

**STERLITE INVESTMENT MANAGERS LIMITED**

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

Date: April 9, 2020

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

Scrip Code- 540565

Symbol- INDIGRID

Dear Sir/ Madam,

Sub – Postal Ballot Notice

We hereby inform that the Committees and the Board of Directors of Investment Manager of India Grid Trust (“**IndiGrid**”) on April 8, 2020 has approved:

- 1) Addition of Renewable Energy to IndiGrid's Investment Strategy and consequent amendment to the Trust Deed
- 2) Acquisition of Gurgaon-Palwal Transmission Limited (“GPTL”), Power Transmission Asset
- 3) To conduct Postal Ballot to seek Unitholders approval for aforesaid transactions

The acquisition of GPTL will be subject to execution of binding agreements, unitholders and other regulatory approvals.

We are enclosing herewith the Notice of Postal Ballot dated April 8, 2020. Further, in relation to aforesaid acquisition of the Power Transmission Asset, please find attached the Valuation Report issued by the independent valuer of IndiGrid, Mr. S. Sundararaman which is annexed to aforesaid notice.

We are also enclosing herewith the Corporate Presentation and press release.

You are requested to please take the same on your records.

For and on behalf of the Sterlite Investment Managers Limited

Representing India Grid Trust as its Investment Manager

Swapnil Patil

Company Secretary & Compliance Officer
ACS-24861

Copy to-**Axis Trustee Services Limited**

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

Encl:-As above



INDIA GRID TRUST (“IndiGrid”)

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

Principal Place of Business: F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110065

Tel: +91 84509 96408

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

Notice of Postal Ballot

NOTICE is hereby given that pursuant to 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”) and subject to other applicable laws and regulations, the resolutions as set out in this Postal Ballot Notice are proposed to be passed by the Unitholders of India Grid Trust (the “Unitholders”, and such trust, “IndiGrid”) through Postal Ballot (“e-voting”).

The Unitholders are informed that due to the ongoing novel Coronavirus pandemic (“COVID-19”) in the country, various measures undertaken by the Ministry of Home Affairs and recent lockdown announcement by the Hon’ble Prime Minister of India on March 24, 2020, the major commercial and private establishments across the country are closed. As a responsible corporate citizen, the Investment Manager, acting on behalf of IndiGrid, has opted to seek unitholders vote through e-voting instead of convening a physical general meeting.

Until date, IndiGrid has sought all approvals from the unitholders in a general meeting, in compliance with the InvIT Regulations. However, considering the COVID-19 outbreak, we propose to obtain the requisite approvals from the Unitholders through this postal ballot. Our ability to convene a general meeting, provide physical voting facility to Unitholders or dispatch notice and other related material to the Unitholder is affected due to country wide lock-down declared by the Hon’ble Prime Minister of India w.e.f. March 25, 2020 and the consequent disruption of supply chain of various service providers, coupled with the demobilization of labour force.

The relevant explanatory statement, setting out the material facts concerning the resolutions are annexed hereto.

The Board of Directors of Investment Manager has appointed Mr. B Narasimhan, failing him, Mr. C Venkataraman, Practicing Company Secretaries, as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.

Unitholders are requested to carefully read the instructions provided in the Annexure C forming part of the Postal Ballot Notice.

The Scrutinizer will submit his report to the Chairman of Board of Directors of the Investment Manager of IndiGrid or any person authorized by him, after completion of scrutiny of total votes cast for Postal Ballot. The results of the resolution(s) proposed to be passed by Postal Ballot would be declared on or before Monday, May 11, 2020. The results declared along with the Scrutinizer’s report will be sent to National Stock Exchange of India Limited and BSE Limited. The same will be available on the website

of the IndiGrid at www.indigrid.co.in, KFin Technologies Private Limited (‘KFintech’) (erstwhile Karvy Fintech Private Limited), the Registrar & Transfer Agent of IndiGrid (‘R&TA’) at <https://evoting.karvy.com>

Proposed Resolutions:

ITEM NO. 1: TO APPROVE THE CHANGE IN INVESTMENT STRATEGY AND THE CONSEQUENT AMENDMENT TO THE TRUST DEED

To consider and, if thought fit, to pass with or without modifications(s), the following resolution by way of special majority (i.e. where present and voting unitholders, cast votes in favour of the resolution that are more than the one and a half times 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** the consent of the Unitholders be, and is hereby, granted to change the investment strategy to include investment in renewable energy sector in addition to power transmission sector and accordingly, amend the Trust Deed dated October 21, 2016 executed by and amongst the Sponsor and Axis Trusteeship Services Limited through the deed of amendment to the Trust Deed dated October 21, 2016 to be executed by the Sponsor and Axis Trusteeship Services Limited.”

“**RESOLVED FURTHER THAT** the consent of the Unitholders be and is hereby, granted for the amendment and restatement of Clause 4.1 of the Trust Deed dated October 21, 2016 and the amended and restated Clause 4.1 of the Trust Deed dated October 21, 2016 shall be as follows:

“*The investment objectives and strategy of the InvIT shall be to make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations, in such SPVs or holding entities, infrastructure projects, schemes, arrangements or securities in India as permitted under the InvIT Regulations, charter document of respective undertaking and other applicable laws and in accordance with the following investment and business strategy (“Investment Objectives and Strategy”):*

- (a) *To plan, promote, invest, own, construct, process, develop, maintain, manage, repair, accumulate, store, trade, lease, permit, license and operate all kinds of assets, designs, technologies and resources in relation to transmission of power including transmission lines, sub-stations, load dispatch stations, communication facilities, and appurtenant works, coordination of integrated operation of regional and*

national grid system;

- (b) *To plan, promote, invest, own, construct, process, develop, maintain, manage, repair, accumulate, store, trade, lease, permit, license and operate all kinds of assets, designs, technologies and resources in relation to generation and/or transmission of renewable energy generated through hydel, solar, wind, biomass, geothermal, tidal, wave and other renewable natural resources; and*
- (c) *To carry on all other ancillary activities in relation to business of power transmission and renewable energy including but not limited to research and development, study, investigate, report, diligence, training, education, consult, advise, telecommunication and network facilities, asset management, EPC contracting.*

The Trustee shall ensure that the Capital Contribution and other InvIT Assets shall be utilized solely for the purposes of making investments as stated above, in accordance with the InvIT Regulations."

"RESOLVED FURTHER THAT the Board of the Investment Manager and/or Trustee be, and are hereby authorized to execute the amendment to the Trust Deed, on behalf of IndiGrid, and to do all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, desirable or expedient, to implement the new investment strategy, to amend the Trust Deed and all other actions which are necessary to give effect to the above resolutions."

"RESOLVED FURTHER THAT the Board of the Investment Manager and/or Trustee be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of the board of directors of the Investment Manager or any of director(s) or officer(s) of the Investment Manager and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions."

ITEM NO. 2: TO APPROVE THE PROPOSED ACQUISITION OF POWER TRANSMISSION ASSET AND MATTERS RELATED THERETO

To consider and, if thought fit, to pass with or without modifications(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**") acting through its trustee, Axis Trustee Services Limited (the "**Trustee**") and/ or its Investment Manager, 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 Gurgaon-Palwal Transmission Limited ("**GPTL**") from Sterlite Grid 4 Limited ("**SGL4**"), a wholly owned subsidiary of Sterlite Power Grid Ventures Limited ("**Sponsor**" or "**SPGVL**") and the nominee shareholders of SGL4, and refinancing or novation of the existing debt availed by GPTL from SGL4 or SPGVL or external lenders in cash for an enterprise value not exceeding ₹ 10,750 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, any change in cost of debt for the funds raised and as specified in the definitive documents to be entered into ("Closing Adjustments") in line with the terms of the framework agreement executed by SPGVL, Investment Manager and the Trustee dated April 30, 2019 (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 GPTL including, inter alia, securities purchase agreement or facility agreement to be entered into between all relevant parties including but not limited to SPGVL, SGL4, GPTL, 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 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 Company Secretary & Compliance Officer or any other person authorized by Investment Manager and/or Trustee so as to give effect to the aforesaid resolutions."

For India Grid Trust
By Order of the Board

Sterlite Investment Managers Limited
(as the Investment Manager to India Grid Trust)

Swapnil Patil
Company Secretary & Compliance Officer
Mumbai, April 8, 2020

NOTES

1. An Explanatory Statement setting out material facts and reasons for the proposed resolution(s) as mentioned above, is appended herein below for perusal.
2. The Postal Ballot Notice is being sent to the Unitholders whose names appear in the List of Beneficial Owners received from National Securities Depository Limited/ Central Depository Services (India) Limited as at the close of business hours on Friday, April 3, 2020 ('cut-off date'). Unitholders as on the cut-off date would be entitled to vote for the purpose of Postal Ballot and a person who is not a Unitholder as on the cut-off date should treat this Postal Ballot Notice for information purposes only. The Postal Ballot Notice is being sent electronically to all Unitholders whose e-mail addresses are registered with IndiGrid, the R&TA or the Depositories. For Unitholders whose e-mail addresses are not registered, SMSs, wherever Mobile Numbers are available, are being sent by KFintech. Further, an advertisement in regional and national newspapers are published which will cover all the states to which respective Unitholders belong whose e-mail addresses are not available in the records. Unitholders who have not registered their e-mail addresses or have not received any communication regarding this postal ballot for any reason whatsoever, may obtain the user ID and password by sending a request at support.indiagrid@kfintech.com, complianceofficer@indigrid.co.in or contact M/s. KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) ("KFintech") at 040 33215204 / +91 94946 10485 (between 9.00 a.m. to 6.00 p.m.) or the IndiGrid at +91 89658 56088 (between 9.00 a.m. to 6.00 p.m.).
3. Resolution passed by the requisite majority by the Unitholders through Postal Ballot shall be deemed to have been duly passed at a General Meeting convened in that behalf.
4. The resolution, if approved, shall be deemed to have been passed on the last date of voting, i.e. Saturday, May 9, 2020.
5. The e-voting period commences on Friday, April 10, 2020 at 9:00 a.m. (IST) and ends on Saturday, May 9, 2020 at 5:00 p.m. (IST). During this period, the Unitholders holding Units in dematerialized form, as on the cut-off date i.e. Friday, April 3, 2020 may cast their vote by electronic means. Details of the process and manner of e-voting as provided in Annexure C. The user ID and password is provided over e-mail. The e-voting module shall be disabled for voting thereafter. Once the vote on resolution(s) are cast by the Unitholders, the Unitholders shall not be allowed to change it subsequently.
6. The Unitholders can opt for e-voting. Due to challenges posed by COVID-19 outbreak, we are not able to dispatch the notice and other related material and provide physical voting facility to Unitholders. Alternatively, the Unitholders can cast their vote by sending email to the Scrutinizer at narasimhan.b8@gmail.com from their registered email address.
7. The voting rights of Unitholders shall be in proportion to their Units of the Unit capital of the IndiGrid as on the cut-off date i.e. Friday, April 3, 2020.
8. The documents referred to in this Postal Ballot Notice and Explanatory Statement are uploaded on website of IndiGrid

at www.indigrid.co.in.

9. In case of any query/grievance with respect to voting, please visit the 'Help and FAQs' section available on KFintech's website: <https://evoting.karvy.com> or send an e-mail to support.indiagrid@kfintech.com or call at 040 33215204 / +91 94946 10485 (between 9.00 a.m. to 6.00 p.m.).
10. Wherever required or possible, the Unitholders are requested to address all correspondence, including distribution matters, to the R&TA, 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.
11. Unitholders are requested to send their queries, if any, to the Investment Manager to enable the Investment Manager to provide the required information on complianceofficer@indigrid.co.in.
12. 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.

Principal Place of Business and Contact Details of the Trust:

India Grid Trust

F-1, The Mira Corporate Suites, 1&2, Ishwar Nagar,
Mathura Road, New Delhi-110065, India

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

Tel: +91 89658 56088

E-mail: complianceofficer@indigrid.co.in

Website: www.indigrid.co.in

Compliance Officer: Mr. Swapnil Patil

Registered Office and Contact Details of the Investment Manager:

Sterlite Investment Managers Limited

Maker Maxity, 5 North Avenue, Level 5,

Bandra Kurla Complex, Bandra East, Mumbai – 400051,
Maharashtra, India

CIN: U28113MH2010PLC308857

Tel: +91 89658 56088

E-mail: complianceofficer@indigrid.co.in

Contact Person: Mr. Swapnil Patil

Corporate Office and Contact Details of the Investment Manager:

Sterlite Investment Managers Limited

247 Embassy, Office No.107,

'B' Wing, Hindustan Co. Bus Stop,

Gandhi Nagar, L.B.S. Road, Vikhroli West,

Mumbai – 400 079, Maharashtra, India

CIN: U28113MH2010PLC308857

Tel: +91 89658 56088

E-mail: complianceofficer@indigrid.co.in

Contact Person: Mr. Swapnil Patil

EXPLANATORY STATEMENT

ITEM NO.1:

TO APPROVE THE CHANGE IN INVESTMENT STRATEGY AND THE CONSEQUENT AMENDMENT TO THE TRUST DEED

We believe that IndiGrid is progressing well towards its vision of becoming the most admired yield vehicle in Asia based on its 3 pillars of predictable distribution and growth, best-in-class corporate governance and a targeted AUM of ₹300 billion by 2022. IndiGrid has a clear visibility of reaching ~₹180 billion of transmission asset base over next 15-18 months on the back of the assets already contracted to be acquired from Sterlite Power Grid Ventures Limited viz. Gurgaon-Palwal Transmission Limited, Khargone Transmission Limited and NER II Transmission Limited (the "**Framework Assets**"). In addition to this, IndiGrid keeps evaluating third party assets for acquisition as well.

While power transmission assets remain at the core of IndiGrid's growth philosophy, we believe that IndiGrid can diversify and explore new avenues of growth beyond transmission assets and achieve its vision of becoming Asia's most admired yield vehicle and grow the AUM to ₹ 300 billion and beyond.

Globally, renewable energy (RE) is fast emerging as the preferred source of power generation in terms of incremental capacity addition. The key enabler for this shift has been the rapid decline in set-up (capital) cost, which enhances its cost competitiveness, thereby resulting in grid parity in comparison to other sources of energy. Furthermore, adoption of, and transition to renewable sources of energy will help combat climate change, which is one of the most pressing issues globally.

India is emerging as one of the frontrunners which it comes to installing incremental renewable capacity. In order to meet the growing pan-India demand for electricity and reduce the dependence on the limited supply of fossil fuels, which are typically utilized in the traditional methods of generating electricity, the Government of India has undertaken various policy initiatives to increase the generation of electricity through the renewable sector. The Government of India has set up an ambitious target of installing renewable energy capacity of 175GW by 2022 and 275GW by 2027. Accordingly, India's power generation mix over the next decade is going to be markedly different from the last five years. The Government is laying down the roadmap through various schemes such as the National Solar Mission and the Green Energy Corridor for this transition.

With current RE installed capacity of ~80 GW, India is utilizing a meagre 8% of its estimated RE potential. That said, given the country's large landmass with varied topography, there is huge potential to harness green energy sources. According to the Ministry of New and Renewable Energy (MNRE), India has RE potential of 900GW from commercially exploitable sources (wind: 102GW; small hydro: 20GW; bioenergy: 25GW; and solar: 750GW). Considering that very limited new thermal capacity is planned from hereon and that significant amount of thermal capacity is expected to be retired, the energy mix is expected to change substantially in favour of renewables in the next few years. Accordingly, the renewable sector in India offers a large and relatively unexplored opportunity for asset aggregators with strong financial credentials such as IndiGrid. The renewable sector in India, specifically in the solar space, is maturing with long operational track record of the assets, stable policy regime

and strong Governmental support.

The Investment Manager intends to acquire renewable power generation assets with long term power purchase contracts, operational track record and good counterparties resulting in predictable cash flows in line with IndiGrid's objective. IndiGrid with its robust asset management practices, expertise in financing infrastructure assets and strong networks in power industry is suitably placed to diversify into such assets and increase the returns for its Unitholders further. Accordingly, it is proposed to amend the Clause 4.1. of the Trust Deed as follows

The existing Clause 4.1 of the Trust Deed dated October 21, 2016 read as follows:

"The Investment Objectives of the InvIT shall be to make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations ("Investment Objectives"). The investment of the InvIT shall only be in accordance with the InvIT Regulations, including in such SPVs or infrastructure projects or securities in India as permitted under the InvIT Regulations and in accordance with the investment strategy as detailed in the offer document. The Trustee shall ensure that the Capital Contribution and other InvIT Assets shall be utilized solely for the purposes of making investments as stated above, in accordance with the InvIT Regulations."

The amended and restated Clause 4.1 of the Trust Deed dated October 21, 2016 shall be as follows:

*"The investment objectives and strategy of the InvIT shall be to make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations, in such SPVs or holding entities, infrastructure projects, schemes, arrangements or securities in India as permitted under the InvIT Regulations, charter document of respective undertaking and other applicable laws and in accordance with the following investment and business strategy ("**Investment Objectives and Strategy**"):*

- (a) *To plan, promote, invest, own, construct, process, develop, maintain, manage, repair, accumulate, store, trade, lease, permit, license and operate all kinds of assets, designs, technologies and resources **in relation to transmission of power** including transmission lines, sub-stations, load dispatch stations, communication facilities, and appurtenant works, coordination of integrated operation of regional and national grid system ;*
- (b) *To plan, promote, invest, own, construct, process, develop, maintain, manage, repair, accumulate, store, trade, lease, permit, license and operate all kinds of assets, designs, technologies and resources **in relation to generation and/or transmission of renewable energy** generated through hydel, solar, wind, biomass, geothermal, tidal, wave and other renewable natural resources; and*
- (c) *To carry on **all other ancillary activities in relation to business of power transmission and renewable energy** including but not limited to research and development, study, investigate, report, diligence, training, education, consult, advise, telecommunication and network facilities, asset management, EPC contracting..*

The Trustee shall ensure that the Capital Contribution and other InvIT Assets shall be utilized solely for the purposes of making investments as stated above, in accordance with the InvIT Regulations."

The existing Clause 4.1 as mentioned above has reference of investment strategy as detailed in the final offer document. To enunciate this further, the India Grid Trust in its final offer document dated May 31, 2017 ("Offer Document") under the section "Our Business" has provided its Business Strategy and updated that its focus will remain on power transmission assets. The Offer Document is available on the website of India Grid Trust. With the proposed amendment to the Trust Deed, the IndiGrid intends to add Renewable Energy as another area to focus upon under its investment strategy. For more insight on the subject matter, we urge investors to refer management presentation on the subject matter which will be available on websites of India Grid Trust, BSE Limited and the National Stock Exchange of India Limited.

In order to ensure that the strong risk profile of IndiGrid is not diluted, it is proposed that a significant majority of the AUM will comprise of transmission assets providing stable cashflows, having long tenor, with minimal operational and counter party risk and balance portfolio can be diversified into high quality renewable assets with low counter party and operational risk. To summarize, the investment rationale for IndiGrid to consider investment in renewable energy assets is:

- Larger and diversified pipeline of assets, in addition to existing transmission assets for IndiGrid to acquire and increase the returns
- Maturing of Renewable Sector in India along with strong support from policy initiatives & future growth drivers
- High predictability of cash flows from assets with long term contracts and good counterparty
- Adjacency between transmission and renewable sector providing operational synergies, diversification benefits and better returns
- Competitive advantage existing with IndiGrid on account of robust asset management practices, strong financial credentials and industry networks

The Investment Manager recommends the resolution as set out in the Postal Ballot Notice for your approval by way of special majority (i.e. where present and voting unitholders, cast votes in favour of the resolution that are more than the one and a half times the votes cast against the resolution) in terms of Regulation 22 of the InvIT Regulations.

ITEM NO.2: 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 Grid Ventures Limited ("SPGVL" or "Sponsor" or "Project Manager"), Sterlite Investment Managers Limited ("SIML" or "Investment Manager") and Axis Trustee Services Limited ("Trustee") dated April 30, 2019 (the "Framework Agreement"), SPGVL 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. GPTL 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 Gurgaon-Palwal Transmission Limited (the "Target Asset") from Sterlite Grid 4 Limited ("SGL4"), a wholly owned subsidiary of Sterlite Power Grid Ventures Limited

("Sponsor" or "SPGVL") and the nominee shareholders of SGL4, and refinancing or novation of the existing debt availed by GPTL from SGL4 or SPGVL 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 SPGVL 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 Agreements ("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, via the Point of Connection ("PoC") mechanism, whereby the tariff is pooled by 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 is 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. Sundararaman (the "Valuer"), has undertaken a full valuation of the Target Asset, in accordance with the InvIT Regulations, and prepared a valuation report as of February 29, 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 SPGVL, 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 followed by Audit Committee and Board of Directors of the Investment Manager has approved the aforesaid acquisition and material related party transaction

on April 8, 2020 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	<p>1. Sterlite Power Grid Ventures Limited ("SPGVL");</p> <p>2. Sterlite Grid 4 Limited ("SGL4");</p> <p>3. Gurgaon-Palwal Transmission Limited ("GPTL")*</p> <p><i>*Including nominee shareholders</i></p>
Relationship with IndiGrid	<p>1. Sterlite Power Grid Ventures Limited is the Sponsor and the Project Manager of IndiGrid.</p> <p>2. Sterlite Grid 4 Limited is the wholly owned subsidiary of the Sponsor and GPTL is the wholly owned subsidiary of SGL4.</p>
Monetary Value	An enterprise value not exceeding ₹ 10,750 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.
Nature, Material Terms, Value, Particulars of the Arrangement and any other Relevant/ Important Information	<p>SECURITIES PURCHASE AGREEMENT</p> <p>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 Gurgaon-Palwal Transmission Limited, in one or more tranches, from SGL4.</p> <p>Additionally, IndiGrid proposes to refinance the entire debt, including any outstanding loan from SGL4 or SPGVL, in the Target Asset as on the Closing Date (as defined below).</p> <p>CONSIDERATION</p> <p>Upon satisfaction or waiver of all the conditions precedent to the transaction, IndiGrid and the Seller will undertake the closure of the transaction in line with the provisions of the Securities Purchase Agreement (such date referred to as "Closing Date") and the TSA. On Closing Date and subsequent tranches as per TSA, IndiGrid proposes to pay a consideration amounting to the equity value of GPTL as calculated based on the management certified financial statements (to be audited subsequently post- Closing Date) submitted on or immediately prior to the Closing Date ("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</p>

	<p>GPTL. Additionally, IndiGrid proposes to refinance entire debt outstanding in GPTL on the Closing Date. Pursuant to the proposed Securities Purchase Agreement, the aggregate of Closing Equity Value and outstanding debt of GPTL will be a sum of an amount agreed in writing by the parties not exceeding ₹ 10,750 million (the "Enterprise Value") subject to Closing Adjustments.</p> <p>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 GPTL.</p>
--	--

ANNEXURE A

Brief particulars of the Target Asset are as under:

Gurgaon-Palwal Transmission Limited (GPTL)

GPTL was incorporated on October 26, 2015. GPTL entered into a TSA (the "GPTL TSA") on March 4, 2016. The project was awarded by the Ministry of Power on March 17, 2016 for a 35-year period from the scheduled commercial operation date of the GPTL project, on a BOOM basis. The project has 9 revenue generating elements. The ninth element, Sohna substation, is expected to commission by April 2020.

The project has three substation elements at Kadarapur, Sohna and Prithala respectively. The first two S/S are to cater the load demand (as furnished by Haryana Vidyut Prasaran Nigam Limited vide its district wise load projections for FY 2020-21) of sector 58 to sector 67 and sector 68 to sector 80 sectors of Gurugram respectively. The creation of Prithala S/S would meet the power demand of the area to be developed under Prithala Development Plan. Beside this it will also act as a main feeding source to Palwal, Rangla Rajpur and Meerpur Kurli.

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

Transmission Line / Substation	Route Length (ckms)	Specifications	Scheduled Commissioning Date ("SCOD")	Expiry of TSA term
Aligarh – Prithala	99	400 kV D/C HTLS line	May 14, 2019	35 years from SCOD
Prithala – Kadarapur	55	400 kV D/C HTLS line	May 14, 2019	35 years from SCOD
Kadarapur-Sohna Road	22	400 kV D/C HTLS line	September 14, 2019	35 years from SCOD
LILO of Gurgaon Manesar	2	400 kV D/C Quad line	September 14, 2019	35 years from SCOD
Neemrana – Dhonanda	93	400 kV D/C HTLS line	May 14, 2019	35 years from SCOD
Kadarapur substation	-	400/220 kV, 2 x 500 MVA	May 14, 2019	35 years from SCOD
Sohna substation	-	400/220 kV, 2 x 500 MVA	September 14, 2019	35 years from SCOD
Prithala substation	-	400/220 kV, 2 x 500 MVA	May 14, 2019	35 years from SCOD
Dhonanda substation	-	Two 400 kV line bays	May 14, 2019	35 years from SCOD

ANNEXURE B

Summary of the Full Valuation Report

(a) Background and scope

- Sterlite Power Grid Ventures Limited (“Sponsor”) is primarily engaged into installation and operation of electricity transmission projects.
- The India Grid Trust (the “Trust” or “IndiGrid”) is an infrastructure investment trust under the InvIT Regulations. Sterlite 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 GPTL 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.
- 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
Gurgaon – Palwal Transmission Limited	11,638

The Investment Manager recommends the resolution as set out in the Postal Ballot Notice for your approval by way of ordinary 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 InvIT Regulations.

ANNEXURE C

The instruction for e-voting are as under:

- Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- Enter the login credentials (i.e., EVENT No., User ID and password mentioned in E-mail). EVENT No. followed by Folio No. / DP ID- Client ID will be your User ID. However, if you are already registered with KFintech for remote e-voting, you can use your existing User ID and password for casting your vote.
- After entering these details appropriately, click on “LOGIN”.
- 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.
- After changing password, you need to login again with the new credentials.
- On successful login, the system will prompt you to select the “EVENT” i.e., [IndiGrid].
- 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.
- Unitholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
- 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 resolutions, 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@karvy.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 KFintech on the contact details mentioned in this notice. The scanned image of the above mentioned documents should be in the naming format "IndiGrid, Postal Ballot".

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

**SPV: Gurgaon- Palwal Transmission Limited
("GPTL")**

Valuation Date: 29th February 2020



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CFAS-2/20-21/CHENNAI/VR/1

Date: 08 April 2020

The Board of Directors
Sterlite Investment Managers Limited
12th Floor, we work, 247 Park,
247 embassy, Hindustan C. Bus Stop,
Lal Bahadur Shastri Road,
Gandhi Nagar, Vikhroli West,
Mumbai City, Maharashtra, 400079

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

The Board of Directors
India Grid Trust
(Axis Trustee Services Limited acting on behalf of the Trust)
12th Floor, we work, 247 Park,
247 embassy, Hindustan C. Bus Stop,
Lal Bahadur Shastri Road,
Gandhi Nagar, Vikhroli West,
Mumbai, Maharashtra, 400079

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

Dear Sirs/Madams,

I, Mr. 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 17th January 2020, as an independent valuer, as defined under the SEBI InvIT Regulations, by Sterlite Investment Managers Limited ("the Investment Manager" or "SIML"), 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- Gurgaon Palwal Transmission Limited ("GPTL" or "the SPV") of Sterlite Power Grid Ventures Limited ("SPGVL" or "the Sponsor"). The SPV to be valued is proposed to be transferred to the Trust, SIML is acting as the investment manager and SPGVL as the sponsor 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 our appointment as an independent valuer and the fee for this Valuation Report ("Report") and also for our 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 29th February 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.

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

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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 SPVs 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 us 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 SPVs.

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, we 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.

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 SUNDARARAMA
N

Digitally signed by
SWAMINATHAN
SUNDARARAMAN
Date: 2020.04.08
21:44:44 +05'30'

S. Sundararaman

Registered Valuer

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

UDIN: 20028423AAAACG1793

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
EHV	Extra High Voltage
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FY	Financial Year Ended 31 st March
FYP	Five year Plan
GPTL or the SPV	Gurgaon- Palwal Transmission Limited
H&Co.	Haribhakti & Co. LLP, Chartered Accountants
INR	Indian Rupees
IVS	Indian Valuation Standards, 2018
Kv	Kilo Volts
LTTC	Long Term Transmission Customer
Mn	Million
MU	Million Units
MVA	Mega Volt Ampere
MW	Mega Watts
NAV	Net Asset Value Method
NCA	Net Current Assets Excluding Cash and Bank Balances
O&M	Operation & Maintenance
PGCIL	Power Grid Corporation of India Limited
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SIML or Investment Manager	Sterlite Investment Managers Limited
SPGVL or the Sponsor	Sterlite Power Grid Ventures 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

1.1.1. The Infrastructure Investment Trust

SPGVL is the sponsor for the India Grid Trust (“the Trust”). The Trust was established on 21st October 2016 by SPGVL and is registered with the Securities and Exchange Board of India (“SEBI”) pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended (“the SEBI InvIT Regulations”). It is established to own inter-state power transmission assets in India. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6th June 2017.

1.1.2. The Sponsor

Sterlite Power Grid Ventures Limited (“SPGVL” or “the Sponsor”) is engaged into installation and operation of electricity transmission projects.

1.1.3. Investment Manager

Sterlite Investment Managers Limited (“the Investment Manager” or “SIML”) 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.

1.1.4. Target Financial Asset to be Valued

Gurgaon-Palwal Transmission Limited (“GPTL” 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.

As of 29th February 2020, GPTL have commissioned all elements except Kadarpur -Sohna Line (KS Line), LILO and Sohna S/S. KS line and LILO line have got commissioning approval for charging on 9th March 2020. Sohna S/S is expected to be commissioned by mid of April 2020. GPTL Project will meet the rising power demand in Gurgaon and Palwal. The substations will cater to parts of Gurgaon and connect other substations located at Palwal, Rangla, Rajpur and adjoining areas of Meerpur and Kurah in Haryana, as part of Inter-State Transmission System. The SPV has entered into a TSA to provide transmission services for 35 years.

As at the Valuation Date, the SPV is owned 100% by Sterlite Grid Limited 4 (“SGL4”), the wholly owned subsidiary of the Sponsor.

1.1.5. Proposed Transaction

We understand that the Investment Manager has contemplated to acquire 100% of equity stake in GPTL (“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 terms of Regulation 2(1)(zv) of the SEBI InvIT Regulations, Related Party shall be as defined as under the Companies Act, 2013 or under the applicable accounting standards and shall also include: (I) Parties to India Grid Trust; and (II) Promoters, directors, and partners of the Parties to

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India Grid Trust. Further, related parties also include such persons and entities as defined in terms of the applicable accounting standards, being Indian Accounting Standard (“Ind AS”) 24 on “Related Party Disclosures”. As per Regulation 2(1)(zk), “Parties to the InvIT” shall include the sponsor(s), investment manager, project manager(s) and the trustee. Accordingly, the Proposed Transaction between the Trust and the Sponsor is a related party transaction

In this regard, the Investment Manager and the Trustee have appointed Mr. 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 GPTL as per the SEBI InvIT Regulations as at 29th February 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;
- iii. RV has valued the SPV based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI InvIT Regulations.

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 GPTL. 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 GPTL 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 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).

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The Valuation Date considered for the fair enterprise valuation of GPTL is 29th February 2020 ("Valuation Date"). The attached Report is drawn up by reference to accounting and financial information as on 29th February 2020 as provided by the Investment Manager. The RV is not aware of any other events having occurred since 29th February 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 provisional financial statements as on 29th February 2020 to carry out the valuation of GPTL. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of trade payables related to O&M Expenses and trade receivables related to operating revenue.

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1.3. **Summary of Valuation**

I have assessed the fair value of GPTL 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 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.
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 GPTL. In order to arrive at the fair EV of GPTL under the Discounted Cash Flow (DCF) Method, I have relied on provisional financial statements as at 29th February 2020 as per management's best estimates prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of GPTL provided by the Investment Manager as at the Valuation Date based on their best judgement. The discount rate considered for GPTL for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital of GPTL. As GPTL 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 GPTL 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 GPTL as on the Valuation Date:

Sr No.	SPV	WACC	Fair EV (INR Mn)
1	GPTL	7.96%	11,638

(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 or profit will be

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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%

Fair Enterprise Valuation Range of the SPV based on WACC Parameter

					INR Mn
Base WACC	EV	WACC +1%	EV	WACC -1%	EV
7.96%	11,638	8.96%	10,699	6.96%	12,800

Fair Enterprise Valuation Range of the SPV based on Total Expenses Parameter

					INR Mn
Base Expenses	EV	Expenses +20%	EV	Expenses -20%	EV
128	11,638	154	11,192	103	12,084

Fair Enterprise Valuation Range of the SPV based on Terminal Period Cash Flow Parameter

					INR Mn
Base TV	EV	Base TV -20%	EV	Base TV +20%	EV
418	11,638	334	11,555	502	11,722

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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 read with sub-regulation 10 of regulation 21 of SEBI InvIT Regulations.
- 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 GPTL;
- 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 GPTL – 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 GPTL.

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3. Overview of the InvIT and the SPV

The Trust

- 3.1. The Trust is registered with SEBI pursuant to the SEBI InvIT Regulations. The Trust was established on 21st October 2016 by SPGVL as the Sponsor to own inter-state power transmission assets in India. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6th June 2017.
- 3.2. The Trust has acquired Bhopal Dhule Transmission Company Limited ("BDTCL"), Jabalpur Transmission Company Limited ("JTCL"), Maheshwaram Transmission Limited ("MTL"), RAPP Transmission Company Limited ("RTCL"), Purulia & Kharagpur Transmission Company Limited ("PKTCL"), Patran Transmission Company Limited ("PTCL"), Northern Region Strengthening Scheme XXIX Transmission Limited ("NRSS"), Odisha Generation Phase - II Transmission Limited ("OGPTL"), East-North Interconnection Company Limited ("ENICL") in the following chronology:

Sr No.	Name of the SPVs	Date of acquisition
1	BDTCL	30 th May 2017
2	JTCL	
3	MTL	
4	RTCL	15 th February 2018
5	PKTCL	
6	PTCL*	31 st August 2018
7	NRSS	3 rd June 2019
8	OGPTL	28 th June 2019
9	ENICL	23 rd March 2020

*PTCL was acquired from Techno Electric & Engineering Company Limited

- 3.3. The Trust, pursuant to the 'Right of First Offer' ("ROFO") deed had a 'right of first offer' to acquire eight projects of the Sponsor of which five have been acquired till the Valuation Date.
- 3.4. Following is the financial summary of the projects which the Trust had acquired from the Sponsor namely, BDTCL, JTCL, MTL, RTCL, PKTCL, NRSS and OGPTL and PTCL from Techno Electric & Engineering Company Limited and ENICL from Sterlite Power Transmission Limited ("SPTL") and the Sponsor.

Asset Name	Enterprise Value (INR Mn)								Acquisition Value
	30-Sep-19	31-Mar-19	30-Sep-18	31-Mar-18	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	
BDTCL	19,091	19,470	19,694	20,319	21,431	21,541	21,812	20,113	
JTCL	14,774	14,608	14,937	15,431	15,988	16,125	19,407**	14,295	37,020*
MTL	5,383	5,268	5,423	5,564	5,218	-----NA-----	-----NA-----	-----NA-----	4,697
RTCL	4,173	4,035	4,084	4,054	3,935	-----NA-----	-----NA-----	-----NA-----	3,542
PKTCL	6,477	6,390	6,481	6,618	6,512	-----NA-----	-----NA-----	-----NA-----	5,861
PTCL	2,442	2,423	2,401	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	2,320
NRSS	44,349	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	40,465
OGPTL	13,878	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	11,980
ENICL	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	-----NA-----	10,200

*Consolidated Purchase Price paid by the Trust for the acquisition at the time of Initial Public Offer

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***For JTCL, the Investment Manager had previously projected the incremental revenue to be at 40% of the non escalable revenue charges during the valuation exercise of 31st March 2016, however the same was subsequently reduced to 9.8903% of non escalable charges during the valuation exercise of 31st March 2017 as per the CERC order dated 8th May 2017.*

Gurgaon-Palwal Transmission Limited ("GPTL" or "the SPV")

- 3.5. GPTL consists of three GIS substations, five transmission lines and two bays to meet the rising power demand in Gurgaon and Palwal.
- 3.6. GPTL Project will span over ~ 270 ckms while delivering over 3000MVA to enhance power transmission in the region.
- 3.7. Summary of details of the Project are as follows:

Parameters	Details
Project Cost	INR 10,520 Mn
Total Length	~ 270 ckms
TSA Signing Date	4th March 2016
Scheduled Commercial Operation Date ("SCOD")	Sep-19
Expiry Date of License	25 years from the issue of Transmission License
Actual Commercial Operation Date ("COD")	Mid April 2020*

* All elements have been commissioned till 31st March 2020 except Sohna s/s element which is expected to be commissioned by mid of April 2020.

- 3.8. The GPTL project was awarded to SGL 4, wholly owned subsidiary of SPGVL, by the Ministry of Power for a period of 35 years from the date of issue of Transmission Licence by Central Electricity Regulatory Commission ("CERC") on a BOOM basis. GPTL was granted Transmission Licence by CERC on 29th September 2016. The project consists of the following transmission lines and substations and they are being implemented on contract basis:
- 3.9. As per the terms of TSA, the SCOD for some elements of the SPV is 13th May 2019 and for some elements it is 13th September 2019. Further, as per Investment Manager, the entire project is expected to commission by mid of April 2020.

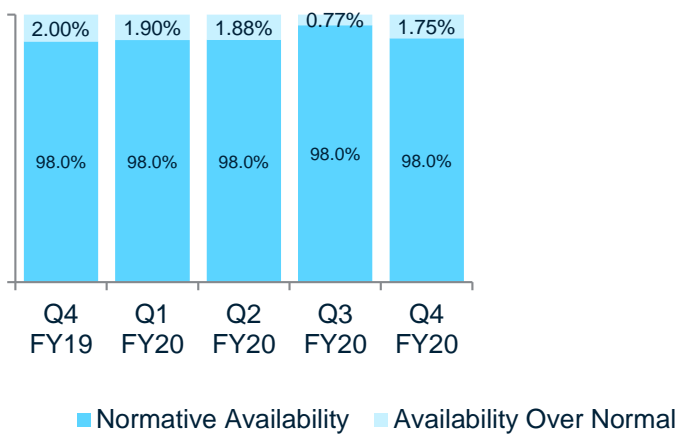
Line Details	CKms
Neemrana - Dhanoda	93
Aligarh - Prithila	99
Prithila - Kadarapur	55
Kadarapur - Sohna	22
LILO of Gurgaon Manesar	2
2*500 MV GIS substation at Kadarapur	-
2*500 MV GIS substation at Sohna	-
2*500 MV GIS substation at Prithila	-
2 Nos of 400 kV line bays at Dhanoda substation	-
Total	~ 270

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3.10. Following is the map showing area covered by GPTL:



3.11. Operating Efficiency Availability of the elements commissioned till 29th February 2020. Project is expected to achieve its full COD from mid of April 2020.



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 Project Gallery of GPTL:



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4. Overview of the Industry

4.1. Introduction:

- 4.1.1. India is the third largest producer and third largest consumer of electricity in the world, with the installed power capacity reaching 362.12 GW as of 30th September 2019. The country also has the fifth largest installed capacity in the world.
- 4.1.2. Over FY10-FY19, electricity production in India grew at a CAGR of 5.50%. Per capita electricity consumption in the country grew at a CAGR of 4.69%, during FY11-19, reaching 1,181 KWh in FY19.

4.2. Demand and Supply

- 4.2.1. Demand: 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. Supply: India has seen a robust growth in the installed power generation capacity in the past four years. With a generation of 1,561 TWh, India is the third largest producer and the third largest consumer of electricity in the world.
- 4.2.3. Details of Installed power capacity in India are as follows :-

Total installed capacity as at 30th September 2019

Sector	Total Capacity (GW)	% of Total
State sector	103.01	28.45%
Central sector	167.61	46.29%
Private sector	91.50	25.26%
Total	362.12	100.00%

Mode wise installed capacity as at 30th September 2019

Particulars	Total Capacity (GW)	% of Total
Thermal:		
- Coal	196.89	54.37%
- Lignite	6.26	1.73%
- Gas	24.94	6.89%
- Diesel	0.51	0.14%
Nuclear	6.78	1.90%
Hydro	45.40	12.72%
Renewable Energy Source (MNRE)	81.34	22.46%
Total	362.12	100.00%

4.3. India's economic outlook

- 4.3.1. Power is one of the key sectors attracting FDI inflows into India.
- 4.3.2. From April 2000 to June 2019, India recorded FDI of US\$ 8.06 billion in non-conventional energy sector. New and renewable energy sector witnessed maximum power generation capacity addition, since 2000.

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- 4.3.3. Cumulative FDI inflows into the sector from April 2000– June 2019 were US\$ 14.54 billion.
- 4.3.4. 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. 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 6,04,193 Ckms in FY 18.
- 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.
- 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, upgradation 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, we expect transmission segments investments to 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 and IBEF report on Power sector in India- January 2019 & August 2019 and Central Electricity Authority Data as mentioned in PGCIL and Adani Transmission Limited Annual Report 2017-18.)

5. Valuation Methodology and Approach

- 5.1. The present valuation exercise is being undertaken in order to derive the fair EV of GPTL.
- 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 our control. In performing our 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

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information and its reliability and valuation approach and methods considered by the market participants.

Cost Approach

The existing book EV of GPTL comprising of the value of its Net fixed assets and working capital based on the provisional financial statement as at 29th February 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	GPTL	10,014

In the present case, since the SPV has entered into TSA, the revenue of SPV are 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 SPV is 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 revenue 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 GPTL 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 GPTL as provided by the Investment Manager.

Valuation

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

Key Assumptions

- 6.1.1. **Transmission Revenue:** The transmission revenue of GPTL 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 us 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 us by the Investment Manager. The escalation is to mainly compensate for the inflation factor.
- 6.1.2. **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%. Based on the general industry standard, the annual availability shall be above 98% where the SPV shall be entitled to the incentives as provided in the respective TSA.
- 6.1.3. **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 our 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.
- 6.1.4. **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 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.
- 6.1.5. **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.
- 6.1.6. **Capex:** As represented by the Investment Manager, regarding the maintenance capex, the same has already been considered in the O&M expenditure for the projected period.

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As regards the Investment Manager has projected to me that there will be no expansion capex.

- 6.1.7. **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.

- 6.1.8. **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 us that it expects majority of the cases to be settled in favour of GPTL and accordingly no outflow is expected against the litigations

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.

$$K(e) = R_f + (ERP * Beta) + CSR_P$$

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_P = 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 6.58% on the basis of the relevant zero coupon yield curve as on 29th February 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.

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 our 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)

6.3.4. Cost of Debt:

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

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

Wherein:

K(d) = Cost of debt

T = tax rate as applicable

For valuation exercise, the current pre-tax cost of debt has been considered as 8.63 % as represented by the Investment Manager based on the existing portfolio of debt taken by the Trust.

6.3.5. 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:

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

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.

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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 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 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. We 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 GPTL.
- 7.3. Based on the above analysis the EV as on the Valuation Date of GPTL is INR 11,638 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 GPTL 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:

Fair Enterprise Valuation Range of the SPV based on WACC Parameter

					INR Mn
Base WACC	EV	WACC +1%	EV	WACC -1%	EV
7.96%	11,638	8.96%	10,699	6.96%	12,800

Fair Enterprise Valuation Range of the SPV based on Total Expenses Parameter

					INR Mn
Base Expenses	EV	Expenses +20%	EV	Expenses -20%	EV
128	11,638	154	11,192	103	12,084

Fair Enterprise Valuation Range of the SPV based on Terminal Period Cash Flow Parameter

					INR Mn
Base TV	EV	Base TV -20%	EV	Base TV +20%	EV
418	11,638	334	11,555	502	11,722

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 GPTL 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 included;
 - 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 and closed 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. We have not verified the information independently with any other external source.
- 8.3. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as original, and the conformity of the copies or extracts submitted to us with that of the original documents.
- 8.4. We have assumed that the documents submitted to us by the Investment Manager in connection with any particular issue are the only documents related to such issue.
- 8.5. We have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and we do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for Gurgaon- Palwal Transmission Limited (“GPTL”)

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

As informed by the Investment Manager there are no applications for which approval is pending except for the energization of LILO line for which a provisional approval is received till 30 April 2020. The list of sanctions/ approvals obtained by the Company as on 7th April 2020 is provided in Appendix III.

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

We have included the periodic clearances obtained by GPTL in Appendix III.

C. Statement of assets included;

As at 29th February 2020, details of the asset of the SPV are as follows:-

Asset Type	Gross Block	Depreciation	Net Block	INR Mn
				% of asset depreciated
Transmission Lines	2,846.7	58.5	2,788.2	2%
Sub-station	4,375.0	65.5	4,309.5	1%
Leasehold Land	556.0	0.0	556.0	0%
Other Assets	1.7	0.2	1.5	13%
TOTAL	7,779.3	124.2	7,655.1	

Source: Provisional Financials of 29th February 2020

GPTL has CWIP of INR 2,699 Mn as at 29 February 2020.

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

We noted in the financial statements that GPTL has incurred INR 19.3 Million during the period ended 29th February 2020 for the maintenance charges of Transmission Lines. Based on confirmation provided by the Investment Manager we expect the increase of 4.25% per annum in the cost of operation and maintenance expenses incurred.

Investment Manager has informed us that there are no maintenance charges which has been deferred to the upcoming year as the maintenance activities are carried out regularly. We have been informed that overhaul maintenance are regularly carried out by GPTL in order to maintain the working condition of the assets.

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

Investment Manager has informed us 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 and closed 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 us that it expects majority of the cases to be settled in favour of GPTL 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 us that there are no such natural or induced hazards which have not been considered in town planning/ building control.

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 GPTL for the Financial Year (“FY”) ended 31st March 2016, 31st March 2017, 31st March 2018, 31st March 2019;
- 9.2. Provisional Profit & Loss Account and Balance Sheet of GPTL for the period ended 29th February 2020;
- 9.3. Projected Profit & Loss Account and Working Capital requirements of the SPV from 1st March 2020 to 31st March 2055.
- 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. Details of projected Repairs and Capital Expenditure (“Capex”) as represented by the Investment Manager.
- 9.7. Transmission Service Agreement (“TSA”) of GPTL with Long Term Transmission Customers (“LTTC”) dated 4th March 2016 and Tariff Adoption Order (“TAO”) by Central Electricity Regulatory Commission (“CERC”).
- 9.8. Management Representation Letter by Investment Manager dated 07 April 2020.

The information provided to me by the Investment Manager in relation to the SPVs 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 us 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 SPVs.

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, we 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.

10. Exclusions and Limitations

- 10.1. The Valuation Report is based on the provisional financial statements as on 29th February 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. Our 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 29th February 2020 ("Valuation Date") mentioned in the Report and as per agreed terms of our 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 our engagements; (ii) the Valuation Date and (iii) are based on the financial information of GPTL till 29th February 2020. The Investment Manager has represented that the business activities of GPTL have been carried out in normal and ordinary course between 29th February 2020 and the Report Date and that no material changes have occurred in the operations and financial position between 29th February 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 our assignment did not involve us 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 us during the course of our work. The assignment did not involve us 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 us to arrive at our conclusion as set out herein which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us 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 us or used by us; 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 our knowledge to indicate that the material provided to us was misstated or incorrect or would not afford reasonable grounds upon which to base our 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 our 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 us or used by us up to, the date

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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 us 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 our 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 our analysis. While I have provided an assessment of the value based on an analysis of information available to us and within the scope of our 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 us in the course of this engagement.
- 10.17. Our 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 our 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, our 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 us 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.

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- 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 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. Our 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 our 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 H&Co'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 SIML 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 SIML or the Trustee.

SWAMINATHAN SUNDARARAMA N
Digitally signed by SWAMINATHAN SUNDARARAMAN
Date: 2020.04.08 21:46:18 +05'30'

S. Sundararaman

Registered Valuer

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

UDIN: 20028423AAAACG1793

Place: Chennai

Appendix I – Weighted Average Cost of Capital of the SPV

Particulars	GPTL	Remarks
Risk Free Rate	6.58%	Risk Free Rate has been considered based on zero coupon yield curve as at 29th February 2020 of Government Securities having maturity period of 10 years, as quoted on CCIL's website.
Equity Risk Premium (ERP)	7.00%	Based on the 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.
Beta (relevered)	0.64	Beta has been considered based on the beta of companies operating in the similar kind of business in India.
Cost of Equity	11.05%	$Ke = Rf + \beta \times ERP$
Pre-tax Cost of Debt	8.63%	As represented by the Investment Manager
Effective tax rate of SPV	23.07%	Average tax rate for the life of the project has been considered
Post-tax Cost of Debt	6.64%	Effective cost of debt. $Kd = \text{Pre tax } Kd \times (1 - \text{Effective Tax Rate})$
Debt/(Debt+Equity)	70.00%	The debt - equity ratio computed as $[D/(D+E)]$ is considered as 70% as per industry standard.
WACC	7.96%	$WACC = [Ke \times (1 - D/(D+E))] + [Kd \times (1 - t) \times (D/(D+E))]$

Appendix II – Valuation of GPTL as on 29th February 2020

WACC		7.96%									INR Mn
FY	Revenue	EBITDA	EBITDA Margin	Capex	Changes in NCA	Taxation	FCFF	Cash Accrual Factor	Discounting Factor	PV of Cash Flows	
FY20*	102	98	96%	-	33	-	66	0.04	1.00	65	
FY21	1,481	1,352	91%	-	51	-	1,301	0.58	0.96	1,244	
FY22	1,460	1,326	91%	-	(6)	-	1,332	1.58	0.89	1,180	
FY23	1,427	1,288	90%	-	(9)	7	1,289	2.58	0.82	1,057	
FY24	1,395	1,250	90%	-	(8)	112	1,146	3.58	0.76	871	
FY25	1,364	1,212	89%	-	(8)	133	1,087	4.58	0.70	765	
FY26	1,333	1,175	88%	-	(8)	150	1,034	5.58	0.65	674	
FY27	1,304	1,139	87%	-	(8)	162	984	6.58	0.60	595	
FY28	1,275	1,103	87%	-	(8)	172	939	7.58	0.56	525	
FY29	1,247	1,068	86%	-	(8)	179	896	8.58	0.52	464	
FY30	1,220	1,033	85%	-	(7)	184	857	9.58	0.48	411	
FY31	1,193	998	84%	-	(7)	186	819	10.58	0.44	364	
FY32	1,168	964	83%	-	(7)	188	784	11.58	0.41	323	
FY33	1,142	931	81%	-	(7)	187	750	12.58	0.38	286	
FY34	1,118	897	80%	-	(7)	186	718	13.58	0.35	254	
FY35	1,095	864	79%	-	(7)	184	687	14.58	0.33	225	
FY36	1,087	847	78%	-	(3)	184	665	15.58	0.30	202	
FY37	1,089	839	77%	-	(0)	187	652	16.58	0.28	183	
FY38	1,091	830	76%	-	(0)	188	642	17.58	0.26	167	
FY39	1,093	822	75%	-	(0)	189	633	18.58	0.24	152	
FY40	1,096	813	74%	-	(0)	189	623	19.58	0.22	139	
FY41	1,099	803	73%	-	(0)	189	614	20.58	0.21	127	
FY42	1,102	793	72%	-	(0)	189	605	21.58	0.19	116	
FY43	1,105	783	71%	-	(0)	188	596	22.58	0.18	106	
FY44	1,108	773	70%	-	(0)	187	587	23.58	0.16	96	
FY45	1,111	762	69%	-	(0)	185	577	24.58	0.15	88	
FY46	1,115	751	67%	-	(0)	183	568	25.58	0.14	80	
FY47	1,119	739	66%	-	(0)	181	558	26.58	0.13	73	
FY48	1,123	727	65%	-	(0)	179	549	27.58	0.12	66	
FY49	1,127	715	63%	-	(0)	176	539	28.58	0.11	60	
FY50	1,132	702	62%	-	(0)	174	528	29.58	0.10	55	
FY51	1,136	688	61%	-	(0)	171	518	30.58	0.10	50	
FY52	1,141	674	59%	-	(0)	168	507	31.58	0.09	45	
FY53	1,147	660	58%	-	(0)	164	496	32.58	0.08	41	
FY54	1,152	645	56%	-	(0)	161	484	33.58	0.08	37	
FY55**	1,159	629	54%	-	(0)	157	472	34.58	0.07	33	
TV***	1,159	629	54%	-	-	158	471	34.58	0.07	33	
Present Value of Explicit Period Cash Flows										11,220	
Present Value Terminal Year Cash Flow										418	
Enterprise Value										11,638	

*for the period 1st March 2020 to 31st March 2020

**for the period ended 31st March 2055.

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Appendix III – GPTL – Summary of Approvals & Licences (1/5)

Sr. No. Approvals	Date of Issue	Validity (in years)	Issuing Authority
1 Tree cutting and Forest Clearance			
Aligarh-Prithala Transmission Line in District of Palwal - Stage I	25-Jun-19	Valid	Forest Department, Government of Haryana
Aligarh-Prithala Transmission Line in District of Palwal - Stage II	05-Aug-19	Valid	Forest Department, Government of Haryana
Aligarh-Prithala Transmission Line in District of Palwal - Stage I	02-Nov-17	Valid	Ministry of Environment, Forests & Climate Changes, Haryana
Aligarh-Prithala Transmission Line in District of Palwal - Stage II	28-May-18	Valid	Ministry of Environment, Forests & Climate Changes, Haryana
Aligarh-Prithala Transmission Line in District of Palwal - Tree Cutting Permission	11-Apr-18	Valid	Forest Department, Government of Haryana
Aligarh-Prithala Transmission Line (Uttar Pradesh) - Stage I	19-Mar-18	Valid	Ministry of Environment, Forests & Climate Changes, UP
Aligarh-Prithala Transmission Line (Uttar Pradesh) - Stage II	30-Aug-18	Valid	Ministry of Environment, Forests & Climate Changes, UP
Kadarpur-Sohna Transmission Line in District of Gurugram - Stage I	13-Aug-18	Valid	Ministry of Environment, Forests & Climate Changes, Haryana
Kadarpur-Sohna Transmission Line in District of Gurugram - Stage II	11-Oct-18	Valid	Ministry of Environment, Forests & Climate Changes, Haryana
Kadarpur-Sohna Transmission Line in District of Gurugram - Tree Cutting Permission	28-Sep-18	Valid	Forest Department, Government of Haryana
Neemrana-Dhanonda Transmission Line in Districts of Rewari and Mahendergarh - Stage I	16-May-17	Valid	Ministry of Environment, Forests & Climate Changes, Haryana
Neemrana-Dhanonda Transmission Line in Districts of Rewari and Mahendergarh - Stage II	12-Sep-17	Valid	Ministry of Environment, Forests & Climate Changes, Haryana
Neemrana-Dhanonda Transmission Line in Districts of Rewari and Mahendergarh - Tree Cutting Permission	27-Oct-17	Valid	Forest Department, Government of Haryana
Neemrana-Dhanonda Transmission Line in Districts of Alwar - Stage I	26-Sep-17	Valid	Ministry of Environment, Forests & Climate Changes, Rajasthan
Neemrana-Dhanonda Transmission Line in Districts of Alwar - Stage II	27-Jun-18	Valid	Ministry of Environment, Forests & Climate Changes, Rajasthan
Neemrana-Dhanonda Transmission Line in Districts of Alwar - Tree Cutting Permission	17-Apr-18	valid	HoFF, Rajasthan
Prithala-Kadarpur Transmission Line in Districts of Gurugram and Palwal - Stage I	13-Aug-18	Valid	Ministry of Environment, Forests & Climate Changes, Haryana
Prithala-Kadarpur Transmission Line in Districts of Gurugram and Palwal - Stage II	03-Oct-18	Valid	Ministry of Environment, Forests & Climate Changes, Haryana
Prithala-Kadarpur Transmission Line in Districts of Gurugram and Palwal - Tree Cutting Permission	19-Sep-18	Valid	Forest Department, Government of Haryana
2 Transfer of Forest Land - Compliance of The SC and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006			
Aligarh-Prithala Transmission Line in District of Palwal - UP	22-Feb-19	Valid	Office of District Collector, Aligarh
Neemrana-Dhanonda Transmission Line in District of Rewari	22-Nov-16	Valid	Office of District Collector, Rewari
Neemrana-Dhanonda Transmission Line in District of Alwar	19-Apr-17	Valid	Office of District Collector, Alwar

Source: Investment Manager

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Appendix III – GPTL – Summary of Approvals & Licences (2/5)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
3	Power & Telecommunication Coordination Committee ("PTCC") Clearance			
	Aligarh- Prathala TL	26-Sep-18	Valid	PTCC, Government of India
	Kadarpur - Sohna TL	12-Dec-18	Valid	PTCC, Government of India
	Gurgaon - Manesar TL (LILO)	29-Jan-19	Valid	PTCC, Government of India
	Neemrana - Dhanonda TL	20-Dec-17	Valid	PTCC, Government of India
	Prithala to Kadarpur TL	28-Dec-18	Valid	PTCC, Government of India
4	Railway Crossing			
	400 KV D/C transmission line between railway station Asouti to Palwal on DLI-PWL section at T.P. No. 148/11 & 13	09-Aug-18	Valid	Northern Railway
	400 KV D/C OH power line track crossing at KM 119/0-2 between Kannina Khas - Gurha Khemla stations on Rewari - Sadulpur section of Bikaner division	29-Aug-17	Valid	North western railway
	Permission for starting work of 400 kv overhead power line track crossing at KM 25/0-1 between KTWS-KUND railway station in RPC section	13-Dec-17	Valid	North western railway
	NOC for crossing the DFC Railway Track/land by 400 kv DC Prithla to Kadarpur overhead Electric Transmission line of GPTL, in district Palwal, at DFC chainage 86642	19-Sep-18	Valid	Ministry of railway
	PTCC route approval : Neemrana - Dhanoda TL	01-Dec-17	Valid	North western railway
5	Road Crossing			
	NOC for crossing of new 400 KV D/C Twin HTLS Aligarh to Prithala Transmission line awarded to GPTL with EPE Alignment at village Sujwadi.	18-May-18	Valid	National Highway Authority of India
	Construction of 400kv D/C Twin HTLS Aligarh -Prithala TL : Regarding issuance of NOC	24-Sep-18	Valid	Yamuna Expressway Industrial Development Authority
	Construction of 400kv D/C Twin HTLS Kadarpur- Sohna road TL : Submission of crossing proposals	30-Jan-19	Valid	National Highway Authority of India
	Permission for crossing of 400kv D/C twin HTLS TL at km 13.230 on NH 248A, Kadarpur-Sohna road TL	10-Jan-19	Valid	Ministry of Road Transport & Highways
	Construction of 400kv D/C Twin HTLS Neemrana - Dhanuda TL : Submission of crossing proposals	15-May-17	Valid	Public works department Haryana (Building and Roads) division Rewari
	Construction of 400kv D/C Twin HTLS Neemrana - Dhanuda TL : Submission of crossing proposals	31-Jan-17	Valid	Haryana Public Works Department (Building & Roads) Branch
	Permission for crossing of 400kv D/C twin HTLS TL at km 53.100 on NH-2 Prithala to Kadarpur TL	10-Jan-19	Valid	Ministry of Road Transport & Highways

Source: Investment Manager

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Appendix III – GPTL – Summary of Approvals & Licences (3/5)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
6	Power Line Crossing			
	Twin HLTS Aligarh- Prathala TL between Tower No.- 918-919 of existing 400 KV, D/C, Kanpur- Ballabgarh TL of Powergrid	17-Aug-17	Valid	Powergrid Corporation of India Limited
	Twin HLTS Aligarh- Prathala TL between Tower No.- 952-953 of existing 400 KV, D/C, Kanpur- Ballabgarh TL of Powergrid	22-Oct-18	Valid	Powergrid Corporation of India Limited
	Twin HLTS Aligarh- Prathala TL between Tower No.- 579-580 of existing 400 KV, D/C, Mainpuri - Ballabgarh TL of Powergrid	17-Aug-17	Valid	Powergrid Corporation of India Limited
	Kadrour - Sohna Road tl over 400 kv D/C LILO line (400 kv S/C Bhiwadi - Gurgaon & 400kv S/C Ballabgarh - Gurgaon line)	21-Sep-18	Valid	Powergrid Corporation of India Limited
	Approval for crossing 400kv D/C Neemrana -Dhanuda kine under 400kv S/C Bhiwadi- Kotputli & Bhiwadi- Hisar line-1 in LILO portion.	05-Jun-17	Valid	Powergrid Corporation of India Limited
	Approval for crossing 400kv D/C Neemrana -Dhanuda kine under 400kv D/C Neemrana- Sikar TL.	19-Jun-17	Valid	Powergrid Corporation of India Limited
	Twin HTLS Prithala to Kadarpur TL between Tower 448-449 of existing 400kv S/C, Agra- Ballabgarh TL of Powergrid	21-May-18	Valid	Powergrid Corporation of India Limited
7	Overhead Crossing of Rajasthan Rajya Vidyut Prasaran Nigam Limited			
	NOC regarding crossing of 400kv D/C Twinn HTLS Nemmrana- Dhanuda TL to Mandhan- Jakhra line	05-Jun-17	Valid	Rjasthan Rajya Vidyut Prasaran Nigam Limited
	NOC regarding crossing of 132kv D/C Nemmrana- Shahjhanpur TL by proposed dead end-1 Tower to AP-1 400kv D/C Nemmrana (PGCIL) - Dhanuda (HVPNL) TL between tpwer 22-23	18-Jul-18	Valid	Rjasthan Rajya Vidyut Prasaran Nigam Limited
	NOC regarding crossing of 220kv S/C MIA - Badarpur line proposed 400kv D/C Twin HTLS Prithala to Kadarpur line between tower 125-126.	07-Mar-18	Valid	Rjasthan Rajya Vidyut Prasaran Nigam Limited
8	Overhead Crossing Haryana Vidyut Prasaran Nigam Limited ("HVPNL") Power lines			
	Neemrana- Dhanonda line AP44-AP45, AP46-AP47, AP47-AP48, AP48-AP49	19-Sep-17	Valid	Haryana Vidyut Prasaran Nigam Limited
	Neemrana- Dhanonda line - AP-42 & AP-43	13-Oct-17	Valid	Haryana Vidyut Prasaran Nigam Limited
	220lv D/C Samaypur -Meghpur line by proposed 400kv D/C twin HTLS Prithla - Kadarpur - Sohna Line of M/s Gurgaon Palwal TL	20-Sep-18	Valid	Haryana Vidyut Prasaran Nigam Limited
9	NOC for ground water abstraction for 400/220 KV GIS PRITHLA Substation	11-Oct-19	2	Government of India, Central Ground Water Authority, Ministry of Water Resources, River Development and Ganga Rejuvenation
10	Load sanction of 315 KW and CD 350 applied vide A&A online no.F-42-419-365 dated 20-Apr-2011:11-Jun-19		NA	Dakshin Haryana Bijli Vitran Nigam

Source: Investment Manager

Strictly Private and Confidential

Appendix III – GPTL – Summary of Approvals & Licences (4/5)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
11	Transmission License	23-Nov-16	25	Central Electricity Authority, Ministry of Power
12	Application u/s 63 of Electricity Act, 2003 for adoption of transmission charges with respect to the transmission system established by GPTL.	06-Sep-16	Valid	Central Electricity Regulatory Commission
13	Approval under section 68 of Electricity Act, 2003	26-Nov-15	25	Central Electricity Authority, Ministry of Power
14	Approval u/s 164 of Electricity Act, 2003 for new 400 KV TL by GPTL	28-Mar-17	25	Central Electricity Authority, Ministry of Power
15	Approval for Energisation under regulation 43 of CEA Regulations, 2010			
	Dhanoda Substation of HVPNL	02-May-18	Valid	Central Electricity Authority, Regional Inspectorial Organization (North)
	Neemrana - Dhanonda transmission line	26-Dec-18	Valid	Central Electricity Authority, Regional Inspectorial Organization (North)
	GIS Substation at Prithala	31-Jul-19	Valid	Central Electricity Authority, Chief Electrical Inspectorate Division
	Aligarh - Prithala Transmission line	29-Jul-19	Valid	Central Electricity Authority, Chief Electrical Inspectorate Division
	GIS Substation at Kadarapur	27-Nov-19	Valid	Central Electricity Authority, Chief Electrical Inspectorate Division
	Prithala - Kadarapur Transmission line	27-Nov-19	Valid	Central Electricity Authority, Chief Electrical Inspectorate Division
	Kadarapur - Sohana Transmission line	09-Mar-20	Valid	Central Electricity Authority, Chief Electrical Inspectorate Division
	GIS Substation at Sohana Road	09-Mar-20	Valid	Central Electricity Authority, Chief Electrical Inspectorate Division
	Provisional approval for Gurgaon - Manesar Transmission line till 30 April 2020	04-Apr-20	Valid	Central Electricity Authority, Chief Electrical Inspectorate Division
17	Certificate of Completion of Trial Run Operation			
	- Completion of trial run of 400KV, 125 MVAR Bus Reactor at Prithala	16-Dec-19		Power System Corporation Ltd.
	- First time charging of 400 KV Aligarh-Prithala lines	16-Dec-19		Power System Corporation Ltd.
	- Completion of trial run of 400KV, 125 MVAR Bus Reactor at Kadarapur	01-Jan-20		Power System Corporation Ltd.
	- First time charging of 400 KV Prithala-Kadarapur lines	24-Dec-19		Power System Corporation Ltd.
	- Completion of trial run of Neemrana - Dhanoda TL	24-Apr-19		Power System Corporation Ltd.
	- Completion of trial run of LILO Line	30-Mar-20		Power System Corporation Ltd.

Source: Investment Manager

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

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
18	Aviation Clearance			
	NOC for Height Clearance - AP Line (6 different NOCs)	04-Sep-18	8	Airports Authority of India
	NOC for Height Clearance - KS Line (2 different NOCs)	04-Sep-18	8	Airports Authority of India
	NOC for Height Clearance - LILO Line	04-Sep-18	8	Airports Authority of India
	NOC for Height Clearance - ND Line	16-Aug-17	7	Airports Authority of India
	NOC for Height Clearance - PK Line (4 different NOCs)	28-Aug-18	8	Airports Authority of India
19	Defence Clearance			
	NOC for Installation/ Construction - AP Line	20-Dec-17	7	Ministry of Defence - Air Force Station Hindan
	NOC for Installation/ Construction - KS Line	10-Jul-18	7	Ministry of Defence - Air Force Station Hindan
	NOC for Installation/ Construction - Sohana LILO Line	10-Jul-18	7	Ministry of Defence -Air Force Station Hindan
	NOC for Installation/ Construction - ND Line	07-Dec-17	7	Ministry of Defence - Air Force Station Hindan
	NOC for Installation/ Construction - PK Line	29-Aug-18	7	Ministry of Defence - Air Force Station Hindan

Source: Investment Manager

Appendix IV – GPTL – Summary of Ongoing Litigations (1/4)

Matter	Against	Pending Before	Details of the Case
RoW- demanding compensation	GPTL	Civil Judge (Senior Division) Aligarh	<p>Background of the case: Raghuvir Singh filed a suit along with an affidavit on 29/05/2018 against Chief Manager of GPTL and Chair Person Central Electricity Authority for permanent prohibitory injunction of installation of tower in the land of the plaintiff and also for construction of electric line over and under the land of the plaintiff. The plaintiff had also filed an application for grant of temporary injunction till the disposal of the suit for prohibitory injunction. The application for grant of temporary injunction was dismissed by the court on 18/08/2018 against which the plaintiff has filed a miscellaneous civil appeal no. 80/2018 of which final adjudication is pending before Hon'ble District Judge, Aligarh.</p> <p>Plaintiff has also filed an amendment dated 31/01/2019 claiming that the GPTL has installed and erected the tower and transmission line over the land forcibly and illegally and seeking a mandatory injunction to remove the tower and transmission line installed. However, GPTL in its Additional Written Statement claimed that there was no stay granted by the Appellate Court and during the pendency of the appeal it was within its lawful right to erect the tower and transmission line. Also that the plaintiff is not entitled to a decree for mandatory injunction. The Company also prayed that the removal of tower and transmission line will lead to disruption of power to the beneficiaries. In reply to this statement, the plaintiff has filed additional rejoinder affidavit claiming that the claims made by GPTL in the Additional Written Statement are false. The suit has been filed for INR 1 million and also an additional amount of INR 25,000 per month for loss of business and occupation for a year.</p> <p>Current Status: The matter is currently pending.</p>
RoW- not permitted to do foundation & shifting of tower legs	GPTL	Additional Civil Judge (Senior Division) Kanina	<p>Background of the case: Ramesh Devi (the plaintiff) claimed that the Company has no right to construct transmission line crossing over the plot of plaintiff and laying of such line will endanger the life and goods of plaintiff and her animals. The Company claimed that at the time of survey of land there was no construction of any property. It was observed by the Judge that the Company has been given authorization by the Power Ministry of the Government of India and also consented that at the time of survey no construction had happened at the affected land. Judge also stated that there is no need for land owner's approval to lay overhead power line. However, it clarified that the only right in the hands of the owner is to claim compensation for damages, if any. Thus the application filed by the plaintiff has been dismissed.</p> <p>Current Status: The matter is currently pending.</p>
RoW- farm house made under line corridor	GPTL	Additional District Judge (Narnaul)	<p>Background of the case: Ramesh Devi (the plaintiff) claimed that the Company has no right to construct transmission line crossing over the plot of plaintiff. The case has been adjourned to 09-04-2020.</p> <p>Current Status: The matter is currently pending.</p>

Source: Investment Manager

Appendix IV – GPTL – Summary of Ongoing Litigations (2/4)

Matter	Against	Pending Before	Details of the Case
RoW- demanding compensation	GPTL	Civil Judge (Junior Division) Palwal	<p>Background of the case: VBY Engineering Pvt Ltd filed a suit for permanent injunction and mandatory injunction against Superintending Engineer, Haryana, Executive Engineer Haryana and Sterlite Power Transmission Ltd on 21/07/2018 to construct high tension transmission line crossing over the land of plaintiff and laying of such line will affect the purpose and utility of the land of the plaintiff. The plaintiff had also filed an application for grant of temporary injunction till the disposal of the suit for permanent injunction. As per the order dated 18/08/2018 SPTL was deleted from array of defendants and GPTL was impleaded as defendant 3.</p> <p>The court passed an order on 03/10/2018 and it was observed by the court that the Company has been given authorization by the Power Ministry of the Government of India. Judge also stated that there is no need for land owner's approval to lay overhead power line. However, it clarified that the only right in the hands of the owner is to claim compensation for damages, if any. Thus the application filed by the plaintiff has been dismissed.</p> <p>The Company had also applied for temporary injunction on the plaintiff however the same was dismissed being non maintainable as there was no counter claim by the plaintiff.</p> <p>After the application was dismissed, plaintiff had filed an appeal before the Additional District Judge, Palwal against the order dated 03/10/2018. Appeal was filed by the plaintiff claiming that the defendant has not taken permission from local authority which is a condition of the gazette notification however the defendant filed an affidavit saying that no additional permission was required. Appeal was dismissed and the order of lower court was upheld. The case has been adjourned to 06-05-2020.</p> <p>Current Status: The matter is currently pending.</p>
RoW- appeal for line shift over his proposed factory	GPTL	P&H High court Chandigarh	<p>Background of the case: Ramesh Devi (the plaintiff) claimed that the Company has no right to construct transmission line crossing over the plot of plaintiff. The case has been adjourned to 29/04/2020.</p> <p>Current Status: The matter is currently pending.</p>

Source: Investment Manager

Appendix IV – GPTL – Summary of Ongoing Litigations (3/4)

Matter	Against	Pending Before	Details of the Case
RoW-farm house made under line corridor	GPTL	Additional Civil Judge (Senior Division), Kanina	<p>Background of the case: Chattar Singh (the plaintiff) filed a suit for permanent injunction in the office of ACJ, Kanina, to the effect that GPTL & others (the defendants) are permanently restrained from laying down power line through any portion of plaintiff's fields. The plaintiff claimed that the erection of the proposed transmission lines would cause him immense loss in terms of endangering himself and his livestock, in addition to making his land uncultivable, which cannot be compensated in monetary terms. GPTL filed a reply dismissing the grounds of the above mentioned suit.</p> <p>The plaintiff was awarded compensation for loss to crops caused due to stringing and erection work. An order for adjournment was passed on 19 March 2020 as a precautionary measure in the wake of COVID-19. The hearing is adjourned to 05 August 2020.</p> <p>Current Status: The matter is currently pending.</p>
RoW- appeal for line shift over his proposed factory	GPTL	Additional Civil Judge (Senior Division), Sohna	<p>Background of the case: Mawsi (the plaintiff) filed a suit for mandatory injunction in the office of ACJ, Sohna, directing the defendants (GPTL & others) to first acquire the land of plaintiff and pay compensation for such land and crops grown thereon. Also filed a suit for ad-interim/ permanent injunction to the effect that GPTL is restrained from installation of any electricity towers through any portion of plaintiff's land without taking possession thereof.</p> <p>The Court ordained GPTL (on 11 March 2019) to take recourse by approaching the District Magistrate, prior to availing the usership right over the plaintiff's land.</p> <p>Written statement filed by GPTL dismissing the grounds of plaintiff's suit.</p> <p>The plaintiff was awarded compensation for loss to crops caused due to foundation and erection work. Plaintiff's counsel requested hearing date stating probability of a compromise, which was allowed and case was adjourned to 08 April 2020.</p> <p>Current Status: The matter is currently pending.</p>

Source: Investment Manager

Appendix IV – GPTL – Summary of Ongoing Litigations (4/4)

Matter	Against	Pending Before	Details of the Case
RoW- demanding line diversion	GPTL	Additional Civil Judge (Senior Division), Sohna	<p>Background of the case: Ishwar Singh (the plaintiff) filed a suit for declaration to the effect that the sale deed effected between Ishwar Singh and GPTL (the defendant) regarding the land in question, is illegal and void-ab-initio, alleging that insufficient compensation of INR 55.63 Million had been granted and he is entitled to recover additional compensation of INR 15.07 Million from GPTL, plus interest @18% from 19 April 2018. Also suit filed for ad-interim/ permanent injunction to the effect that defendant is restrained from interfering in the possession of plaintiff's land, from raising any construction over plaintiff's land and from further selling and alienating the land to anyone else. Further prayed that if plaintiff failed to prove possession in the court and if defendant succeeds in forceful possession of the plaintiff's land, then the court direct the defendant to hand over the possession of land to the plaintiff.</p> <p>The plaintiff's second application for appointment of revenue officer to collect evidence was dismissed. Thereafter, hearing was set for admission and denial of facts & documents and for framing of issues. Next date of hearing is set for 17 April 2020.</p> <p>Current Status: The matter is currently pending.</p>
RoW- demanding land compensation under line corridor	GPTL	Civil Judge (Senior Division), Palwal	<p>Background of the case: Taawun Trust (the plaintiff) filed a suit for ad-interim/ permanent injunction to the effect that defendants are restrained from installation of any electricity towers or pulling any heavy electric lines over any portion of plaintiff's land. Also, restraining them from changing the nature and utility of the land in any other manner and directing GPTL to change the route of the electric line.</p> <p>Written statement filed by GPTL dismissing the grounds of plaintiff's suit. An application for permission to issue directions to defendants to supply documents concerned to the present suit was filed. GPTL not having submitted the same, an adjournment was sought and allowed for 15 May 2020.</p> <p>Current Status: The matter is currently pending.</p>
RoW- demanding compensation & shifting of tower legs.	GPTL	Civil Judge Grugram	<p>Background of the case: Dharam Singh and Jagdish Chand (Plaintiffs) had filed an application for ad-interim injunction to the Civil Judge. The Plaintiffs are the owners of the land where GPTL wants to install transmission tower for the Power Grid Project in the passage of the plaintiff's property. The plaintiffs have claimed that due to the action of GPTL, the land of the plaintiffs shall become useless and virtually be of no value. They would also suffer irreparable loss and damage which cannot be compensated in terms of money. GPTL via its written statement claimed that the Company is only installing electricity transmission lines on and above the suit land as per its alignment and transmission scheme and as per the procedures laid down in relevant laws. The plaintiff is only entitled for compensation in accordance with the provisions of the Electricity Act, 2003 read with Telegraph Act, 1885 and such compensation is payable only once the power for laying down transmission lines has been exercised and damage, if any, is sustained by the person concerned. After hearing the plea of both the parties, Civil Judge dismissed the application of the plaintiffs for ad-interim injunction vide an impugned order. Being aggrieved by the order, the plaintiffs filed an appeal to the higher authority. The Additional District Judge came to the conclusion that the lower Court did not commit any error by dismissing the application of interim injunction and the said order is upheld and the appeal is dismissed.</p> <p>Current Status: The matter is currently pending.</p>

Source: Investment Manager

Appendix V – GPTL – Summary of Legal Notices (1/4)

Matter	Against	Details of the Case
Compensation for acquisition of land	GPTL, Ministry of Power, Government of India and Ministry of Power, Government of Haryana	<p>Background of the case: Lalit Singh is the co-owner of a part of agricultural land where GPTL is installing the transmission line from Khair (U.P) to Prithla (Haryana). The owner has claimed in the legal notice served to GPTL that no notice was served upon by GPTL for acquisition of land from the owner for installation work. The agricultural land of the owner will become redundant nearby the poles and if the land is grabbed in such a manner by GPTL, then it will prejudice his rights, deprive him from his only source of livelihood and diminish the market value of the land. Thus, the owner has call upon GPTL to pay the compensation of acquisition as per the market rate and also to compensate for the entire present and future losses and till that time no activity should be carried out in his fields and if within a period of 30 days from the receipt of notice by GPTL, if no action is taken, the owner will initiate legal proceedings against GPTL.</p> <p>Current Status: GPTL has responded to the legal notice served by Lalit Singh. The reply stated that GPTL is not having any knowledge regarding the ownership of Lalit Singh on the above cited land and has also not provided any proof of ownership of the land. Also, no objections were made by the owners of the land before the commencement of the project. GPTL has claimed that no loss will be caused to the plaintiff and hence he is not entitled to any compensation. The Company has advised the plaintiff to withdraw the legal notice.</p>
Compensation for utilising of land and diminution in value of land	GPTL, Ministry of Power, Government of India and Central Electricity Authority	<p>Background of the case: Anand Yadav and Neelam Yadav (The Applicants) met with the officials of the GPTL and were informed that the transmission line from Neemrana (Rajasthan) to Dhanonda (Haryana) will pass through the land of the applicants. The applicant inquired that under which authority GPTL can utilise the land of the applicants without their consent and without making a compensation of land and diminution of value of land of applicants. However even after a significant delay, the officials of GPTL did not cater to the requirements of the applicants w.r.t answering their inquiries. The officials of GPTL later served a notice mentioning that GPTL was authorised by the Government of India for laying the transmission lines and during the erection of line, if any damages is caused to crops and trees, its valuation will be carried out as per standards and will be paid by GPTL. However, as per the applicable laws, the applicant has requested GPTL to abide by the law and compensate the applicants for utilising their land and diminution in value of land over which the said line will be drawn in addition to the damages caused to crops and trees.</p> <p>Current Status: GPTL has responded to the legal notice served by Anand and Neelam Yadav. The reply stated that GPTL and the EPC Contractor is already in touch with the applicant to resolve the issue of compensation. The company is willing to resolve the issue through mutual discussions and has requested cooperation in smooth and efficient execution of the project.</p>

Source: Investment Manager

Appendix V – GPTL – Summary of Legal Notices (2/4)

Matter	Against	Details of the Case
Compensation for acquisition of land	GPTL	<p>Background of the case: Vinod Kumar, the owner of the land has claimed that GPTL is intending to draw a transmission line Prithala-Kadarpur over the agricultural land of the owner illegally and unlawfully without acquiring the land and paying compensation. A notice was sent by the Company mentioning that the owner will be liable only for compensation on account of damage of crops during the laying of transmission lines. Thus, Vinod Kumar has called upon GPTL to withdraw the above mention notice and acquire the land as per the provisions of law and pay compensation amount as per new Land Acquisition Act otherwise a legal action will be taken against GPTL.</p> <p>Current Status: GPTL has responded to the legal notice served by Vinod Kumar. The draft reply stated that no objections were made by the owners of the land before the commencement of the project. GPTL has claimed that there is no provision of such compensation to any person and hence the plaintiff is not entitled to any compensation. The Company has advised the plaintiff to withdraw the legal notice.</p>
Compensation for utilising of land and diminution in value of land	GPTL	<p>Background of the case: Dharam Chand Sankhla, the owner of the land had made an application to the District Magistrate (DM) Gurugram for compensation on account of damages by GPTL. The District Magistrate via order dated 03-05-2018 has directed GPTL to maintain status-quo regarding further construction till compensation is made to the applicant. In the application, Dharam Chand Sankhla has stated that GPTL have started raising construction of pillars/towers for laying electricity cables for Khadarpur Sohna Road on the land owned by the applicant without giving any notice or taking consent as required by the law. The said laying of cables have caused loss to the owner and have infringed the rights of the owner by trespassing into the land without acquiring the land and giving any compensation for the same. Dharam Chand Sankhla has claimed that prior consent of the owner should be taken and the owner is entitled for the compensation towards market value of the land in addition to damages towards crops,trees as well as structure as determined by the District Magistrate.</p> <p>Current Status: GPTL has responded to the order made by the DM stating that the applicant after concealing and suppressing the material facts has filed this application and got issued the order dated 03-05-2018 for status quo and application filed by the applicant is liable to be dismissed. Further, GPTL had issued publications regarding the electricity lines but no objections were raised by the applicant. Also, as per the guidelines issued by the Government, the compensation for damages was assessed and offered to the applicant but the same was not accepted. Thus, GPTL has requested that no compensation for diminution in value of land can be assessed and the application made by the applicant should be dismissed.</p>

Source: Investment Manager

Appendix V – GPTL – Summary of Legal Notices (3/4)

Matter	Against	Details of the Case
Compensation for acquisition of land	GPTL	<p>Background of the case: The Deputy Commissioner via a notice has raised complain of Prakash Chand to GPTL. He has stated that he is the owner of the plot of land where the laying of towers for Prithala-Kadarpur transmission line has started. Therefore, he has requested to either allot the same size of land in BPL colony or else pay the compensation as per the market rate.</p> <p>Current Status: GPTL has responded to the notice of Deputy Commissioner stating that as per the provisions of the law, GPTL is not required to acquire the land of the land owners and is liable to pay only compensation for the damage caused during the construction of the above mentioned electricity line. GPTL has already paid such compensation amounting to INR.38,509 to Prakash Chand. Therefore, GPTL has requested for a favourable disposal of the complaint.</p>
Compensation for acquisition of land	GPTL	<p>Background of the case: Deep Chandra claimed that he is the owner of the land where towers for transmission lines have been installed by GPTL due to which the crops of the owner were damaged and no compensation has been given for the same. The officials promised to the compensate for the damages of crops and also trees which were planted by the owner which amounted to INR.0.4 million. Deep Chandra followed up with the officials several times by visiting the office which caused him mental and physical exertion, but no response was given by GPTL. Thus, Deep Chandra has demanded the compensation for crops and trees with an interest for delay at the rate of 24% p.a. and an additional compensation of INR 0.1 million for the mental and physical exertion. He will initiate legal proceedings if the compensation is not received within 7 days of the receipt of notice by GPTL.</p> <p>Current Status: GPTL has responded to the legal notice. The draft reply stated that a compensation for damages to trees and crops was made and the entire amount is paid to the plaintiff. Accordingly, the matter was settled between GPTL and Deep Chandra in full and final settlement. GPTL has claimed that the plaintiff is not entitled to any further compensation as no loss is suffered by him and therefore, the legal notice should be withdrawn.</p>

Source: Investment Manager

Appendix V – GPTL – Summary of Legal Notices (4/4)

Matter	Against	Details of the Case
Compensation for acquisition of land	GPTL	<p>Background of the case: Mahendra Singh has stated that he has received a notice served by GPTL for construction of Tower for the foundation. After receipt of notice, the Mahendra Singh is seeking some informations from the Chief Secretary Haryana about the compensation of the land of the owner which is to be used for this purpose. Thus, he has requested GPTL to stop the aforesaid work of constructing the foundation of towers till the date of receiving the informations.</p> <p>Current Status: GPTL has responded to the plaintiff. The draft reply it is stated that he has the right to make compensation against damages from the competent authorities in respect of laying down the electric line and has no right to make claim regarding land for construction of foundation. Thus, GPTL has advised the plaintiff to withdraw the legal notice and not take any action against the Company.</p>

Source: Investment Manager



 **IndiGrid**

**Investor Update
April 2020**

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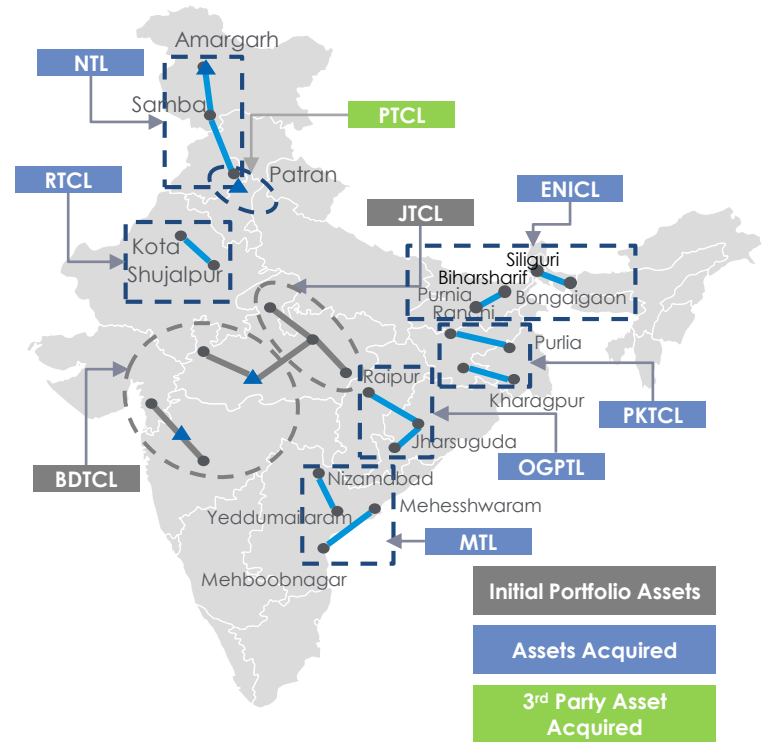
Investor Presentation

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1. Overview and Vision
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IndiGrid- India's Only Power Transmission Yield Platform

- ~INR 121 Bn* AUM + asset pipeline worth INR 65 Bn
- 20 Lines & 4 Substations across 13 States
- 5,800 ckms & 7,735 MVA capacity transmission network
- AAA Perpetual Ownership
- ~32 Years of Residual Contract Life#



*based on independent valuation report as of September 30, 2019 for all assets and as of December 31, 2019 for ENICL
 #Remaining TSA contractual life of 32 years, except ENICL which has a residual life of ~15 years (ENICL has a 25 year TSA period). However, the projects are on BOOM model with perpetual ownership of IndiGrid
 Ckms = Circuit Kilometres; MVA = Mega Volt Ampere



IndiGrid Vision

To become the most admired yield vehicle in Asia which is built upon solid fundamentals of transparency, governance & providing superior risk-adjusted returns to unitholders

**INR 300 BN
AUM by 2022**

**Deliver
predictable
DPU and
growth**

**Best-in-class
corporate
governance**

Business Update

Business Update

- Closed ENICL acquisition worth ~ INR 1,020 Cr amidst lock-down
- Our business model is robust: availability-based revenue – independent of quantum of power flow
- Transmission is declared as **Essential service** By the government; hence no restriction for maintenance teams on local travel
- No moratorium on transmission charges – CERC has issued a notification for reduction in Late Payment Charges (LPS) 1.0% per month vs 1.5% earlier, for any delay in payment by the Discoms between 24th Mar-20 and 30th June-20; From 1st July, LPS will increase to 1.5%
- Ministry of power also mentioned that efforts are made to inject liquidity in the sector

Financial Update

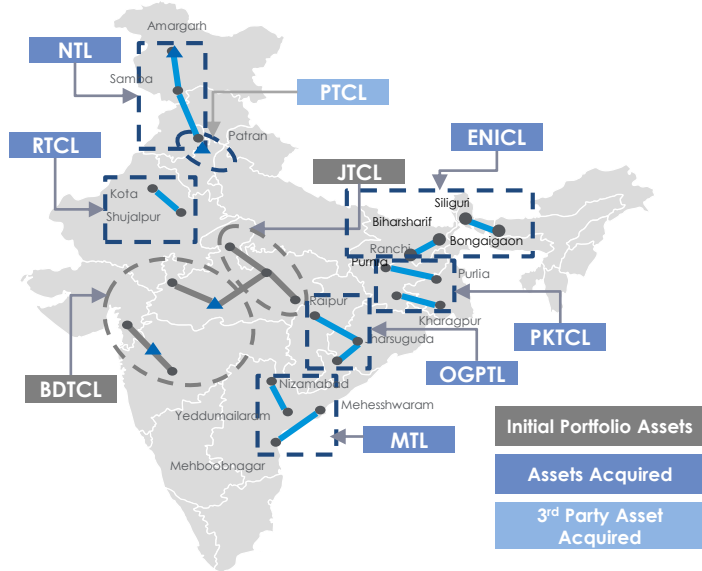
- Operating Performance in line with Expectations – Availability - > 99.5%
- Financial Performance*:
 - Q4 FY20 collections in line with historical trends – **108%** of quarterly revenue
 - Q4 FY20 revenue of ~ INR 328 Cr
 - Consolidated Cash Generation in Q4 FY20 **INR >200 Cr** on account of acquisitions and strong collections
 - Closing cash balance of INR 475 Cr post meeting all financial obligations
 - Net Debt / AUM at 49%

**M&A
Update**



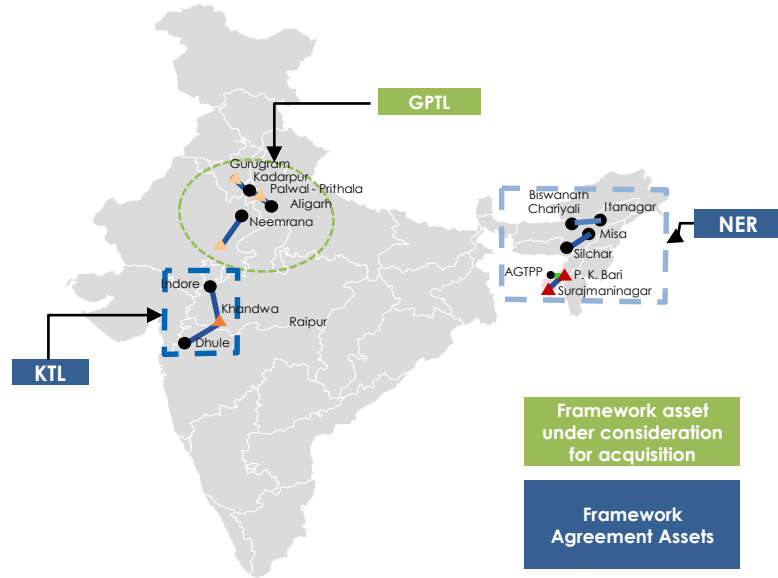
Visibility of Large Asset Pipeline for Growth in Transmission

Existing Portfolio



- 20 lines – 5,800 circuit km
- 4 sub-stations – 7,735 MVA
- 13 States
- AUM of INR 121 Billion

Future Pipeline



- 14 lines – 1,700 circuit km
- 6 sub-stations – 7,260 MVA
- 6 States
- AUM of ~INR 65 Billion

ENICL: Acquired on March 23, 2020

- 400 KV D/C Line in the Bihar, West Bengal and Assam with ~900 ckms length
- Part of the Inter State Transmission System and tariff is received from Point of Connection method as per CERC regulation
- Part of the Right of First Offer (ROFO) Deed executed with Sterlite Power
- No dilution; acquired with available preferential issue funds, debt headroom and internal accruals
- **Acquisition Details**
 - Asset acquired on March 23, 2020
 - Enterprise Value of INR 10.20 billion
 - ~10% discount to FMV of INR 11.35 billion
 - Upon acquisition, net debt/AUM is ~49%
- Raised INR 9 bn from Axis Bank at competitive rate (~8.1% coupon) in tough market conditions
- 100% unitholder approval for the transaction
- Transaction consummated within the Q4 FY20 timeline, post receipt of regulatory approvals and completion of Conditions Precedent

- Remaining TSA term of ~15 years with likely extension of 10 years
- **Long Usable Life** of ~50 years from COD; as per technical assessment. Provision to extend the tariff contract beyond TSA period (all subsequent projects already bid at 35 years TSA life)
- **Metal Quantity:** Steel: ~37,832 MT; Aluminium : ~15,730 MT

FY	Average line availability	Revenue (in millions)	EBITDA (in millions)
FY15	99.05%	945	876
FY16	99.60%	1,402	1,281
FY17*	99.61%	1,397	1,299
FY18	99.76%	1,624	1,541
FY19*	99.77%	1,475	1,273
FY20#	99.43%	1,496	1,318

GPTL: Acquisition Approved by Board

Gurgaon Palwal Transmission Limited (GPTL)

Overview	<ul style="list-style-type: none"> Project awarded on Build Own Operate Maintain ("BOOM") basis by MOP TSA Date: March 04, 2016 Grant of transmission license: September 29, 2016 (valid for 25 years) Commissioned element wise from February 2019 – April 2020
Description	<ul style="list-style-type: none"> Project comprises of 9 tariff generating elements, spread across: <ul style="list-style-type: none"> ~270 ckms of transmission line from Aligarh to Prithala and Neemrana to Dhanonda 3 substations with 2 x 500 MVA transformation capacity Project is critical for meeting load demand of new Gurugram sectors and upcoming development region under Prithala development plan

Lines / Substation	Specifications	Length Ckms	Location	Commissioning Status
Aligarh – Prithala	400 kV D/C HTLS line	99	UP, Haryana	Commissioned
Prithala – Kadarapur	400 kV D/C HTLS line	55	Haryana	
Kadarapur-Sohna Road	400 kV D/C HTLS line	22	Haryana	
LILO of Gurgaon Manesar	400 kV D/C Quad line	2	Haryana	
Neemrana – Dhananda	400 kV D/C HTLS line	93	Haryana, Rajasthan	
Kadarapur S/s	400/220 kV, 2 x 500 MVA	-	Haryana	
Prithala S/s	400/220 kV, 2 x 500 MVA	-	Haryana	
Dhananda S/s	Two 400 kV line bays	-	Haryana	
Sohna S/s	400/220 kV, 2 x 500 MVA	-	Haryana	



Acquisition Details: GPTL

- 8th accretive acquisition since listing. Part of the Framework Agreement executed with Sterlite Power in April 2019
- No dilution; to be acquired with available preferential issue funds, debt headroom and internal accruals
- **Acquisition Details**
 - Enterprise Value of up to INR 10.8 billion on zero cash and normalized current assets
 - ~8% discount to FMV of INR 11.6 billion
 - EV subject to closing adjustments with respect to outstanding cash balance, net current assets and cost of debt
 - Upon acquisition, net debt/AUM to be approximately 53%, but substantially lower than 70% debt limit
 - NDCF accretion of ~INR 35 – 40 Cr per year
- Transaction targeted to be consummated by Q1 FY21 post receipt of regulatory approvals and completion of Conditions Precedent
- Board approval received; Postal ballot approval expected by May 10, 2020

- Remaining TSA term of ~34.5 years
- **Long Usable Life** of ~50 years from COD; as per technical assessment. Provision to extend the tariff contract beyond TSA period

FY	Average line availability	Revenue (in millions)	EBITDA (in millions)
FY20	99.54%	678*	631*
FY21	99.75%#	~1,490	~1340

Diversification Strategy

- With a successful three years track record of robust operations and acquisitions, the Board evaluated several avenues of growth for creating value for IndiGrid unit holders
- We focused on areas with adjacencies and a similar risk/return profile where IndiGrid would have a competitive advantage

Investment Rationale

- Larger and diversified pipeline of assets for IndiGrid to acquire accretive projects
- Maturing of Renewable Sector in India along with strong support from policy initiatives; strong growth drivers in place especially in Solar sector
- Attractive opportunity to acquire good quality projects with high predictability of cash flows from operational assets with long term contracts and good counterparties
- Adjacency with transmission, competitive advantage existing with IndiGrid on account of robust asset management practices, strong financial credentials and industry networks

IndiGrid Focus

- IndiGrid will focus on Solar projects with good quality plants, long contracts, strong PPA frameworks and financially strong counterparties like SECI, NTPC, GUVNL etc.
- Diversification strategy will be executed gradually, and transmission projects will remain 75% to 80%+ of IndiGrid portfolio over longer term
- Focus on adding projects which are accretive to IndiGrid cash flows without taking too much incremental risk
- Will focus on maintaining AAA rating

IndiGrid to Focus on Stable Solar Projects



Assets having Tier I Equipments

Counter Parties like SECI / NTPC / GUVNL

Long term PPAs – life of ~20+ years

Assets with good PPA framework

Utility Scale Solar: Matured Segment with Low Risk Profile

Technology

- Solar Equipment are standard with all manufacturers offering similar warranties. Significant decline in prices of solar panels resulted in grid parity vs other sources
- Meteorological data to do resource assessment has become more robust over years
- With 30 GW of operational capacity, detailed performance history of modules available in the country

Operations

- Inherently low risk in operating solar plants; modular in nature with no major equipment with motions
- Robust network of OEMs / O&M partners across the country due to large installed capacity
- Assets located in Solar Parks are further mitigated as govt. typically arranges for land and evacuation

Commercial

- Solar is the cheapest source of energy in the country today; prices in recent bids have stabilized
- Fee based model with central agencies acting as intermediaries increases the credit quality; certain SECI / NTPC assets have AA credit rating with relatively better cost of financing
- Market is consolidating with non-serious and smaller players exiting

Regulatory

- Supporting programs such as JNNISM, appointment of SECI as nodal agency ensure continuity of policy
- Payment Security Fund and Tripartite agreement etc. mitigate the potential working capital issues arising

Thank You

For Immediate Release

IndiGrid looks to acquire US\$ 140 Mn (INR 10.8 Bn) transmission project and also intends to add Solar energy in the portfolio

Key Highlights

- Board of the Investment Manager of IndiGrid has approved acquisition of Gurgaon Palwal Transmission Limited (“GPTL”) for up to INR 10.8 Bn (US\$ 140 Mn)
- GPTL acquisition to boost IndiGrid’s AUM by ~9% to ~ INR 133 Bn (US \$ 1.75 Bn)
- 8th accretive acquisition since listing, to add ~ INR 35-40 Cr of net distributable cash flow per year
- Board also approved amendment of Trust Deed to enable IndiGrid’s foray into Solar energy

Mumbai, Thursday, 9 April 2020: The Board of the Investment Manager of IndiGrid, India’s first InvIT in the power sector, has approved the acquisition of Gurgaon Palwal Transmission Limited (“GPTL”) from Sterlite Power, at a value of up to INR 10.8 Bn (US\$ 140 Mn). This acquisition would increase the AUM of IndiGrid by 10% to US \$ 1.75 Bn. IndiGrid’s portfolio will increase to ten power transmission projects with a total network of 25 power transmission lines and 7 substations that span across more than 6,080 circuit kilometres & 10,735 MVA across 15 Indian states post this acquisition.

GPTL is part of Inter State Transmission Scheme (ISTS) network and consists of three gas insulated substations (GIS) with a total transformation capacity of 3,000 MVA and ~ 270 circuit kilometers of 400 KV transmission lines spread across Uttar Pradesh, Haryana and Rajasthan. This project is built with substantial focus on environmental, social and governance (ESG) aspects. It is a strategic asset for ensuring reliable power supply in the region which may reduce the carbon emissions by reducing dependence on DG sets. The land requirement for this project is also substantially reduced with innovatively designed vertical GIS substation and monopole towers with micro-piling.

IndiGrid had signed a framework agreement in April 2019 with Sterlite Power for acquisition of GPTL upon commissioning. The acquisition, subject to unitholder’s approval and other customary closing adjustments, will be funded through internal accruals, proceeds from the preference issue done in May 2019 and new debt. The acquisition will be accretive to IndiGrid and will leave sufficient debt headroom, with net debt / AUM of approximately 53% post acquisition.

With a visibility of ~INR 180 Bn (~US\$2.5 Bn) assets under management over the next 15-18 months, IndiGrid remains suitably placed to diversify into other similar infrastructure asset class and further increase the returns for its unitholders without diluting the risk profile. IndiGrid intends to acquire solar projects with robust power purchase agreements, operational track record and financially strong counterparties / off-takers. In addition to long contract life and low risk cash flows, solar projects complement transmission portfolio with synergies on operations and regulatory establishments. With the



operational and financial synergies, such diversification will result in additional accretion for unitholders while maintaining AAA rated cash flows to unit-holders.

Commenting on the acquisition and the expansion strategy, Harsh Shah, Chief Executive Officer of IndiGrid, said “GPTL acquisition is in line with our strategy for acquiring transmission projects to grow returns for unitholders. Over last 12 months, we have raised ~INR 25.1 Bn (~US\$ 353 Mn) of capital via preference issue and acquired ~ INR 75 Bn (~ US\$ 1 Bn) worth of transmission assets. It underlines our ability to grow our portfolio consistently and execute our strategy of enhancing investor returns while maintaining a strong balance sheet.

We believe that solar energy sector in India has matured and our proposed diversification in solar energy projects would result in improved returns to unitholders. There is an attractive opportunity to aggregate good quality solar projects with operational track record for well capitalized platforms like IndiGrid. Solar project portfolio will remain a minor percentage of our sizable AUM and focused on strong counter parties like SECI / NTPC.”

Earlier in the year, IndiGrid raised INR Rs 25.1 Bn (US\$ 353 Mn) of capital by way of preferential issue which was subscribed by KKR and GIC amongst other marquee investors. It acquired NRSS XXIX and OGPTL projects from Sterlite Power for ~ INR 51 Bn (US\$ 718 Mn). In addition to that, it entered into an exclusive framework agreement with Sterlite Power to acquire three more projects worth ~ INR 65 Bn (~US\$865 Mn) as and when they are commissioned. KKR also acquired majority interest in the Investment Manager of IndiGrid. In Q4 FY 2019-20, IndiGrid successfully acquired another operational ROFO asset ENICL from Sterlite Power.

About IndiGrid:

IndiGrid [BSE: 540565 | NSE: INDIGRID] is the first Infrastructure Investment Trust (“InvIT”) in the Indian power sector. It owns nine operating projects consisting of 20 transmission lines with 5,800 circuit kms length and 4 substations with 7,735 MVA transformation capacity. IndiGrid has assets under management (AUM) worth INR 121 Bn (US\$ 1.6 Bn). IndiGrid is managed by Sterlite Investment Managers Limited which is majority owned by KKR.

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

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