Line with Lilo). The list of sanctions/approvals obtained by NERTL till 31st December 2020 is provided in Appendix III

B. List of up to date/ overdue periodic clearances;

I have included the periodic clearances obtained by NERTL in Appendix III.

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C. Statement of assets:

As at 31st December 2020, details of the asset of the SPV are as follows:-

Asset Type	Gross Block	Depreciation	Net Block	INR Million
				% of asset depreciated
Land	59.64	-	59.64	0%
Plant & Machinery	1.05	0.53	0.52	50%
TOTAL	60.69	0.53	60.16	

Source: Provisional Financials of 31st December 2020

NERTL has Capital Work In Progress of INR 26,011.62 million as at 31st December 2020.

D. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;

I noted in the financial statements that NERTL has incurred INR 5.21 million during the period ended 31st December 2020 for the maintenance charges of Transmission Lines. I have relied on the operation and maintenance expenses as provided by the Investment Manager for the projected period.

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;

Investment Manager has informed me that there are no dues including local authority taxes pending to be payable to the Government authorities with respect to InvIT assets.

F. On-going material litigations including tax disputes in relation to the assets, if any;

As informed by the Investment Manager, the status of ongoing litigations is updated in Appendix IV and the status of Legal notices received is updated in Appendix V. Investment Manager has informed me that it expects majority of the cases to be settled in favour of NERTL and accordingly no outflow is expected against the litigations.

G. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.

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9. Sources of Information

For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

- 9.1. Audited financial statements of NERTL for the Financial Year ("FY") ended 31st March 2016, 31st March 2017, 31st March 2018, 31st March 2019 and 31st March 2020;
- 9.2. Provisional Profit & Loss Account and Balance Sheet of NERTL for the period ended 31st December 2020;
- 9.3. Projected Profit & Loss Account and Working Capital requirements of the SPV from 1st January 2021 to 30th March 2056.
- 9.4. Details of brought forward losses (as per Income Tax Act) as at 31st March 2019;
- 9.5. Details of Written Down Value ("WDV") (as per Income Tax Act) of assets as at 31st March 2019;
- 9.6. Transmission Service Agreement of NERTL with Long Term Transmission Customers ("**LTTC**") dated 27th December 2016 and Tariff Adoption Order by Central Electricity Regulatory Commission ("**CERC**").
- 9.7. Management Representation Letter by Investment Manager dated 15th February 2021.

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occurred.

By nature, valuation is based on estimates, however, considering the outbreak of COVID-19 Pandemic and the consequent economic slowdown, the risks and uncertainties relating to the events occurring in the future, the actual figures in future may differ from these estimates and may have a significant impact on the valuation of the SPV.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

Further, considering the current crisis in relation to COVID-19 in India and across the globe, I have been informed by the Investment Manager, that the forecasts / projections provided for the valuation exercises are prepared after reasonably evaluating and incorporating the impact of outbreak of COVID-19 pandemic as per prevalent conditions as on date.

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10. Exclusions and Limitations

- 10.1. The Valuation Report is based on the provisional financial statements as on 31st December 2020 as per the management's best estimates this is subject to change on receipt of financial statements as of that date. The Report is only for the consideration of Investment Committee and not for any regulatory filing.
- 10.2. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 10.3. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than valuation date of 31st December 2020 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 10.4. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of NERTL till 31st December 2020. The Investment Manager has represented that the business activities of NERTL have been carried out in normal and ordinary course between 31st December 2020 and the Report Date and that no material changes have occurred in the operations and financial position between 31st December 2020 and the Report date.
- 10.5. I have been informed by the management that there will be limited impact of the on-going Covid-19 pandemic outbreak on the operations of the SPV and the projections are after considering the same.
- 10.6. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPV or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPV in their regulatory filings or in submissions, oral or written, made to us.
- 10.7. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out herein which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 10.8. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of SPV or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.
- 10.9. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 10.10. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 10.11. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report

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and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

- 10.12. This Report is based on the information received from the sources mentioned in para 9 and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.
- 10.13. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.
- 10.14. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 10.15. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 10.16. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 10.17. My conclusion assumes that the assets and liabilities of the SPV, reflected in their respective latest balance sheets remain intact as of the Report date.
- 10.18. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither ourselves, nor any of my partners, directors, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.
- 10.19. The scope of my work has been limited both in terms of the areas of the business and operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 10.20. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by us.
- 10.21. In the particular circumstances of this case, my liability (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter, for such valuation work.
- 10.22. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.
- 10.23. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 10.24. I am not advisor with respect to legal tax and regulatory matters for the proposed transaction. No investigation of the SPV claim to title of assets has been made for the purpose of this Report and the SPV claim to such rights have been assumed to be valid. No consideration has

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been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

- 10.25. I have no present or planned future interest in the Trustee, Investment Manager or the SPV and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or the SPV.
- 10.26. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of factual data used in my analysis and to prevent any error or inaccuracy in the final valuation report.

10.27. Limitation of Liabilities

- 10.27.1. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of the RV's personnel personally.
- 10.27.2. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise) even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable.
- 10.27.3. It is clarified that the IIML and Trustee will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
- 10.27.4. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by IIML or the Trustee.

10.28. Limitation on account of COVID-19 and Significant Valuation Uncertainty in Valuation

- 10.28.1. The global spread of COVID-19 has created significant volatility, uncertainty and economic disruption. The extent to which the coronavirus pandemic impacts businesses of the SPV, its operations and financial results will depend on numerous evolving factors that one may not be able to accurately predict as of now. The COVID-19 pandemic has already had several significant effects, direct and indirect, short/long term impact, on the SPV business, including the ability of its customers to pay for the SPV services, higher credit cost, higher operating cost, etc. as a result of the slowdown in the Indian economy driven by the responses to the pandemic.
- 10.28.2. The impact of the outbreak has been rapidly evolving in India and India have already reacted by instituting quarantine measures, mandating business and school closure and restricting travel, all of which have had an adverse effect on the India's economic performance. To cushion the economic and financial market impacts, the government of India has committed to fiscal stimulus, liquidity provisions and financial support. Accordingly, the COVID-19 pandemic might have a significant impact on the risk-free rate of India in the future.
- 10.28.3. In the present case, I have valued the SPV Enterprise Value considering the DCF Method of valuation, which is based on the principle that the fair market value of an entity may be measured by the present value of its future cash flows. The present value is calculated through the use of a discount rate. A discount rate is the way an

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investor reflects the risks of an investment. In simple terms, the higher the risk, the higher the rate of return required. One element of the discount rate that has been directly impacted by COVID-19 is the equity risk premium (“ERP”). An ERP reflects the additional return that investors demand for investing in equity securities, as a group, relative to risk-free investments. Accordingly, I found it appropriate to consider a Temporary Additional Risk Premium (“TARP”) in the current valuation exercise. Given the current relatively improved market and situation after the initial uncertainty created due to the COVID-19 on the macro-economic factors, I have considered a TARP of 0.5% on the ERP.

- 10.28.4. It is important to highlight that the current pandemic has created significant uncertainty in valuation and accordingly, I would recommend a degree of caution to the values arrived under current circumstances as the same may change rapidly depending on the changing market scenario. For avoidance of doubt, the existence of significant uncertainty does not mean that valuation cannot be undertaken but it means existence of significant assumptions within the valuation approach and methodology which are based on factors whose outcome are uncertain and hence, results in lower certainty of the value determined in the valuation, than would otherwise be in this case.
- 10.28.5. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

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Swaminathan Sundararaman
Date: 2021.02.16 18:27:36
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S. Sundararaman

Registered Valuer

IBBI Registration No - IBBI/RV/06/2018/10238

UDIN: 21028423AAAACN1918

Place: Chennai

Appendix I – Weighted Average Cost of Capital of the SPV

Particulars	NERTL	Remarks
Risk Free Rate (Rf)	6.25%	Risk free rate has been considered based on zero coupon yield curve as at 31st December 2020 of Government Securities having maturity period of 10 years, as quoted on CCIL's website
Equity Risk Premium (ERP)	7.00%	Based on historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds 7% equity risk premium for India is considered appropriate
Temporary Additional Risk Premium - COVID 19 (TARP)	0.50%	On account of COVID-19
Beta (relevered)	0.60	Beta has been considered based on beta of companies operating in similar kind of business in India
Cost of Equity	10.78%	$Ke = Rf + (ERP + TARP) * \beta$
Pre-tax Cost of Debt	7.80%	As represented by Investment Manager
Effective tax rate of SPV	23.73%	Average tax rate for life of the project has been considered
Post-tax Cost of Debt	5.95%	$Kd = \text{Pre-tax } Kd * (1 - \text{Effective Tax Rate})$
Debt / (Debt+Equity)	70.00%	The debt - equity ratio computed as $[D/(D+E)]$ is considered as 70% as per industry standards
WACC	7.40%	$WACC = [Ke*(1-D/(D+E))]+[Kd*(1-t)*(D/(D+E))]$

CCIL - Clearing Corporation of India Limited

Appendix II – Valuation of NERTL as on 31st December 2020

WACC	7.40%
Terminal Growth Rate	0.00%

										INR Mn
FY	Revenue	EBITDA	EBITDA Margin	Capex	Changes in NCA	Taxation	FCFF	Cash Accrual Factor	Discounting Factor	PV of cashflows
FY21*	-	-		-	-	-	-	0.13	0.99	-
FY22	4,067	3,877	95%	-	-213	-	4,090	0.75	0.95	3,877
FY23	4,067	3,868	95%	-	-1	-	3,869	1.75	0.88	3,415
FY24	4,741	4,534	96%	-	165	255	4,114	2.75	0.82	3,381
FY25	4,644	4,430	95%	-	-25	438	4,017	3.75	0.77	3,074
FY26	4,547	4,326	95%	-	-25	513	3,837	4.75	0.71	2,734
FY27	4,547	4,317	95%	-	-1	597	3,721	5.75	0.66	2,468
FY28	4,451	4,206	95%	-	-26	643	3,589	6.75	0.62	2,217
FY29	4,354	4,100	94%	-	-25	678	3,446	7.75	0.58	1,982
FY30	4,257	3,993	94%	-	-25	705	3,314	8.75	0.54	1,774
FY31	4,160	3,880	93%	-	-26	721	3,185	9.75	0.50	1,588
FY32	4,067	3,775	93%	-	-24	733	3,067	10.75	0.46	1,424
FY33	5,151	4,848	94%	-	266	1,036	3,546	11.75	0.43	1,533
FY34	5,235	4,913	94%	-	18	1,080	3,815	12.75	0.40	1,535
FY35	5,316	4,980	94%	-	18	1,120	3,842	13.75	0.37	1,440
FY36	5,346	4,997	93%	-	6	1,144	3,847	14.75	0.35	1,342
FY37	5,463	5,092	93%	-	26	1,185	3,880	15.75	0.32	1,261
FY38	5,549	5,163	93%	-	19	1,217	3,926	16.75	0.30	1,188
FY39	5,545	5,141	93%	-	-3	1,224	3,920	17.75	0.28	1,104
FY40	5,539	5,111	92%	-	-5	1,227	3,888	18.75	0.26	1,020
FY41	5,532	5,086	92%	-	-4	1,230	3,860	19.75	0.24	943
FY42	5,525	5,059	92%	-	-4	1,230	3,832	20.75	0.23	871
FY43	5,607	5,112	91%	-	17	1,250	3,845	21.75	0.21	814
FY44	5,633	5,116	91%	-	4	1,257	3,856	22.75	0.20	760
FY45	5,621	5,081	90%	-	-6	1,253	3,834	23.75	0.18	704
FY46	5,608	5,034	90%	-	-8	1,245	3,797	24.75	0.17	649
FY47	5,592	4,993	89%	-	-7	1,238	3,762	25.75	0.16	599
FY48	5,575	4,948	89%	-	-8	1,229	3,727	26.75	0.15	552
FY49	5,555	4,889	88%	-	-10	1,217	3,682	27.75	0.14	508
FY50	5,514	4,817	87%	-	-14	1,201	3,630	28.75	0.13	466
FY51	5,514	4,785	87%	-	-4	1,194	3,595	29.75	0.12	430
FY52	5,514	4,740	86%	-	-6	1,184	3,561	30.75	0.11	397
FY53	5,514	4,704	85%	-	-5	1,177	3,531	31.75	0.10	366
FY54	5,514	4,666	85%	-	-5	1,168	3,502	32.75	0.10	338
FY55	5,514	4,613	84%	-	-7	1,156	3,464	33.75	0.09	311
FY56**	4,663	3,720	80%	-	-52	932	2,840	34.75	0.08	238
TV	5,514	4,570	83%	-	-	1,146	3,424	34.75	0.08	287
Present Value of Explicit Period Cashflows										47,302
Present Value of Terminal Year Cashflows										3,873
Enterprise Value										51,175

*for the period 1st January 2021 to 31st March 2021

**for the period ended 30th March 2056

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Appendix III – NERTL – Summary of Approvals & Licences (1/7)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
1	Transmission License	27-Jul-17	25	Central Electricity Regulatory Commission
2	Transmission Service Agreement			
	Transmission Service Agreement between NERTL & Long Term Transmission Customers	27-Dec-16	Valid	
	Transmission Service Agreement between NERTL & Central Transmission Utility	15-Nov-17	Valid	
3	Connectivity permission	22-Oct-20	Valid	Power Grid Corporation of India Limited
4	Registration of NERTL as user under NERLDC	17-Mar-20	Valid	Power System Operation Corporation Limited
5	Share Purchase Agreement between RECTPCL, NERTL and SGL 4	31-Mar-17	Valid	
6	Approval for Adoption of Tariff			
	Tariff Adoption Order	12-Jun-17	Valid	Central Electricity Regulatory Commission
7	Approvals under Electricity Act, 2003			
	Approval under section 68(1) of Electricity Act, 2003	7-Feb-17	Valid	Ministry of Power, Government of India
	Approval from GOI under section 164 of Electricity Act, 2003 - Under Gazette of India	31-Aug-18	25	Ministry of Power, Government of India
8	Energisation Clearance			
	Approval for Energisation of 2 nos. of 132 kV line bays at AGTPP Switchyard under regulation 43 of CEA	1-Dec-20	Valid upto 12-Nov-22	Central Electricity Authority, Ministry of Power, GOI
	Approval for Energisation of 2 nos. of 132 kV line bays at P.K Bari substation under regulation 43 of CEA	1-Dec-20	Valid upto 11-Nov-22	Central Electricity Authority, Ministry of Power, GOI
	Approval for Energisation of 400/132 kV P.K Bari substation under regulation 43 of CEA	1-Dec-20	Valid upto 11-Nov-22	Central Electricity Authority, Ministry of Power, GOI
	Approval for Energisation of 400/132 kV Surajmaninagar substation under regulation 43 of CEA	1-Dec-20	Valid upto 12-Nov-22	Central Electricity Authority, Ministry of Power, GOI
9	Defence Clearance			
	NOC from aviation angle for construction of 132 kV D/C Bishwanath Chariali Itanagar Transmission line and Lilo of Bishwanath Chariali to Gohpur by NERTL	29-Apr-19	Valid	Air HQ, Ministry of Defence
	NOC from aviation angle for construction of 132 kV D/C AGTPP (NEEPCO) to P.K Bari and 400 kV D/C Surajmaninagar to P.K Bari Transmission line on multi circuit towers under NERTL	22-May-19	Valid	Air HQ, Ministry of Defence
	NOC from aviation angle for construction of 400 kV D/C (Quad) Silchar Misa Transmission line by NERTL	19-Feb-19	Valid	Air HQ, Ministry of Defence

Source: Investment Manager

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Appendix III – NERTL – Summary of Approvals & Licences (2/7)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
10	Aviation Clearance			
	NOC for Height Clearance HOLO/NORTH_EAST/P/020419/369344			
	HOLO/NORTH_EAST/P/020419/369345			
	HOLO/NORTH_EAST/P/020419/369348			
	HOLO/NORTH_EAST/P/020419/369349			
	HOLO/NORTH_EAST/P/020419/369350			
	HOLO/NORTH_EAST/P/020419/369351			
	HOLO/NORTH_EAST/P/020419/369354	12-Mar-19	8	Airports Authority Of India
	HOLO/NORTH_EAST/P/020419/369355			
	KOLA/NORTH_EAST/P/020419/369338			
	KOLA/NORTH_EAST/P/020419/369339			
	KOLA/NORTH_EAST/P/020419/369341			
	KOLA/NORTH_EAST/P/020419/369342			
	KOLA/NORTH_EAST/P/020419/369343			
	HOLO/NORTH_EAST/P/020419/369359			
	HOLO/NORTH_EAST/P/020419/369360			
	NOC for Height Clearance HOLO/NORTH_EAST/P/020419/369358	14-Mar-19	8	Airports Authority Of India
	NOC for Height Clearance HOLO/NORTH_EAST/P/052619/400654	6-Jun-19	8	Airports Authority Of India
	NOC for Height Clearance AGAR/NORTH_EAST/P/092719/431566			
	AGAR/NORTH_EAST/P/092719/431567	14-Oct-19	8	Airports Authority Of India
	AGAR/NORTH_EAST/P/092719/431568			
	AGAR/NORTH_EAST/P/092719/431569			
	AGAR/NORTH_EAST/P/092719/431570			
	NOC for Height Clearance KAMA/NORTH_EAST/P/112119/434560	23-Dec-19	8	Airports Authority Of India
	KAMA/NORTH_EAST/P/112119/434561			
	KAMA/NORTH_EAST/P/112119/434562			
	NOC for Height Clearance KAMA/NORTH_EAST/P/112119/434563	19-Dec-19	8	Airports Authority Of India
	KAMA/NORTH_EAST/P/112119/434564			
	NOC for Height Clearance KHOW/NORTH_EAST/P/112119/434554	20-Apr-20	8	Airports Authority Of India
	KHOW/NORTH_EAST/P/112119/434555			
	NOC for Height Clearance KHOW/NORTH_EAST/P/112119/434556	18-Dec-19	8	Airports Authority Of India
	KHOW/NORTH_EAST/P/112119/434558			
	KHOW/NORTH_EAST/P/112119/434559			

Source: Investment Manager

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Appendix III – NERTL – Summary of Approvals & Licences (3/7)

Sr. No. Approvals	Date of Issue	Validity (in years)	Issuing Authority
11 Power & Telecommunication Coordination Committee ("PTCC") Clearance			
Approval to the route of 132 kV Biswanath Chariali - Itanagar D/C transmission line	11-Nov-19	Valid	Power & Telecom Co-ordination Committee, GOI
Approval to the route of 132 kV Lilo to Gohpur substation from Biswanath Chariali - Itanagar D/C transmission line	11-Nov-19	Valid	Power & Telecom Co-ordination Committee, GOI
Approval to the route of 132 kV D/C transmission line of AGTPP (NEEPCO) - P.K Bari	20-Sep-18	Valid	Power & Telecom Co-ordination Committee, GOI
Approval to the route of 132 kV D/C Surajmaninagar - P.K Bari transmission line	13-Feb-19	Valid	Power & Telecom Co-ordination Committee, GOI
Approval to the route of 400 KV D/C (Quad) Silchar Misa transmission line	24-Jun-19	Valid	Power & Telecom Co-ordination Committee, GOI
12 Power Line Crossing			
Approval for power line crossing of 132 kV B.Chariali-Itanagar transmission line at existing 132 kV Sonabil-Gohpur D/C transmission line	28-Sep-18	Valid	Assam Electricity Grid Corporation Limited
Approval for power line under crossing of existing 400 kV D/C Ranganadi-Biswanath Chariali transmission line in between AP 182 & 183 and AP 255 & 256	31-Dec-18	Valid	Power Grid Corporation of India Limited
Approval for power line crossing for construction of 132 kV D/C NEEPCO-P.K Bari transmission line	12-Sep-18	Valid	Power Grid Corporation of India Limited
Approval for power line crossing of up-coming 132 kV D/C NEEPCO-P.K Bari line of NERTL above existing 132 kV S/C Kumarghat-RC Nagar line of Powergrid	14-Sep-19	Valid	Power Grid Corporation of India Limited
Approval for power line crossing for construction of 132 kV D/C NEEPCO-P.K Bari transmission line	14-May-18	Valid	Tripura State Electricity Corporation Limited
Approval for crossing of 400 kV D/C Surajmaninagar - P.K Bari transmission line	05-Jun-18	Valid	Tripura State Electricity Corporation Limited
Approval of power line crossing for construction of 400 kV D/C Surajmaninagar - P.K Bari transmission line	25-Jun-18	Valid	Power Grid Corporation of India Limited
Approval of power line crossing for construction of 132/400 kV M/C NEEPCO(AGTPP) & Surajmaninagar - P.K Bari transmission line	23-Aug-18	Valid	Tripura State Electricity Corporation Limited
Approval of power line crossing of 132 kV S/C Ambassa-Kamalpur transmission line for construction of 132/400 kV M/C NEEPCO(AGTPP) & Surajmaninagar - P.K Bari transmission line	31-May-18	Valid	Tripura State Electricity Corporation Limited
Confirmation regarding overhead power line crossing over existing 132 kV S/C Badarpur-Jiribam transmission line	03-Jan-19	Valid	Power Grid Corporation of India Limited
Approval for power line crossing over existing 132 kV S/C Badarpur-Jiribam transmission line by proposed 400 kV D/C Silchar-Misa transmission line	27-Dec-19	Valid	Power Grid Corporation of India Limited
Approval for power line crossing of 400 kV D/C (Quad) Silchar-Misa transmission line with 400 kV D/C Palatana-Silchar and 400 kV D/C Silchar-Bongaigaon transmission line of NETC	22-Feb-19	Valid	North East Transmission Company Limited (NETC)

Source: Investment Manager

Appendix III – NERTL – Summary of Approvals & Licences (4/7)

Sr. No. Approvals		Date of Issue	Validity (in years)	Issuing Authority
12	Power Line Crossing			
	Approval of placement of dead end tower of proposed Silchar-Misa line at Silchar substation end and power line crossing of 400 kV D/C Silchar-Misa transmission line	11-Oct-19	Valid	Power Grid Corporation of India Limited
	Confirmation of High tension power line crossing over the existing 132 kV Haflong-Jiribam transmission line by 400 kV D/C Silchar-Misa transmission line	03-Mar-18	Valid	Power Grid Corporation of India Limited
	Approval of under power line crossing of 132 kV D/C Silchar-Hailakandi line by proposed 400 kV D/C Silchar-Misa transmission line	30-Sep-19	Valid	Power Grid Corporation of India Limited
	Approval for line crossing of 132 kV D/C Samaguri-Lanka line by 400 kV D/C Silchar-Misa transmission line	27-Sep-18	Valid	Assam Electricity Grid Corporation Limited
	Approval for overhead power line crossing of 400 kV D/C Silchar-Misa transmission line with Powergrid lines	30-Sep-19	Valid	Power Grid Corporation of India Limited
	Approval for overhead power line crossing of 400 kV D/C Silchar-Misa transmission line and Termination Arrangement at Misa substation	05-Sep-19	Valid	Power Grid Corporation of India Limited
	Approval for line crossing of 400 kV D/C Silchar-Mehleriat line of Powergrid by proposed 400 kV D/C Silchar-Misa transmission	15-Nov-19	Valid	Power Grid Corporation of India Limited
	Approval for power line crossing of 400 KV D/C Silchar-Misa line with 132 kV S/C Panchgram-Srikona Line	06-Oct-18	Valid	Assam Electricity Grid Corporation Limited
	Confirmation for construction of DD type tower of 400 kV D/C Silchar-Misa line over 132 kV S/C Jiribam-Haflong line	13-Jul-18	Valid	Power Grid Corporation of India Limited
	Approval for overhead power line crossing of 400 kV D/C Silchar-Misa transmission line with Kopili-Misa Powergrid lines	19-Dec-18	Valid	Power Grid Corporation of India Limited
	Approval of under power line crossing of 400 kV D/C Silchar-P.K Bari line by proposed 400 kV D/C Silchar-Misa transmission line	03-Oct-19	Valid	Power Grid Corporation of India Limited
	Confirmation for construction of DD type tower of 400 kV D/C Silchar-Misa line over 132 kV S/C Khandong-Haflong line	10-Jul-18	Valid	Power Grid Corporation of India Limited
	Permission for crossing 400 kV D/C Silchar-Misa transmission line	20-Aug-18	Valid	Office of Executive Engineer, P.W.D NH Division, Silchar, Government of Assam

Source: Investment Manager

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Appendix III – NERTL – Summary of Approvals & Licences (5/7)

Sr. No. Approvals	Date of Issue	Validity (in years)	Issuing Authority
13 Road Crossing			
Approval for NH-15 crossing of 132 kV D/C transmission line from Biswanath Chariali to Itanagar	14-Nov-18	Valid	National Highways & Infrastructure Development Corporation Ltd.
Permission for crossing of 132 kV D/C transmission line	04-Aug-18	Valid	Naharlagun Highway Division, Government of Arunachal Pradesh
NOC of NH-08 (44) road crossing by 400 kV D/C Surajmaninagar-P.K Bari transmission line	28-Aug-18	Valid	Agartala National Highway Division, Government of Tripura
NH-37, near village Hathirhat, District Cachar	20-Aug-18	Valid	Silchar National Highway Division, Government of Assam
NH-54, Silchar to Balachera section, State of Assam	20-Mar-18	Valid	National Highway Authority of India
NH-54, Jatinga to Harangajao section, State of Assam	17-Jul-18	Valid	National Highway Authority of India
NOC of NH-27 for construction of 400 kV D/C Silchar-Misa transmission line	30-Oct-18	Valid	National Highway Authority of India
NH-54, near village Bororampur, District Cachar	20-Mar-18	Valid	National Highway Authority of India
14 Substations Approval			
Approval of Building Plan of 400/132 kV substation at Purbaganon, West Tripura	14-Aug-20	Valid	Agartala Municipal Corporation
NOC for construction of Bore Well for 400 kV P.K Bari substation at Masauli	29-Nov-19	Valid	Office of Executive Engineer, Government of Tripura
NOC for construction of Bore Well for 400 kV substation at East Naogaon (named new Surajmaninagar)	06-May-20	Valid	Office of Sub-Divisional Officer, Government of Tripura
15 Railway Crossing			
Permission for OH Electrical track crossing of 132 kV D/C between Bishwanath Charali - Monabari Railway Stations	22-Aug-19	10	Northeast Frontier Railway, Rangiya Divisional office
Agreement for erecting and maintaining an overhead power line crossing over and across railway lines entered into between NERTL and Divisional Railway Manager (Engineering) in respect of the Bishwanath Chariali to Itanagar and associated Gohpur LILo Line.	21-Aug-19	Valid	Northeast Frontier Railway, Rangiya Divisional office
Agreement for erecting and maintaining an overhead power line crossing over and across railway lines entered into between NERTL and Divisional Railway Manager (Engineering) in respect of the Bishwanath Chariali to Itanagar and associated Gohpur LILo Line.	16-Aug-19	Valid	Northeast Frontier Railway, Rangiya Divisional office
Permission for overhead railway track crossing between Jogendranagar - Jirania	3-Dec-18	10	Northeast Frontier Railway, Lumding Divisional office
Agreement for above 220kV and upto 440kV transmission line overhead railway track crossing between Jogendranagar and Jirania	3-Dec-18	Valid	Northeast Frontier Railway, Lumding Divisional office

Source: Investment Manager

Appendix III – NERTL – Summary of Approvals & Licences (6/7)

Sr. No. Approvals	Date of Issue	Validity (in years)	Issuing Authority
15 Railway Crossing			
Permission for execution of 400 kV overhead power line crossing between Jogendranagar - Jirania	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
Agreement for erecting and maintaining an overhead power line crossing over and across railway tracks in respect of Surajmaninagar-P.K Bari transmission line	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
Permission for overhead railway track crossing between Salchapra - Arunachal	3-Apr-19	10	Northeast Frontier Railway, Lumding Divisional office
Agreement for above 220kV and upto 440kV transmission line overhead railway track crossing between Salchapra and Arunachal	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
Permission for overhead railway track crossing between Ditokchera - New Harangajao	3-Apr-19	10	Northeast Frontier Railway, Lumding Divisional office
Agreement for crossing above 220kV and upto 440kV transmission line overhead railway track crossing between Ditokchera and New Harangajao	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
Permission for overhead railway track crossing between Abandoned Harangajao - Ditokchera	3-Apr-19	10	Northeast Frontier Railway, Lumding Divisional office
Agreement for crossing above 220kV and upto 440kV transmission line overhead railway track crossing between Abandoned Harangajao and Ditokchera	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
Permission for overhead railway track crossing between Jamunamukh - Jugijan	24-Jan-19	10	Northeast Frontier Railway, Lumding Divisional office
Agreement for crossing above 220kV and upto 440kV transmission line overhead railway track crossing between Jamunamukh and Jugijan	23-Jan-19	Valid	Northeast Frontier Railway, Lumding Divisional office
16 Diversion of Forest Land/ Permission for felling of trees			
Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Neepeco (AGTP) to P.K Bari (TSECL) transmission line - Stage I Clearance	12-Oct-18	Valid	Ministry of Environment & Forest, GOI
Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Neepeco (AGTP) to P.K Bari (TSECL) transmission line - Stage II Clearance	19-Jun-19 12-Jul-19	Valid	Ministry of Environment & Forest, GOI
Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line with Lilo of one Circuit - Stage I Clearance	12-Oct-18	Valid	Ministry of Environment & Forest, GOI
Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line - Stage I Clearance	23-Sep-19	Valid	Ministry of Environment & Forest, GOI
Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line - Stage II Clearance	28-May-20	Valid	Ministry of Environment & Forest, GOI
Diversion of Forest land in favour of NERTL for construction of 400 kV D/C Multi Circuit Surajmani Nagar to P.K Bari transmission line - Stage I Clearance	21-Jan-19	Valid	Ministry of Environment & Forest, GOI
Diversion of Forest land in favour of NERTL for construction of 400 kV D/C Multi Circuit Surajmani Nagar to P.K Bari transmission line - Stage II Clearance	20-May-19 9-Jul-19	Valid	Ministry of Environment & Forest, GOI
Diversion of Forest land in favour of NERTL for construction of 400 kV D/C Silchar to Misa transmission line - Stage I Clearance	29-Aug-18	Valid	Ministry of Environment & Forest, GOI
Diversion of Forest land in favour of NERTL for construction of 400 kV D/C Silchar to Misa transmission line a part near Misa substation - Stage I Clearance	6-Jun-19	Valid	Ministry of Environment & Forest, GOI

Source: Investment Manager

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Appendix III – NERTL – Summary of Approvals & Licences (7/7)

Sr. No. Approvals	Date of Issue	Validity (in years)	Issuing Authority
16 Diversion of Forest Land/ Permission for felling of trees			
Working permission for felling of trees in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line	7-Feb-19	Valid	Environment and Forest Department, Government of Assam
Working permission for felling of trees in favour of NERTL for construction of 132 kV D/C AGTPP (NEEPCO) to P.K Bari (TSECL) transmission line	5-Jan-19	Valid	Office of Principal Chief Conservator of Forests Tripura, Government of Tripura
Working permission for felling of trees in favour of NERTL for construction of 400 kV D/C Multi Circuit Surajmani Nagar to P.K Bari transmission line	2-May-19	Valid	Office of Principal Chief Conservator of Forests Tripura, Government of Tripura
Working permission for felling of trees in favour of NERTL for construction of 400 kV D/C Silchar to Misa transmission line	4-Dec-19	Valid	Office of Principal Chief Conservator of Forests and Head of Forest Force, Government of Assam
Working permission for felling of trees in favour of NERTL for construction of 400 kV D/C Silchar to Misa transmission line	6-Oct-18	Valid	Environment and Forest Department, Government of Assam
Working permission for felling of trees in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line	6-Nov-19	Valid	Department of Environment & Forests Itanagar, Government of Anurachal Pradesh
17 Forest Rights Certificate			
Certificate issued in respect of Surajmaninagar to P.K Bari transmission line	27-Jun-18	Valid	Office of District Magistrate and Collector, West Tripura, Government of Tripura
Certificate issued in respect of Surajmaninagar to P.K Bari transmission line	26-Jun-18	Valid	District Magistrate and Collector, Dhalai District, Jawaharnagar, Government of Tripura
Certificate issued in respect of Surajmaninagar to P.K Bari transmission line	20-Aug-18	Valid	District Magistrate and Collector, Khowai District, Tripura, Government of Tripura
Certificate issued in respect of Biswanath Chariali to Itanagar transmission line	13-Dec-17	Valid	Office of Deputy Commissioner, Biswanath, Government of Assam
Certificate issued in respect of Biswanath Chariali to Itanagar transmission line	6-Aug-19	Valid	Office of the District Land Revenue and Settlement Officer, Yupia District, Government of Arunachal Pradesh
Certificate issued in respect of NEEPCO (AGTPP) to P.K Bari transmission line	26-Jun-18	Valid	Office of District Magistrate and Collector, West Tripura, Government of Tripura
Certificate issued in respect of Silchar to Misa transmission line	22-Nov-18	Valid	Office of Deputy Commissioner, Hojai, Sankardev Nagar, Government of Assam
Certificate issued in respect of Silchar to Misa transmission line	23-Nov-17	Valid	Office of Deputy Commissioner, West Karbi Anglong Harmen, Government of Assam
Certificate issued in respect of Silchar to Misa transmission line	21-Sep-17	Valid	Principal Secretary, North Cachar Hills Autonomous Council, Dima Hasao District, Haflong
Certificate issued in respect of Silchar to Misa transmission line	17-Nov-17	Valid	Office of Deputy Commissioner, Hojai, Sankardev Nagar, Government of Assam

Source: Investment Manager

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Appendix IV – NERTL – Summary of Ongoing Litigations (1/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
1	Shri Dey	Birendra NERTL	District Judge, Unakoti District-Kailashahar	Background of the case: Mr. Birendra Dey, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property .He is claiming damage to the tune of Rs.6 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid. Reply has been filed. Current Status: The matter is currently pending for cross examination after affidavits submitted by the applicant. The next date of hearing is 4 February 2021.	0.60
2	Dipak Paul	Ranjan NERTL	District Judge, Unakoti District-Kailashahar	Background of the case: Mr. Dipak Ranjan, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property .He is claiming damage to the tune of Rs.8 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid. Reply has been filed. Current Status: The matter is currently pending for cross examination after 02 affidavits submitted by the applicant. The next date of hearing is 4 February 2021.	0.80
3	Shri Dutta	Binoy NERTL	District Judge, Unakoti District-Kailashahar	Background of the case: Mr. Binoy Dutta, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property .He is claiming damage to the tune of Rs.4 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid.Reply has been filed. Current Status: The matter is currently pending for cross examination after affidavits submitted by the applicant. The next date of hearing is 4 February 2021.	0.40
4	Shri Dey	Tarapad NERTL	District Judge, Unakoti District-Kailashahar	Background of the case: Mr. Tarapad Dey, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property. He is claiming damage to the tune of Rs.12.50 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid. Tower has been constructed over the land of the owner and owner has received crop/tree compensation at the time of foundation and installation. Reply has been filed. Current Status: The matter is currently pending for cross examination after affidavits submitted by the applicant. The next date of hearing is 4 February 2021.	1.25
5	Bupendra Bhowmik	NERTL	District Judge, Unakoti District-Kailashahar	Background of the case: Mr. Bhupendra Bhowmik, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property .He is claiming damage to the tune of Rs.21 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid. Tower has been constructed over the land of the owner and owner has received crop/tree compensation at the time of foundation and installation. Current Status: The matter is pending at the stage of written statements/written objections. The next date of hearing is 23 February 2021.	2.10

Source: Investment Manager

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Appendix IV – NERTL – Summary of Ongoing Litigations (2/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
6	Jishu Debbarma	NERTL	High court of Tripura, Agartala	<p>Background of the case: Mr. Jishu Debbarma, the land owner is demanding compensation for its rubber plants which were cut during construction of transmission line. High Court has observed that it will not intervene on the issue of compensation assessment, though court wants to understand the process initiated to construct the transmission line. Reply has been filed.</p> <p>Current Status: The matter is currently pending at the stage of admission and the next date is 10 February 2021.</p>	23.35
7	Md. Taj Uddin Barbhuiya	NERTL	Court of Munsiff No. 3 at Silchar Cachar	<p>Background of the case: Mr. Md. Taj Uddin Barbhuiya, the land owner has filed suit for declaration of right, title, interest over his land and for confirmation of possession therein and for permanent/temporary injunction restraining Defendants/O.Ps to draw 400KV High Voltage line adjacent to the homestead of the plaintiff/ petitioner and for other relief or reliefs etc. Plaintiff is claiming that he has constructed one house over his land and defendants are laying the 400 kV line from just 2.5 mtrs to his house and defendants be restrained from drawing the wire.Reply has been filed. The matter was argued on interim order. Interim order dated 23rd December 2020 has been extended. Court has asked OP no 1- PGCIL to file its reply in the matter. Further court has directed NERTL to take necessary steps to take care of open high voltage wires.</p> <p>Current Status: The matter is currently pending at the stage of service report and written statement. The next date of hearing is 18 February 2021.</p>	Non Quantifiable
8	Basulal Das and Gyanbala Das	NERTL	Court of Civil Judge, Silchar	<p>Background of the case: Mr. Basulal Das and Gyanbala Das, Plaintiff have filed suit for declaration and injunction. Plaintiffs are claiming that they are Occupancy Tenant over an area of land and which was allotted to them by the Govt. of Assam as per provision of The Assam (Temporary Settled. Areas) Tenancy Act, 1971. That the plaintiffs are cultivators and they use their land for the purpose of cultivation of crops and use the fishery for cultivation of fishes which is their prime source of earning their livelihood and they have permanent heritable, and transferable right of use and occupancy over the suit land as provided by express provision of the law. It is alleged that the defendants promised to pay Rs. 6 lacs against the road construction through the land of the plaintiffs plus extra amount for more damages but only paid Rs.71,090 and has not paid differential amount. Now the plaintiffs are claiming that The amount of loss are Rs.5,28,910/- being outstanding money for road construction + Rs.10,00,000/- for destroying tilla land and valuable plantation thereon + Rs.15,00,000/- for causing damage to the fertile land as well as fishery and fishes of plaintiffs. Total Rs.30,28,910/-. That, the plaintiffs pray for a decree-</p> <p>(a) Declaring that the plaintiffs are occupancy tenants over the suit land having permanent occupancy right, title, interest and possession thereon.</p> <p>(b) Declaring that defendants have absolutely no right title interest or possession over any portion of suit land described in schedule below.</p> <p>(c) Declaring that the defendants are trespassers over suit land of plaintiffs .</p> <p>(d) Declaring that the plaintiffs are entitled to get compensation amounting Rs. 30,28,910/- from the defendants.</p> <p>(e) For both temporary & permanent injunction restraining the defendants, their men, agent or any other person claim through them from creating any disturbance in the peaceful possession of the plaintiffs over the suit land described in schedule below.</p> <p>Current Status: The matter is currently pending at the stage of written statements. The next date of hearing is 3 March 2021.</p>	3.03

Source: Investment Manager

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Appendix IV – NERTL – Summary of Ongoing Litigations – Criminal Cases (3/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
9	NERTL	Shaidul Islam Hq. Mozumder	Borkhola station	police Background of the case: An FIR was filed by NERTL under Sections 120-B/384 of Indian Penal Code, 1860 ("IPC") with Borkhola police station against Shaidul Islam Hq. Mozumder for obstructing commencement of construction of tower and demanding high compensation beyond stipulated guidelines. The said FIR was filed pursuant to a letter dated 12 May 2020 written by NERTL to the Officer in Charge, Borkhola Police Station, complaining that Shaidul Islam Hq. Mozumdar has obstructed the project and demanded compensation beyond guidelines. Current Status: The investigation is pending and the commissioning of project is awaited.	Non Quantifiable
10	NERTL	Jakir Hussain Laskar	Silchar station	police Background of the case: An FIR was filed by NERTL against Jakir Hussain Laskar under Section 341/385 of the IPC with Silchar police station for obstructing construction of 400 D/C (Quad) Transmission Line from Silchar to Misa under NERTL Project by NERTL and demanding high ROW compensation beyond stipulated guidelines. The said FIR was filed pursuant to a letter dated 5 May 2020 by NERTL to the Officer in Charge, Borkhola Police Station, complaining that the accused have obstructed the project and demanded compensation beyond guidelines. Current Status: The investigation is pending and the commissioning of project is awaited.	Non Quantifiable
11	NERTL	Harilal Das and Babul Chakrabarty	Silchar station	police Background of the case: An FIR was filed by NERTL under Sections 341/325/385/506/341 of IPC with Silchar Police Station against Harilal Das and Babul Chakrabarty in relation to the manhandling of Mr. Rajneesh Pandey at Srikona on 10 August 2019. The said FIR was filed pursuant to a letter dated 11 August 2019 by NERTL to the Officer in Charge, Silchar Sadar Police Station, complaining of mental and physical harassment of Mr. Rajneesh Pandey. Current Status: The investigation is pending and the commissioning of project is awaited.	Non Quantifiable
12	NERTL	Basu Lal Das, Kajal Das, Chandan Das, Bisheshwar Goswami, Bidyut Kumar Deb, Khalilur Rahman Baralaskar and Johiruddin Baralaskar	Silchar station	police Background of the case: An FIR was filed by NERTL against Basu Lal Das, Kajal Das, Chandan Das, Bisheshwar Goswami, Bidyut Kumar Deb, Khalilur Rahman Baralaskar and Johiruddin Baralaskar under Sections 341/385/506/34 of the IPC for obstructing the work and demanding high ROW compensation beyond guidelines under Section 10 of the Indian Telegraph Act, 1885 and guidelines issued by the Government of Assam. The said FIR was filed pursuant to a letter dated 13 August 2020 by NERTL to the Officer in Charge, Silchar Sadar Police Station, complaining that the accused have obstructed the project and demanded compensation beyond guidelines. Current Status: The statement under Section 161 of CrPC has been recorded and chargesheet is yet to be filed.	Non Quantifiable

Source: Investment Manager

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Appendix IV – NERTL – Summary of Ongoing Litigations – Criminal Cases (4/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
13	Bashu Lal Das	Employees of Silchar Sterlite Power station Grid Ventures Limited	police	<p>Background of the case: An FIR was filed by Bashu Lal Das on 12 August 2020 against Mr. Pandey, Mr. Amit Singh, Mr. Ashok Tata. As per the FIR an agreement was made between the complainant and the accused persons and NERTL for an amount of INR 6,00,000 (Indian Rupees Six Lakhs Only) for the use of the complainant's land for transporting RCC raw materials through JCB and trucks. Further, the Accused assured that the said route will be repaired. It is stated that the accused failed to undertake the repair of the land, crops and vegetables. Further, the Accused threatened and abused the complainant and trespassed on the land.</p> <p>Current Status: The statement under Section 161 of CrPC has been recorded and chargesheet is yet to be filed.</p>	Non Quantifiable
14	Employees of Bashu Lal Das Sterlite Power Grid Ventures Limited		Sessions Court, Cachar, Silchar	<p>Background of the case: A petition under Section 438 of Code of Criminal Procedure, 1973 was filed by Mr. Amit Kumar, Mr. Ashok Rout, Mr. Rajneesh Pandey (collectively referred to as the "Accused"), employees of SPTL, for seeking pre-arrest bail in connection with the above mentioned case registered with the Silchar Police Station. NERTL and TATA Projects Ltd were given the contract of installation of High Tension Power Line by Govt. of India. NERTL paid compensation for use and occupation of lands of the informant and accordingly, on 25 October 2019, the informant was paid INR 17,700 (Indian Rupees Seventeen Thousand Seven Hundred Only) towards compensation and use of his land. In the petition, the Accused pleaded that the FIR does not disclose any offence u/s 406 of IPC which is the only non-bailable offence. By an order dated 28 August 2020, the Hon'ble Asst. Sessions Judge No. 2 granted interim relief of anticipatory bail to the Accused. By an order dated 10 September 2020, the said interim relief was made absolute.</p> <p>Current Status: Anticipatory Bail was granted.</p>	Non Quantifiable
15	NERTL	Mr. Bittu Dev Barma, Mr. Kajal Dev Barma, Mr. West Uttam Barma, Mr. Prashant , Mr. Manoranjan Deb Verma, and Mr. Pulse	Senior Superintendent of Police (SSP), West Tripura, Agartala	<p>Background of the case: A complaint dated 6 April 2019 made to Senior Superintendent of Police (SSP), West Tripura, Agartala for reporting an incident against Mr. Bittu Dev Barma, Mr. Raju, Mr. Kajal Dev Barma, Mr. West Tripura, for creating issues in the execution of the work. Further, police protection was requested for completion of the work. In this regard, a notice under Section 41A(1) of the CrPC was issued by the police station against the Accused. On 19 April 2019, a notice was issued to the Accused Sri Uttam Debbarma and directed to appear before the Sub-Inspector of Police at the Ranir Bazar Police Station within 7 (seven) days of receipt of that notice. A notice dated 19 September 2019 under Section 41A(1) of the CrPC was issued by the police station against the Accused.</p> <p>Current Status: The matter is under investigation.</p>	Non Quantifiable

Source: Investment Manager

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Appendix IV – NERTL – Summary of Ongoing Litigations – Criminal Cases (5/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
16	NERTL	Mr. Aklim Raja Barbhuiya, Aftab Uddin Barbhuiya, Taj Uddin Barbhuiya	Srikona Police Outpost, Silchar	Background of the case: FIR was filed by Mr. Rajesh Pandey on 27 December 2020 under sections 341, 294,385, 506, 34 of the IPC, 1860, against Mr. Aklim Raja Barbhuiya, Aftab Uddin Barbhuiya alleging that the accused had obstructed the work and demanded ROW compensation without any basis. The said FIR was filed pursuant to a letter dated 25 December 2020 by NERTL to the Officer in Charge, Srikona Police Outpost, Silchar, complaining that the accused have obstructed the project and demanded compensation beyond guidelines. Current Status: The matter is under investigation.	Non Quantifiable
17	NERTL	Wahida Akhtar Barbhuiya, Rashid Ahmed Barbhuiya	Borkhola Police Station	Background of the case: FIR was filed by Mr. Gupta on 26 December 2020 against Wahida Akhtar Barbhuiya, Rashid Ahmed Barbhuiya alleging that the accused are demanding higher compensation beyond government guidelines. The said FIR was filed pursuant to a letter dated 25 December 2020 by NERTL to the Officer in Charge, Borkhola Police Station, complaining that the accused have obstructed the project and demanded compensation beyond guidelines. Current Status: The matter is under investigation.	Non Quantifiable
18	NERTL	Shaibur Rahman Laskar, Azad Hussain Laskar, Iftakar Alom Lakskar and others	Borkhola Police Station	Background of the case: FIR was filed by Mr. Santosh Kumar on 27 October 2020 against Shaibur Rahman Laskar, Azad Hussain Laskar, Iftakar Alom Lakskar and others, alleging that the accused are obstructing construction. The said FIR was filed pursuant to a letter dated 24 October 2020 by NERTL to the Officer in Charge, Borkhola Police Station, complaining that Shaibur Rahman Laskar, Azad Hussain Laskar, Iftakar Alam Laskar and others have obstructed the project and demanded compensation beyond guidelines. Current Status: The matter is under investigation.	Non Quantifiable

Source: Investment Manager

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Appendix IV – NERTL – Summary of Ongoing Litigations – Direct Tax Matters (6/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
19	Direct Matters	Tax NERTL	Income Tax Department	Background of the case: Notice dated 22nd September 2019 has been issued for selection of case under Income-tax scrutiny assessment Current Status: Adjudgment has been filed on 7th October 2020	Non Quantifiable
20	Direct Matters	Tax NERTL	Income Tax Department	Background of the case: Notice dated 26th February 2020 has been issued wherein detailed questions have been asked by the officer Current Status: Adjudgment request has been filed on 4th March 2020	Non Quantifiable
21	Direct Matters	Tax NERTL	Income Tax Department	Background of the case: Notice dated 15th October 2020 has been issued regarding the intimation that case has been transferred to the National E-Assessment Centre Current Status: Submission dated 3rd November 2020 has been filed	Non Quantifiable
22	Direct Matters	Tax NERTL	Income Tax Department	Background of the case: Notice issued on 17th December 2019 for selection of cases for TDS scrutiny verification Current Status: Partial response to the notice has been submitted vide submission dated 26th December 2019. Further submission has been filed on 6th January 2020	Non Quantifiable
23	Direct Matters	Tax NERTL	Income Tax Department	Background of the case: 2 notices dated 5th February 2020 have been issued on Director's and Mr. Manish Aggarwal (One of the director of the NERTL) respectively. Current Status: Submission dated 24th February 2020 has been filed in response to both the notices	Non Quantifiable

Source: Investment Manager

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Appendix V – NERTL – Summary of Legal Notices (1/2)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
1	Rajat Kanti Dey and Chaya Rani	NERTL		Background of the case: Notice issued by Rajat Kanti Dey and Chaya Rani Dey dated 23rd November 2020 claiming adequate compensation for felling rubber trees was sent to NERTL. It was also stated that the assessment by the revenue inspector of the SDM Kumarghat, Unakoti of the yield component of the trees, vegetables and plants was insufficient and improper as permanent damage has been caused. Current Status: Reply Notice is yet to be prepared and will be sent based on available fact.	Non Quantifiable
2	Sukumar Debbarma	NERTL		Background of the case: Notice issued by Sukumar Debbarma dated 1st December 2020 demanding additional claim for felling of 240 Rubber tree @ 10,000/- per tree aggregating to Rs. 24,00,000/- Current Status: Reply Notice is yet to be prepared and will be sent based on available facts	2.40
3	Uttam Das	NERTL		Background of the case: Notice issued Mr. Sri Uttam Das dated 3rd October 2020 demanding additional claim for felling of 298 Rubber tree @ 10,000/- per tree aggregating to Rs 29,80,000/- The land owners have acknowledged that they have received a sum of rs 2,68,200/- compensation towards feeling of the said rubber trees @ 900/- per tree. Now they are demanding compensation @ Rs 10,000/- per tree. Site team negotiating with the land owner to settle amicably. Current Status: Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	2.98
4	Swapna Debnath	NERTL		Background of the case: Notice issued by Ms.Swapna Debnath dated 3rd October 2020 demanding additional claim for felling of 42 Rubber tree @ 10,000/- per tree aggregating to Rs 4,20,000/-. The land owners have acknowledged that they have received a sum of Rs 37,800/- compensation towards feeling of the said rubber trees @ 900/- per tree. Now they are demanding compensation @ Rs 10,000/- per tree. Site team negotiating with the land owner to settle amicably. Current Status: Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	0.42
5	Ramu Kundu	NERTL		Background of the case: Notice issued by Mr. Ramu Kundu dated 3rd October 2020 demanding additional claim for felling of 233 Rubber tree and 4 Teak trees @ 10,000/- per tree aggregating to Rs 23,70,000/-. The land owners have acknowledged that they have received a sum of Rs 2,11,352/- compensation towards feeling of the said rubber trees @ 900/- per tree and @ Rs 413 per Teak Tree. Now they are demanding compensation @ Rs 10,000/- per tree. Site team negotiating with the land owner to settle amicably. Current Status: Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	2.37
6	Nirmal Biswas	NERTL		Background of the case: Notice issued by Nirmal Biswas dated 3rd October 2020 demanding additional claim for felling of 226 Rubber tree @ 10,000/- per tree aggregating to Rs 22,60,000/-. The land owners have acknowledged that they have received a sum of Rs 2,03,400/- compensation towards feeling of the said rubber trees @ 900/- per tree. Now they are demanding compensation @ Rs 10,000/- per tree. Site team negotiating with the land owner to settle amicably. Current Status: Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	2.26
7	Ranjit Deb	NERTL		Background of the case: Notice issued by Ranjit Deb dated 3rd October 2020 demanding additional claim for felling of 51 Rubber tree @ 10,000/- per tree aggregating to Rs 5,10,000/-. The land owners demanding compensation towards feeling of the said rubber trees @ 10,000/- per tree. Site team negotiating with the land owner to settle amicably. Current Status: Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	0.51

Source: Investment Manager

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Appendix V – NERTL – Summary of Legal Notices (2/2)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
8	Rabia Para and Saral Das Para	Sardar NERTL		<p>Background of the case: Notice issued by Rabia Sardar and Saral Das Para dated 6th July 2020 demanding satisfactory payment for standing tree and crops. Identify on whose behalf notice was issued by the said Advocate not known and in the said Advocate notice did not mention anything about the land in question or the site in question. Accordingly reply sent.</p> <p>Current Status: Reply Notice has been sent on 30th July 2020</p>	Non Quantifiable
9	Sri Chakraborty	Sekhar NERTL		<p>Background of the case: Notice issued by Sri Sekhar Chakraborty dated 6th August 2019 demanding Rs 15,000/- per rubber tree and Rs 10,000/- per Kani for land. The Notice was sent to Mr. Vivek Sachar, Sterlite ROW Team through Mrs. Rakhi Roy, Advocate on behalf of Mr. Sekhar Chakraborty); Sterlite Project team has gone and met Mr. Sekhar Chakraborty. They discussed with him that there was no damage was done to his rubber plant; so therefore, there need not be any compensation for rubber tree and land for plantation. After this Mr. Sekhar Chakraborty, has not filed any case or followed up on this notice till now and this implies that he was satisfactory with the discussion held by our team. Therefore, no further action was indicated by Sterlite team.</p> <p>Current Status: Based on ground negotiations the same was mutually settled by ground team.</p>	Non Quantifiable
10	Uttam Bhattarjee	NERTL		<p>Background of the case: Letter dated 16 July 2020 was written by Bhattacharjee Developers to inform the Deputy Commissioner about non-release of fund against work done for the foundation of 400 KV D/C Silchar Misa Transmission Line at Assam in ref. Work Order No. JME/SPGVL/022/19-20 dated 3 September and payment is due since 6 March 2020. In this regard, by a letter dated 1 October 2020, Sterlite Power Grid Ventures Limited wrote to the Jagamanjari Engineering Private Limited for taking action in this regard. The payment has been made to Mr. Bhattacharjee.</p> <p>Current Status: The document acknowledging resolution of dispute between the parties will be shared at the stage of contract closure with JME (SPGVL Contractor).</p>	Non Quantifiable
11	Shri Samiran Dey	NERTL		<p>Background of the case: Notice issued by Shri Samiran Dey dated 28th March 2019 demanding compensation for important trees and crops that will be damaged due to construction of proposed Transmission line which will pass through the land owned by Shri Samiran Dey.</p> <p>Current Status: The matter is currently pending</p>	Non Quantifiable
12	Jagadish Debanath	NERTL		<p>Background of the case: Notice by Mr. Jagadish Debanath, claiming that his land, the DAG No. of which is 14506, has illegally been possessed by Mr. Nirmal Biswas, and that as the purported owner of the land, he is entitled to compensation from NERTL for the cutting of his trees.</p> <p>Current Status: The matter is currently pending.</p>	Non Quantifiable

Source: Investment Manager