

**Date: November 13, 2020****B S E Limited**Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai — 400 001

Security Code- 540565

**National Stock Exchange of India Ltd**Exchange Plaza, C/1, Block G,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai — 400 051

Symbol- INDIGRID

**Subject: Half-yearly Report of India Grid Trust as on September 30, 2020**

Dear Sir/ Madam,

Pursuant to Regulation 23 of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 read with all the Schedules and Circulars, as amended from time to time, please find attached Half-yearly Report along with Annexures of India Grid Trust as on September 30, 2020.

You are requested to take the same on record.

Thanking you,

**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

CC-

**Axis Trustee Services Limited**The Ruby, 2<sup>nd</sup> Floor, SW,  
29 Senapati Bapat Marg,  
Dadar West, Mumbai-400 028



# POWERING AHEAD



Semi Annual Report  
2020-21



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To view this report online,  
please visit:

<http://www.indigrid.co.in>



# POWERING AHEAD

*Indian Power sector is undergoing a transformation given increased focus on sustainability and accessibility. A large portion of the population has limited access to electricity because of inadequate power transmission and distribution infrastructure. India needs to have robust power transmission network to achieve its target of "24x7" Power for All.*

## **Investing in sectoral growth**

India's tremendous growth in renewable energy capacity puts the nation on a clear and achievable path towards its renewable energy target of 450 gigawatts by 2030. A key pre-requisite to continuing India's renewable energy investment ambitions is the need to concurrently build out and modernise India's national transmission grid, accelerating the enormous progress achieved over the last decade. This is expected to entail huge investment by the private sector in the growth of the Indian transmission network.

## **Enabling inclusive ownership of national power resources**

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

power infrastructure in India. With the recent reforms enabling wider ownership of InvITs, we are proud to enable ownership of Indian power resources to a much wider investor base across the country. While our asset management team is focussed on enabling 24x7 power access across 14 states and 1 union territory in India, we remain committed to ensuring highest standards of corporate governance and unlocking value for our unitholders in the long term. As India gears towards embracing green energy, we look forward to enabling ownership of renewable energy assets under IndiGrid, in line with our vision and mission of becoming the most admired yield vehicle in Asia.

## **Powering ahead**

Three years ago, we embarked on our growth journey, built upon solid fundamentals of transparency, governance and providing superior risk-adjusted returns to unitholders. Over the last three years, we have engaged actively with all our stakeholders,

enabling more than three-fold growth in our assets under management. Our sustained distribution track record is a testimony to our strong fundamentals, and our growth is a testimony to the huge potential of Indian infrastructure sector. We remain extremely optimistic of India's prospects, with infrastructure growth leading the way. We remain confident that while the national infrastructure and power sector in particular continues to grow, IndiGrid will continue to power ahead.



# MESSAGE TO UNITHOLDERS



*Since listing, our assets under management (AUM) have increased more than threefold from INR 37 bn to INR 139 bn on back of accretive acquisitions, resulting in over 60% compounded annual growth in the operating profits and cash flow during the period.*

**Harsh Shah**  
Chief Executive Officer

## Dear Unitholders,

I thank you for your continued support as a unitholder and am happy to share with you, our resilient performance in what has undoubtedly been a challenging first half of the financial year 2021. Despite operational challenges, IndiGrid reported 29% growth in revenue and 33% growth in cash flows during the period on the back of accretive acquisitions and its operational prowess.

While the COVID-19 pandemic continues to be a clear and present crisis, most of humankind is learning to live with it by taking adequate precautions. Working from home, social distancing and a digital approach to most things in life, is the new normal for most of us. As a responsible organization, we are looking at constructive ways and means of dealing with the situation, taking care of all our employees & stakeholders while working tirelessly to maintain uninterrupted power supply in these tough circumstances.

The lockdown announced by the Central and State Governments was gradually eased in the first quarter of FY21 with some industrial and

commercial establishments restarting operations. Though IndiGrid's revenue is linked to the availability of grid and not actual electricity consumption, resumption of the industrial activity was a strong positive for the power generation sector given that these segments constitute about 40% of the overall power demand. With industrial activity beginning to pick up in the second quarter, demand for electricity and its transmission too began assuming normalcy. Household electricity consumption continued to be higher than normal, with a large part of the service-workforce continuing to operate out of their homes. As a result, there was no material impact of power demand due to the lockdown.

IndiGrid, in H1FY21, ensured consistent average availability of more than 99.5% across its asset portfolio with steady revenues. Our collections continue to be on track post lockdown, with Q2 FY21 collections at 113% with average DSO days dipping to around 80 at the end of Q2 FY21.

IndiGrid and especially its asset management teams have continued its focused approach during this period and have been instrumental in ensuring safe operations of the asset portfolio and the national grid without disruption. Our focus remains on maintaining the highest levels of availability while keeping a keen eye on opportunities to grow the underlying asset portfolio.

IndiGrid's strong balance sheet, prudent asset management and operational excellence are underscored during a global crisis like the COVID-19 pandemic. These strengths, combined with AAA-rated cash flows and focus on accretive acquisitions, have allowed IndiGrid to underpin its goal of sustainably and responsibly growing returns for its investors despite the volatility of capital markets.

During the period under review, we have also made significant strides in promoting inclusive safety and health awareness amongst our stakeholders and support adjoining communities. IndiGrid, through its comprehensive ESG and ESMS Framework, is fully committed to ensuring responsible growth & making a difference to all its stakeholders and the environment and society at large. This is a step forward in realizing our vision of being the most admired yield vehicle in Asia.

### Resilient growth

The pandemic, lockdown and work from home notwithstanding; growing our portfolio and maintaining the underlying portfolio to the highest standards of reliability, especially in this volatile period continues to be our key focus area.

Our business has been built on solid fundamentals of transparency, governance and providing superior risk-adjusted returns to our unitholders. We concentrated on these over the last fourteen quarters since our listing, and have made remarkable progress on all fronts – regulatory engagement, robust asset management, sustained portfolio expansion, superior returns and sound financial performance.

The biggest goal, however, is to provide an inclusive ownership of India's power resources to a much larger investor base. Ensuring a strong and robust corporate governance is a key tenet for inclusive ownership and forms the cornerstone of our unique platform.

During the short span of three years, IndiGrid has aptly demonstrated its ability to adapt, and generate healthy returns for its investors. Since listing, our assets under management (AUM)

have increased more than threefold from INR 37 billion to INR 139 billion on back of accretive acquisitions, that resulted in over 60% compounded annual growth in the operating profits and cash flow. What started out as a seedling of just two power transmission projects covering 1,930 circuit kilometers at the time of its inception, IndiGrid's asset portfolio has now branched out to 11 power transmission projects with a total network length of 6,280 circuit kilometers and 11,460 MVA transformation capacity spanning across 14 states and 1 union territory in India. This transformational journey of IndiGrid has only, gained pace, in FY21.

### H1 FY21 in brief

The first half of the financial year has been marked by many key transformations, creating a launchpad to leapfrog our growth story. In September this year, the unitholders approved the induction of Esoteric II Pte. Ltd., (an affiliate of KKR) as a sponsor (as defined under the InvIT Regulations) with a special majority (> 75% voting). This move marked an extension of IndiGrid's strategic relationship with KKR and underscores IndiGrid as a compelling investment opportunity for long-term investors. KKR is a leading global investment firm with over 44 years of experience and USD 222 billion of assets under management as of June 30, 2020. KKR had earlier invested INR 10,840 million in the platform through a preferential equity issue in May 2019 and currently owns ~23% stake in IndiGrid. Separately, KKR also owns 60% stake in Sterlite Investment Managers Limited (SIML), the investment manager of IndiGrid.

We believe that KKR's induction as a sponsor will expand our access to long-term capital and allow us to leverage KKR's global experience of investment management. Most importantly, it will give us visibility and the requisite investor support to accelerate our growth trajectory. These developments, in addition to the strong fundamentals and performance of the business has helped our market capitalisation to more than double since listing.

In terms of financial performance for the first half of the current financial year, the revenue and EBITDA numbers stood at ~INR 7,450 million and ~INR 6,680 million, registering YoY growth of 29% and 26%, respectively. EBITDA margins were robust at 90.7%, underlying the strong fundamentals of the business. The net distributable cash flow also registered a healthy growth of 34% at ~INR 4,180 million in H1 FY21.

On the distribution front, our asset acquisitions have enabled us to successfully distribute returns for 14 straight quarters, including a pay-out of INR 3.00 per unit in Q1FY21 and Q2FY21 each, despite COVID-19 related uncertainties. This aggregated to a total of INR 39.56 per unit to our unitholders over the last three and a half years or a 42% absolute return since the IPO (total return from listing to 30th September 2020) making IndiGrid one of the most attractive yield platforms in India.

### Focused acquisition strategy

Our acquisition strategy continues to focus on accretive acquisitions to provide superior risk-adjusted predictable returns to our investors and for that we continue to look at long-term, stable cash flow and minimal

*As a responsible organization, we are looking at constructive ways and means of dealing with the COVID-19 pandemic, taking care of all our employees & stakeholders while working tirelessly to maintain uninterrupted power supply in these tough circumstances.*



counterparty risk projects for acquisitions.

During the first half of this financial year, we completed two acquisitions with assets aggregating to nearly INR 14 billion. We completed the acquisition of Gurgaon Palwal Transmission Limited (“GPTL”) for around INR 10.8 billion and Jhajjar KT Transco Private Limited (“JKTPL”) for around INR 3.10 Bn. While GPTL is a strategic asset for ensuring reliable power supply in the adjoining areas, JKTPL acquisition marks completion of the second third-party acquisition for IndiGrid. These assets will add an incremental ~480 ckm and ~3,830 MVA to our transmission

network and our AUM stands increased to over INR 139 billion post these acquisitions. The completion of these transactions despite the lockdown is a testament to our commitment to increase unitholder value on an ongoing basis.

Going forward, on back of the third-party acquisitions and framework agreement with Sterlite Power worth INR 55 Bn, we are on track to achieve an AUM of INR 180 billion over the next 6-12 months. We remain fully capitalized to consummate the prospective acquisitions in the proposed time frame.

### Exploring solar

As a part of our growth strategy, we continue to explore solar power assets, in line with our strategy of growth through diversification. This is expected to be substantially yield-accretive, and is likely to provide predictable annuity tariff streams and growing returns to our investors, besides having good synergies with our business model.

Our plan continues to be exploration of utility-scale solar, a matured segment with a low-risk profile. Our continued focus will be on accretive acquisition of stable solar projects, with long-term stable cash flows, good quality plants, long contracts, strong PPA frameworks and financially strong and highly creditworthy counterparties.

### The right regulatory push

InvITs being a relatively new product, is still evolving wherein the regulators and industry participants alike are trying to make it more robust and investor-friendly. The Securities and Exchanges Board of India (SEBI) continues to timely modify the regulations in order to help bring in parity with listed companies, especially in terms of fund-raising.

In the past two quarters, SEBI allowed induction of a new Sponsor and/or change in control of the existing Sponsors with or without the exit of an existing Sponsor. Further, to ease the exit of an existing Sponsor, new clauses for de-classification of the status of a Sponsor have been incorporated. The amendment also permitted unitholders other than the Sponsor and/or its associates, to own more than 25% of the listed units of a InvIT. With respect to fund-raising during COVID-19 period, SEBI has granted certain relaxations such as reducing time gap between two institutional placements from six months to two weeks; and eased the preferential pricing norms.

On the whole, these incremental amendments, coupled with earlier amendments (in 2019) with respect to the reduction in minimum lot size from 0.5 million to INR 0.1 million to enable larger retail participation as well as liquidity in trading of InvIT units and increase in leverage limits for an InvIT,



## *Going forward, with planned acquisition pipeline of Framework assets, systematic and gradual diversification into renewables and KKR's investment expertise, we intend to accelerate our momentum of growing the underlying portfolio to enhance unit-holder returns.*

augurs well for both fund-raising, as well as expanding our unitholders base.

The key is to ensure that InvITs have access to diverse and low cost sources of capital. While being a AAA entity enables us to be creditworthy for such capital, regulatory support is needed to enable lending by domestic insurance and pension funds as well as allowing overseas lending to InvITs.

InvITs are a clear answer to recycling much needed capital for infrastructure development in India. A low risk operating framework with professional management has only bode well for achieving this goal via InvITs. An enabling regulatory framework is the need of the current times for propelling InvITs to the forefront of this much needed infrastructure development in India.

This will not only ensure that long term foreign capital continues to be invested in India, it will also help maintain the pace of such infrastructure development in the country.

We continue to actively engage with the regulatory bodies, especially SEBI, the Reserve Bank of India and the Ministry of Finance and thank them for their continued interest in deepening the market for InvITs through structural and procedural reforms.

### **Future outlook**

We see an immense opportunity for IndiGrid, both in the near term as well as the long term. With the Government's stated goal of achieving a GDP of USD 5 trillion by FY 2024-25, India needs to spend about USD 1.4 trillion or INR 105 trillion over the

next five years on infrastructure. The traditional financial institutions, i.e. Banks and Non-banking Financial Institutions, are already facing challenges of asset-liability mismatches and bad loans, and hence cannot be solely relied upon for this investment.

Further, infrastructure developers continue to seek monetisation of their operational assets efficiently so that they can churn and redeploy the capital into construction of new assets. IndiGrid, being the first power InvIT, is well positioned to seize this massive potential opportunity. We remain well capitalised, and with KKR's investment expertise, we intend to accelerate our momentum of growing the underlying portfolio to enhance unit-holder returns. The planned acquisition pipeline of Framework assets, systematic and gradual diversification into renewables and deepening investor base on equity and debt side places IndiGrid in a steadfast position despite external challenges.

With planned acquisitions and well capitalised balance-sheet, we have a strong visibility of an asset portfolio of about INR 180 billion over the next 6-12 months, which is more than fivefold our AUM size at the time of listing.

While we continue to focus on providing superior risk-adjusted returns to our stake holders, we are mindful of the need to maintain transparency and highest standards of governance and build IndiGrid as a platform to target significant future growth opportunities. The past six months have been pivotal and going forward, we look forward to

ensuring responsible growth, making a difference to all our stakeholders and the environment and society at large.

It gives me immense pride that we continue to evolve and follow our own Environmental, Social & Governance (ESG) framework and positively impact the society at large around us.

Lastly, we thank you for your unflinching trust in these challenging times and we are proud to be associated with you in this journey as we pursue the creation of long-term value for all our stakeholders.

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

### **HARSH SHAH**

Chief Executive Officer





# INDIGRID AT A GLANCE

## Our Vision

To become the most admired yield vehicle in Asia

## Our Mission

- ▶ **INR 300 billion by 2022**
- ▶ **Predictable DPU and growth**
- ▶ **Best in class corporate governance**

**INR 139 billion\***  
Total Assets Under Management\*

~ **INR 55 billion\***  
Pipeline for future acquisition  
(under Framework Agreement)

**14 states & 1 Union Territory**  
Presence across India

**AAA#** rated  
Perpetual Ownership

**28** Transmission Lines  
**~6,280** Circuit Kms  
Total Length Network

~ **32** Years  
Average Residual Years  
of Contract Life

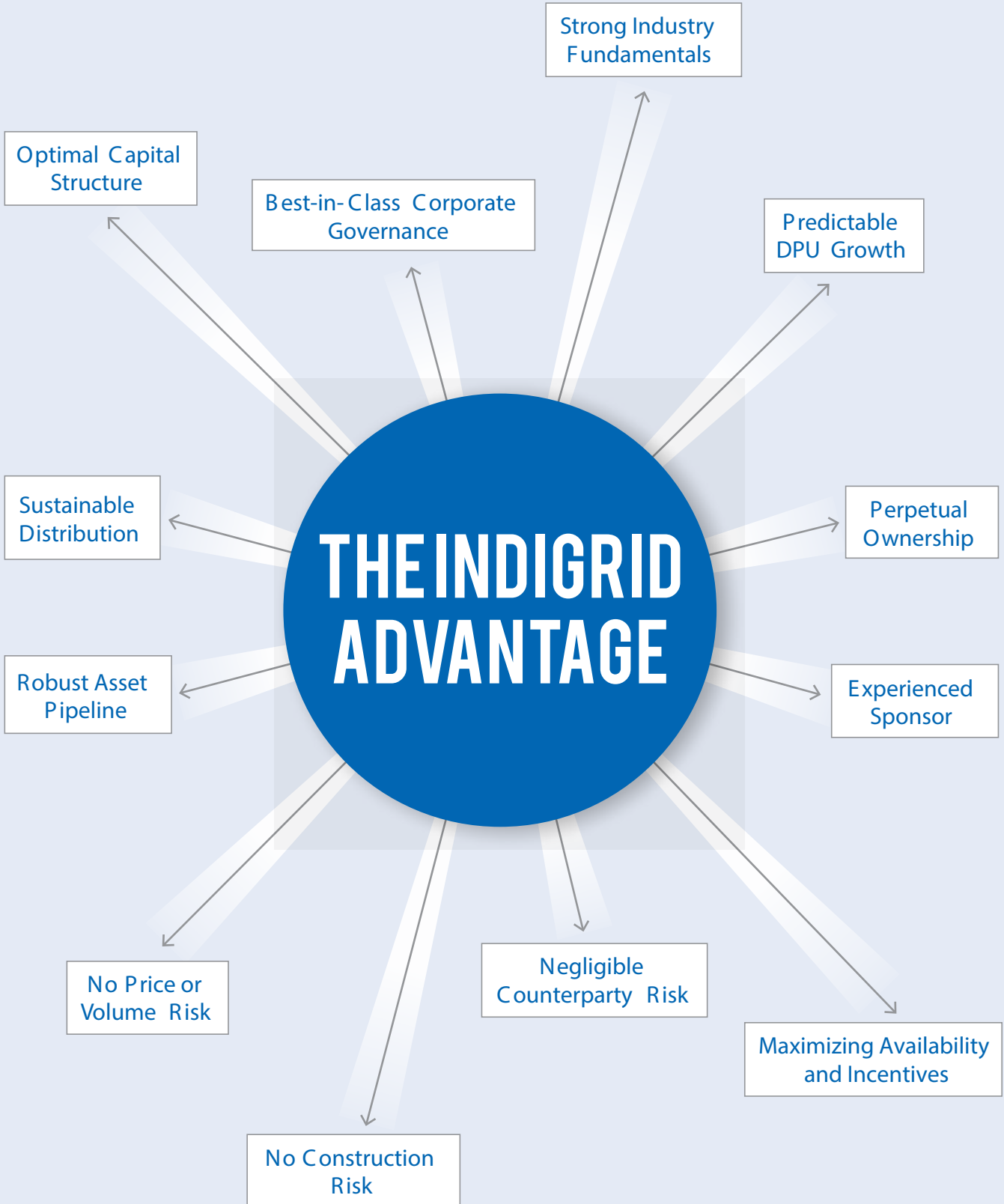
**9** Substations  
**11,460** MVA  
Total Transformation Capacity

**INR 16.6 billion**  
Total distribution to  
Unitholders till date

**Note:**

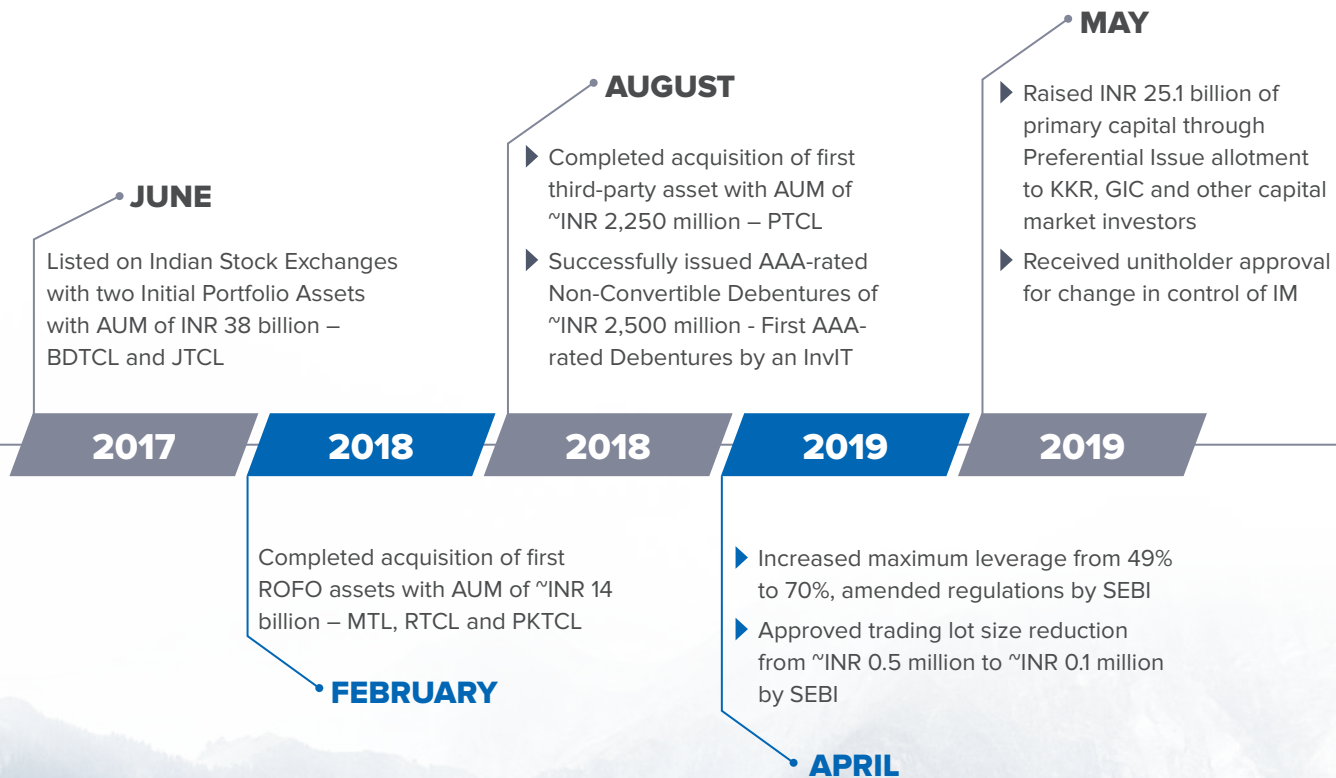
\*Based on independent valuation report for September 2020

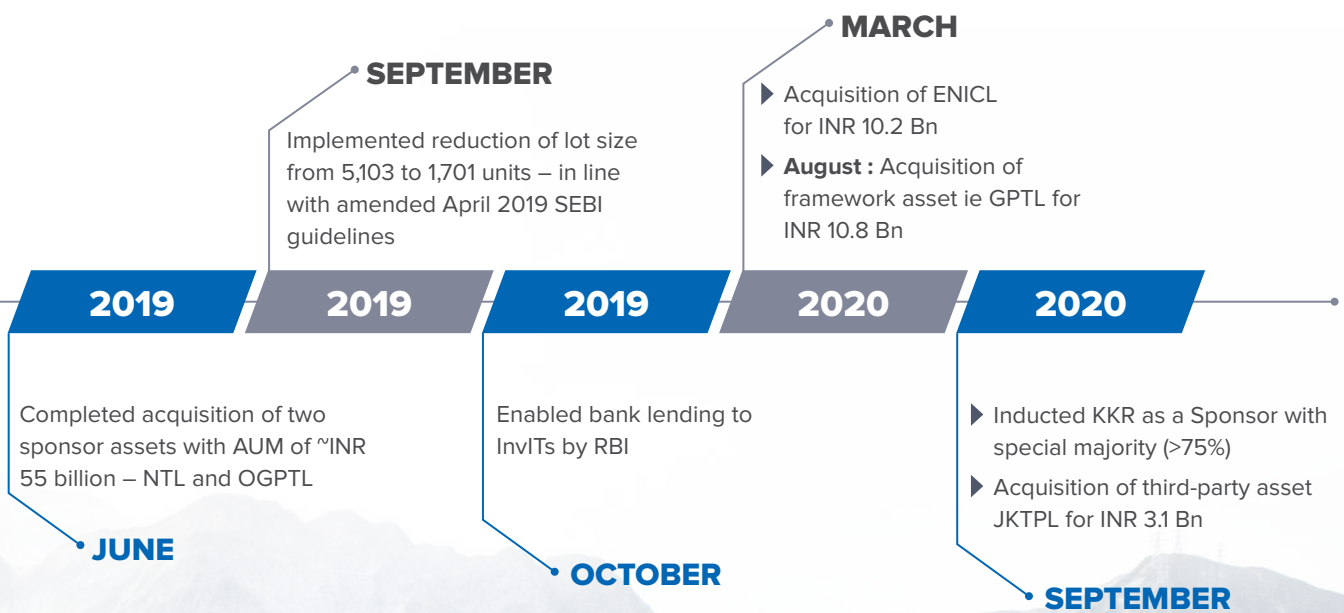
#Remaining TSA contractual life of 32 years. However, the projects are on BOOM model with perpetual ownership of IndiGrid; ENICL has a TSA term of 25 years from the Licence Date





# THE JOURNEY OF INDIGRID







# ROBUST PERFORMANCE TRACK RECORD

## Delivering on our Commitments

### Operations

Availability above norms with maximised incentives

### Equity Fund Raise

First ever follow-on equity fund raise by an InvIT# of INR 25.1 billion

### Acquisitions

Track record of nine accretive acquisitions since listing; over INR 25 Bn in 2020 (till Sep)

### Distribution

INR 39.56/unit amounting to ~INR 16.61 billion distributed to investors since listing

### Total Returns

Superior returns compared to equity indices and comparable investments at 42%\*

#### Note:

# Fund raise completed in the first week of May 2019

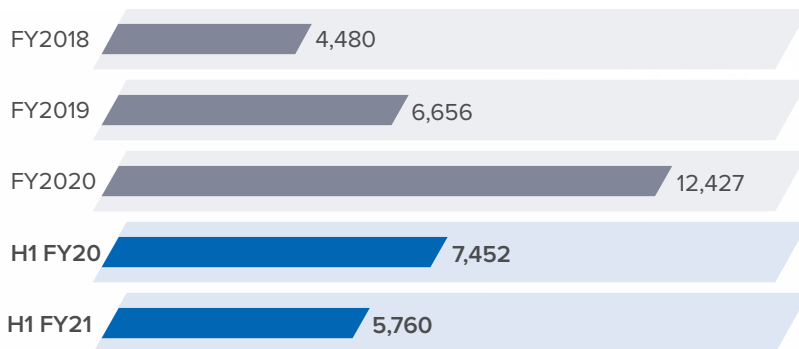
\* Based on NSE closing price of IndiGrid at INR 105.62 as on Sep 30, 2020 from issue price of INR 100 (includes distributions)



# KEY PERFORMANCE HIGHLIGHTS

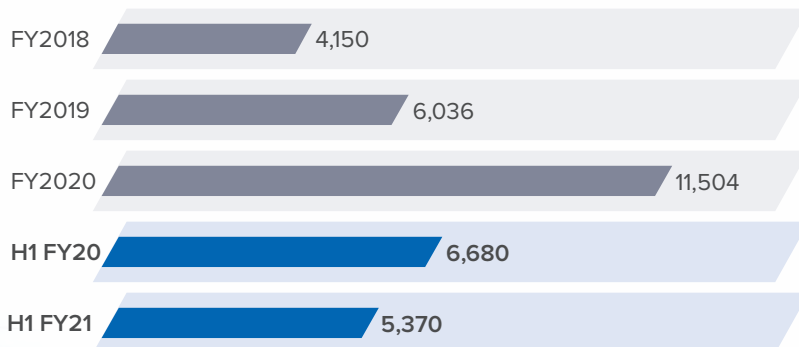
## CONSOLIDATED REVENUE

(INR million)



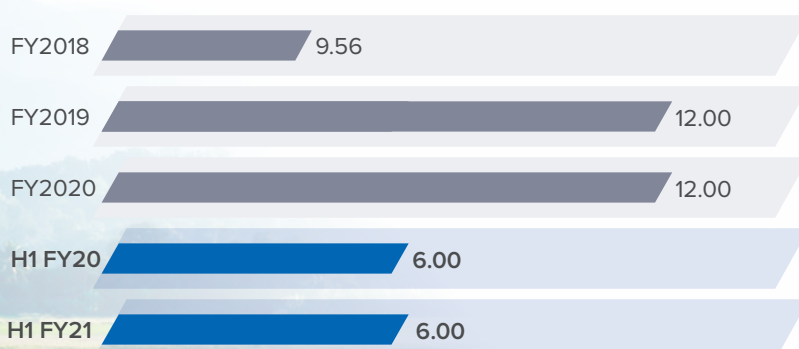
## CONSOLIDATED EBITDA

(INR million)



## CONSOLIDATED DPU

(INR Per Unit)



>99.5%

Average Availability of Portfolio Assets

~54%

Net Debt to AUM Ratio

Acquisition of Three  
**Assets** worth

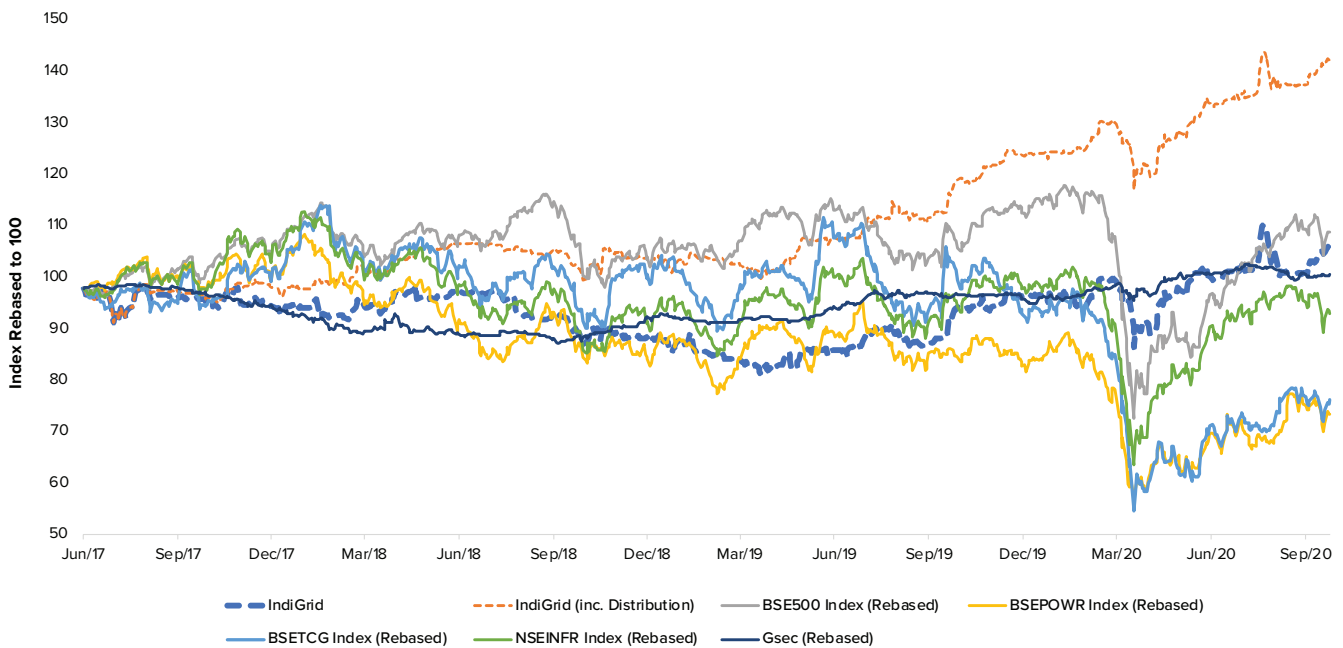
INR **25** billion completed  
in 2020 (till Sep)

EBITDA and NDCF CAGR of

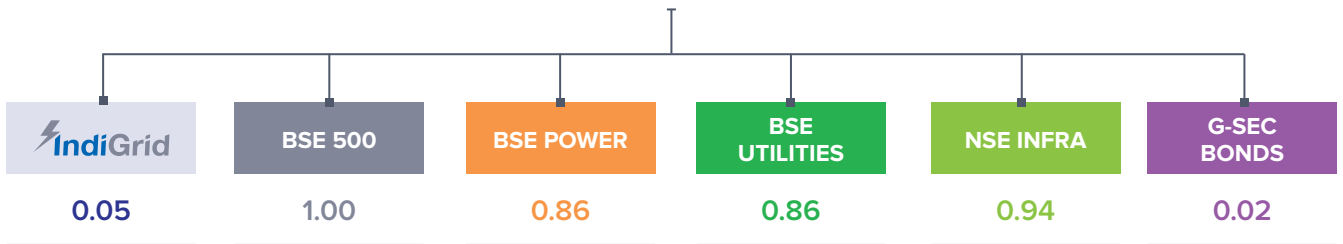
>60% over last three  
years

# SUPERIOR RISK ADJUSTED RETURNS

## Beta Since Listing: IndiGrid vs Key Indices



### BETA\* AS COMPARED TO NSE 500



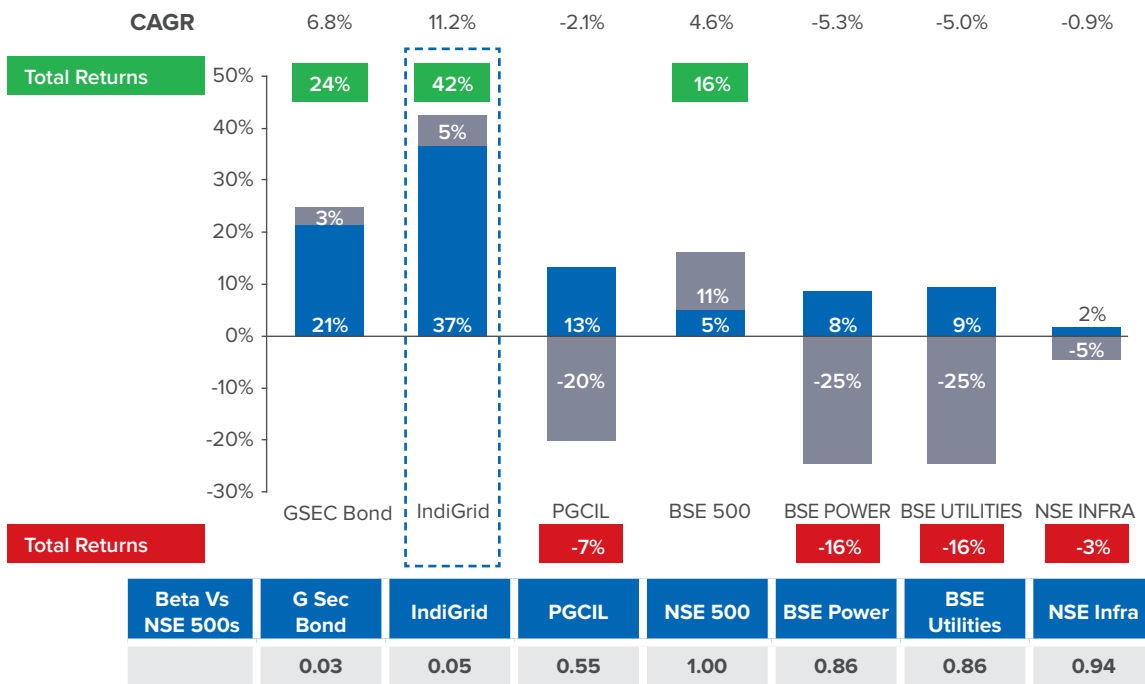
\*Beta has been calculated since listing of IndiGrid since June 6, 2017 to September 30, 2020 on a weekly basis

**LOWER VOLATILITY**  
Lower beta compared to market

**QUARTERLY DISTRIBUTION AMIDST MARKET VOLATILITY**

## Total Returns since IPO

Superior risk adjusted returns compared to equity indices and comparable instruments



Total Return chart is from June 6, 2017 to Sep 30, 2020

### TOTAL RETURN

Superior returns compared to equity indices and comparable instruments

### DPU YIELD OF 12%

On VWAP trading price of INR 100.43\* per unit during H1 FY21

\*NSE VWAP during April 1, during April 1, 2020 to Sep 30, 2020





# READY FOR THE FUTURE

## H1 FY21- On Growth Path

### Portfolio Growth

- ▶ Completed acquisition of Framework Asset ie Gurgaon Palwal Transmission Limited (“GPTL”) for up to INR 10.8 Bn
- ▶ Completed acquisition of second third party asset ie Jhajjar KT Transco Private Limited (“JKTPL”) for ~INR 3.10 Bn
- ▶ AUM increased to over INR 139 Bn post these acquisitions
- ▶ Additional pipeline of INR 55 billion secured for further growth

### Sponsor Induction

- ▶ KKR inducted as a sponsor with special majority (>75%)
- ▶ ~ 60% owned by FIIs including KKR and GIC
- ▶ Over 20% owned by DIIs including 8 insurance companies, 4 mutual funds and 3 Employee Pension Fund
- ▶ KKR owns majority interest (60%) in the Investment Manager

### COVID-19 Update

- ▶ Transmission tariffs de-linked to actual power flow and only based on availability of transmission elements
- ▶ No material impact of power demand slowdown on revenue by ensuring steady availability
- ▶ Ensured 100% compliance with Statutory Guidelines
- ▶ Collection on track post lockdown, Q2 FY21 collection at 113%

### Robust Asset Management

- ▶ >99.5% availability across portfolio
- ▶ 50+ operations team built across functions with focus on sustainable operations
- ▶ ESG initiatives under implementation
- ▶ Long-term reliability focussed asset management framework under implementation

### Regulatory Evolution

- ▶ Induction of new sponsor allowed; to enable any investors to own >25% shareholding
- ▶ Introduced Norms for de-classifying sponsors, to enable existing Sponsor who has no rights/role in the InvIT to exit post the 3-year lock-in period
- ▶ SEBI relaxes pricing and timing regulations for fund raise by InvITs

## The Future Beckons

### Portfolio Growth

- ▶ Focus on diligence and monitoring of framework assets –KTL and NER
- ▶ Evaluate selective opportunities in Solar sector with central counter parties
- ▶ Create pipeline of transmission projects besides the existing pipeline of projects

### Maintaining Balance Sheet Strength

- ▶ Focus on maintaining adequate liquidity to mitigate current uncertainties and any unpredictable scenario
- ▶ Sufficient cash balance and working capital lines
- ▶ Look for diversifying debt sources and elongating tenures in incremental facilities and reducing cost of debt

### Robust Asset Management

- ▶ Focus on maintaining >99.5% availability across portfolio
- ▶ Investments in technology with respect to digital asset management, predictive analytics and emergency preparedness
- ▶ Increasing focus on ESG initiatives kicked off in FY20 for sustainability
- ▶ Ensuring world-class EHS and O&M practices across the portfolio

### Industry Stewardship

- ▶ Focus on increasing awareness about IndiGrid and InvITs
- ▶ Policy initiatives like enabling IRDAI & PFRDA to subscribe debt securities issued by InvITs and reduction in lot size to single unit at par with equity
- ▶ Work with regulators to expand capital sources for InvITs

### Superior Returns

Continue to grow total returns for unitholders

### Stable DPU

Increase / elongate DPU stream for unitholders

### Growth in NDCF

Coupled with growth in AUM; Look for both accretive acquisitions from Sponsor and from third parties





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## Corporate Overview

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# ABOUT INDIGRID

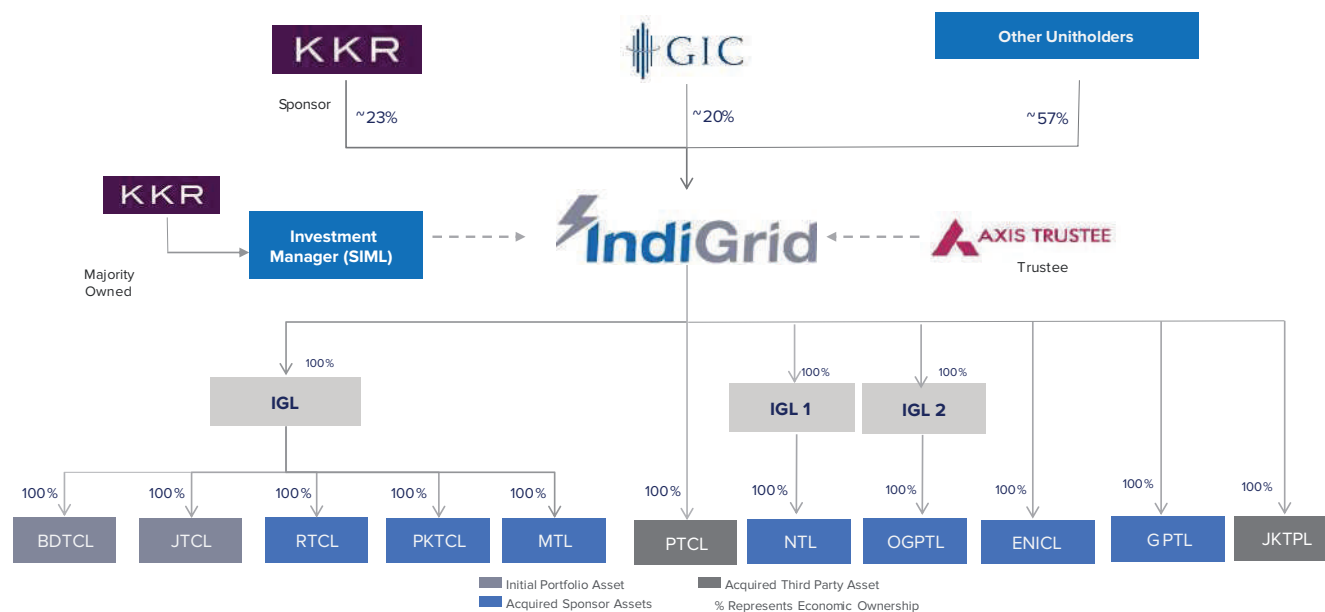
*Sponsored by KKR, IndiGrid is India's first power sector Infrastructure Investment Trust, owning AAA rated power transmission assets in India.*

IndiGrid has been established with an objective of providing stable and predictable returns to the unitholders by owning operational power transmission and solar energy assets

in India. As of September 30, 2020, it owns 11 operational power transmission projects spanning across 14 states and 1 union territory with INR 139 billion assets under management. Post the

fund raise in 2019, and the planned acquisition of the framework assets in the future, IndiGrid is set to increase the AUM to INR 180 billion over next 6-12 months.

## IndiGrid Corporate Structure



Sterlite Power Grid Ventures Limited (SPGVL) continues to be a sponsor with ~0.35% stake

IGL = IndiGrid Limited, IGL1 = IndiGrid 1 Limited, IGL2 = IndiGrid 2 Limited, BDTCL = Bhopal Dhule Transmission Company Limited, JTCL = Jabalpur Transmission Company Limited, RTCL = RAPP Transmission Company Limited, PKTCL = Purulia & Kharagpur Transmission Company Limited, MTL = Maheshwaram Transmission Limited, PTCL = Patran Transmission Company Limited, NTL = NRSS XXIX Transmission Limited, OGPTL = Odisha Generation Phase II Transmission Limited, ENICL = East-North Interconnection Company Limited, GPTL = Gurgaon Palwal Transmission Limited, JKTPL = Jhajjar KT Transco Private Limited

In the 3rd Annual General Meeting of IndiGrid held on September 28, 2020, the unitholders approved the induction of Esoteric II Pte. Ltd. (an affiliate of KKR) as a sponsor (as defined under the InvIT Regulations) with special majority (> 75% voting). This move marked an extension of IndiGrid's

strategic relationship with KKR and will expand IndiGrid's access to long-term capital.

KKR had invested INR 1,084 crores in IndiGrid in May 2019 and currently owns ~23% stake in the Trust. Separately, KKR also owns 60% stake

in Sterlite Investment Managers Limited (SIML), the investment manager of IndiGrid. The acquisition of another ~14% stake in SIML is planned by June 2021, taking KKR's total stake in SIML to ~74%.

# OUR KEY STAKEHOLDERS

## Investment Manager

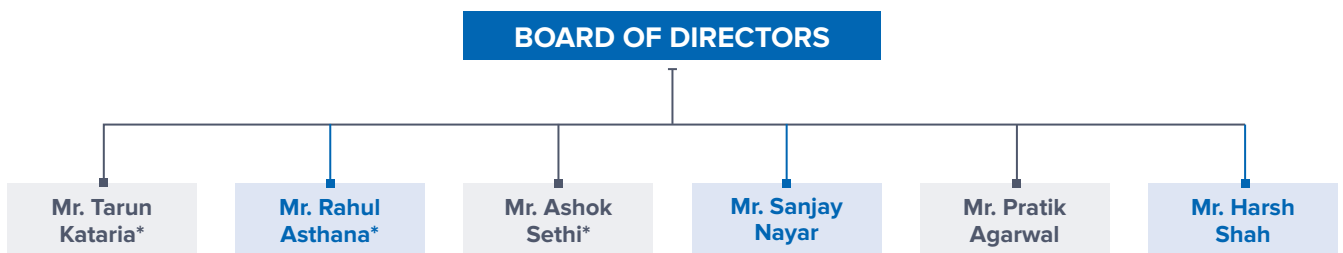
Sterlite Investment Managers Limited (SIML) is the Investment Manager for IndiGrid. The Investment Manager is responsible for the operations pertaining to the Trust, such as distribution of cash flows, acquisition/divestment of assets etc.

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

- ▶ Take all decisions in relation to the management and administration of IndiGrid's assets and the investments of IndiGrid
- ▶ Oversee the activities of the Project Manager in terms of the InvIT Regulations and Applicable Law
- ▶ Issue and allot Units, accept subscriptions to Units of IndiGrid and issue transfer and allot units to Unitholders or such other persons and undertake all related activities

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

KKR currently owns 60% stake in the IM. Going forward, it intends to acquire up to 74% by June 2021.



\*Independent Director

## Sponsor

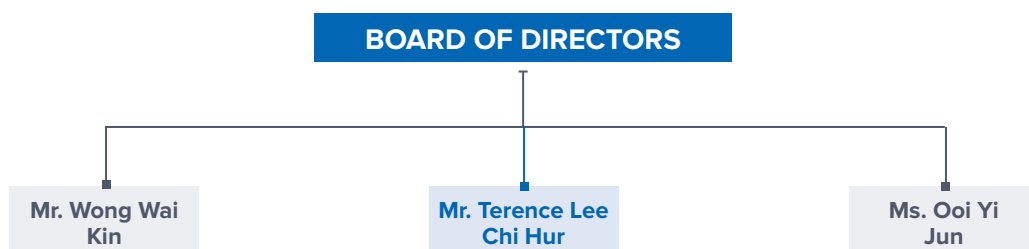
### 1. ESOTERIC II PTE. LTD

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expand IndiGrid's access to long-term capital. KKR's induction would allow the Trust to leverage KKR's global experience of investment management, along with enhancing its corporate governance standards in line with global standards.

KKR had invested INR 1,084 crores in IndiGrid in May 2019 and currently

owns an approximate 23% stake in the platform. Separately, KKR also owns a 60% stake in Sterlite Investment Managers Limited (SIML), the investment manager of IndiGrid. The acquisition of another approximately 14% stake in SIML is planned by June 2021, which would raise KKR's total stake in SIML to approximately 74%.





## KKR: LEADING GLOBAL INVESTMENT FIRM

- ▶ KKR is a leading global investment firm with over 44 years of experience and a strong track record of performance
- ▶ It manages multiple alternative asset classes, including private equity, credit, and real assets, with strategic partners that manage hedge funds
- ▶ It has USD 222 billion of AUM globally as of June 30, 2020, with offices in 20 cities across 4 continents
- ▶ Infrastructure is a core focus for KKR with ~USD 14.5 billion of assets under management as of June 30, 2020
- ▶ KKR established the Asia Pacific Infrastructure team to address the significant and growing infrastructure investment needs across the region

## KKR's STRATEGY TO INVEST IN INDIA

### Favourable Long-Term Outlook

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

### One of KKR's Core Markets

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

### Attractive Infrastructure Investment Destination

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

## KKR - ASIA PACIFIC INFRASTRUCTURE STRATEGY

### Play to KKR's Competitive Advantage

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

### Differentiated Investment Approach

- ▶ Track record of leveraging deep local relationships to generate proprietary deal flow
- ▶ Strong alignment of interest with KKR's investors

### Capital Protection with Participation in Growth

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

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

## KKR: BY THE NUMBERS

USD **222** billion

Assets under Management globally, as on June 30, 2020

**20**

Cities across 4 Continents where KKR delivers local expertise with a global perspective

**103**

Portfolio companies in private equity funds that generate ~USD 183 billion in annual revenues

**~70%**

Of private equity investments were secured on a limited process or proprietary basis

Over **40**

Investment funds raised since inception, including 21 private equity funds

**50** million

Retirees and pensioners with exposure to KKR's investments

**25.6%**

The cumulative gross IRR generated since 1976 (net IRR of 18.9%) by KKR's private equity funds with at least 24 months of activity prior to June 30, 2020, compared to just 11.7% achieved by the S&amp;P 500 index over the same period.

USD **20.9** billion

Invested in or committed by KKR in its own funds and portfolio companies alongside KKR's clients as of June 30, 2020

**7,53,000**

People employed worldwide in private equity, TMT growth equity, infrastructure, real estate, global impact, core, balance sheet/stakes, and special situations portfolio companies, as of December 31, 2018

Source: KKR website

## Sponsor

## 2. Sterlite Power Grid Ventures Limited (SPGVL)

SPGVL, IndiGrid's sponsor, is a leading global developer of power transmission infrastructure with extensive experience in developing projects spanning across India and Brazil. SPGVL has successfully developed projects (sold to IndiGrid, commissioned and under construction) of about 13,700 circuit kilometers and 26,100 MVA in India and Brazil.

With an industry-leading portfolio of power conductors, EHV cables and OPGW, Sterlite Power also offers

solutions for upgrading, uprating and strengthening existing networks. The company has set new benchmarks in the industry by use of cutting-edge technologies and innovative financing.

Of the 15 power transmission projects in India executed by Sterlite Power, 8 have been acquired by IndiGrid till date. SPGVL also has undertaken 10 transmission projects (of which 3 projects are sold) with a project cost of over INR 15516 crore under various stages of development in Brazil.

With its dedicated teams to ensure best-in-class designing, construction and maintenance of power transmission assets, coupled with the deployment of latest technologies, SPGVL has been able to improve efficiency and minimise the impact on the environment during the project construction period.

## BOARD OF DIRECTORS

Mr. Pravin  
AgarwalMr. Pratik  
AgarwalMr. A R  
NarayanaswamyMr. Arun  
TodarwalMs. Haixia  
Zhao



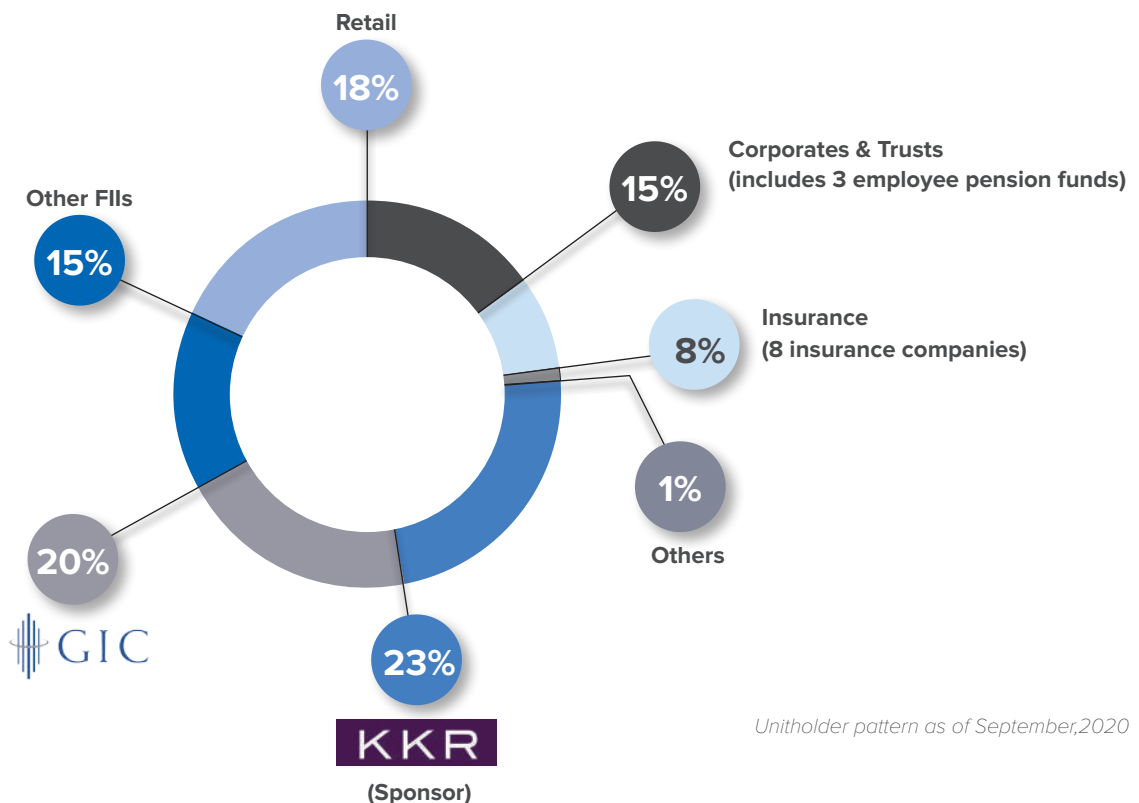
## Trustee

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



## Unitholders

As of September, 2020; total FII ownership (including sponsor) ownership in IndiGrid is at ~60%. KKR (Sponsor) owns 23%, GIC owns ~20% while the balance 17% is held by other marquee foreign investors. DII and corporates hold ~25% of the units which includes 8 insurance companies, 4 mutual funds and 3 employee pension funds. Retail holding as of September, 2020 is at 18%, an increase of more than 2 times in value since IPO.



Unitholder pattern as of September,2020

## Project Manager

Sterlite Power Grid Ventures Limited (SPGVL) also serves as the Project Manager for IndiGrid. SPGVL entered into the Project Implementation and Management Agreement with IndiGrid on November 10, 2016, to:

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

conditions set out in the Project Implementation and Management Agreement

SPGVL has a strong development and project management experience in the power transmission sector globally.





# OUR BOARD OF DIRECTORS



**Mr. Tarun Kataria**  
Independent Director

Mr. Kataria has over 30 years of rich experience in banking and capital markets, working across New York, Singapore, Hong Kong and Mumbai. He is an Independent Non-Executive Director of Mapletree Logistics Trust Management (Manager of Mapletree Logistics Trust). Previously, he was CEO of Religare Capital Markets Limited, Managing Director and Head of Global Banking and Markets at HSBC India and Vice Chairman of HSBC Securities and Capital Markets Private Limited. He has a Master's degree in Business Administration in Finance from the Wharton School of the University of Pennsylvania. He is also a Chartered Accountant.



**Mr. Rahul Asthana**  
Independent Director

Mr. Asthana is a retired IAS officer from the 1978 batch. He currently serves as an Independent Director at Mahindra Vehicles Manufacturers Limited, Aegis Logistics, NBS International and Mahindra Waste to Energy Solutions Ltd. He served as the Metropolitan Commissioner of MMRDA, Chairman of Mumbai Port Trust, Principal Secretary of the Department of Energy of the Government of Maharashtra. He holds a Bachelor's degree in Technology (Aeronautical) from the Indian Institute of Technology, Kanpur and a Master's degree in Business Administration in International Business from the ICPE University of Ljubljana, Slovenia.



**Mr. Ashok Sethi**  
Independent Director

Mr. Sethi has over four decades of experience in the power sector with significant knowledge in project execution, operations, commercial, regulatory, advocacy and policy making. A B.Tech from IIT Kharagpur, he also did advance management at Ashridge, UK. He currently serves as Non-Executive Chairman of Tata Consulting Engineers Limited. In his last executive role, he served as Chief Operating Officer and Executive Director of Tata Power (2014 to 2019). He was also the chairman of various subsidiary companies of Tata Power. He was awarded CBIP Award 2019 for 'Excellent Contribution in Power Sector



**Mr. Sanjay Nayar**  
Non-Executive Director

Mr. Nayar has about 34 years of experience and joined KKR in 2009 as a Member and CEO. Prior to joining KKR, he was CEO of Citigroup's Indian and South Asian operations and a member of Citigroup's Management Committee and Asia Executive Operating Committee. Mr. Nayar has a Bachelor's degree in Mechanical Engineering from Delhi University and is an MBA in Finance from the Indian Institute of Management, Ahmedabad.



**Mr. Pratik Agarwal**  
Non-Executive Director

Mr. Agarwal has extensive experience in building core infrastructure businesses in ports, power transmission and broadband. He has been instrumental in transforming the way infrastructure projects – especially power transmission – are built by deploying innovative technologies such as the LiDAR survey, drone-stringing and helicrane based construction. He is the chairman of CII core committee on Transmission, and also in the Advisory Board of India Brazil Chamber of Commerce (IBCC). He holds a Bachelor's degree from the Wharton Business School and a Master's degree in Business Administration from the London Business School.



**Mr. Harsh Shah**  
Chief Executive Officer & Whole-time Director

Mr. Shah has extensive experience in private equity financing, mergers and acquisitions, infrastructure financing, regulatory and macroeconomic policy issues with a focus on the infrastructure sector. Prior to joining IndiGrid, he was the Chief Financial Officer of Sterlite Power. He also worked with Sterlite Power, Larsen & Toubro Limited, L&T Infrastructure Finance Company Limited and Procter & Gamble International Operations Pte. Limited. He holds a Bachelor's degree in Electrical Engineering from the Nirma Institute of Technology, Gujarat University and a Masters' degree in Business Administration from the National University of Singapore.



# OUR MANAGEMENT TEAM



**Ms. Meghana Pandit**  
Head - M&A and Investor Relations

Ms. Pandit has over 15 years of experience in Investment Banking and Corporate Finance with specialisation across products including Private Equity, Equity Capital Markets and M&A. She has worked across the roads, airports, ports, power, renewable energy sectors at IDFC's investment banking division, raising capital through both private and public routes. Prior to IDFC, she worked with Deloitte and Essar Steel Limited in financial advisory practice and corporate finance teams, respectively. She holds an MBA degree from the Welingkar Institute of Management (Mumbai University) and has cleared all three levels of the CFA charter exam from CFA Institute USA.



**Mr. Jyoti Kumar Agarwal**  
Chief Financial Officer

Mr. Agarwal comes with a vast experience of nearly 20 years primarily in Banking and Infrastructure space where he has held senior level positions across a variety of functions. A commerce graduate from St. Xavier's College, Calcutta, he is also a qualified Chartered Accountant, CFA charter holder and MBA from IIM, Calcutta. He has experience in managing multi-dimensional responsibilities across Corporate Finance, Strategy, M&A, Treasury, Accounting, Tax, Commercial, Secretarial, Legal & Investor Relations functions



**Mr. Satish Talmale**  
Chief Operating Officer

Mr. Talmale has over 20 years of diversified experience across business transformation, portfolio risk management, project management, operations & maintenance services, with expertise in situational leadership and continuous improvements. Passionate about mentoring teams, he has previously worked as Services Director – SAARC, and Services Operations Leader – MEIA in Ingersoll Rand Compressor Technology business, as well as GE and L&T. At GE, he was responsible for managing wind asset portfolio across South Asia. He holds a Bachelor's degree in Mechanical Engineering from Govt. College of Engg, Amravati (MH), and has completed an Executive Program in Business Management from Indian Institute of Management – Calcutta.



**Ms. Divya Bedi Verma**  
Deputy CFO

Ms. Verma has over 20 years of experience in managing finance and operations reporting, strategic planning, managing compliances and change management. She has diverse experience across the manufacturing, publishing, real estate and infrastructure sectors and has worked with Sterlite Power, ATS Infrastructure, Elsevier India and Imaje India Dover Group in her previous roles. She holds a Bachelor's degree in Commerce from Delhi University and is a qualified Chartered Accountant.



**Mr. Bigyan Parija**  
Chief Design Officer

Mr. Parija has more than two decades of experience in the field of Design & Engineering, Project Management and Business Acquisition in the power transmission sector. Prior to joining IndiGrid, he was the Sr. Vice President - Design & Engineering of Sterlite Power. He also worked with Sterlite Power, KEC International Ltd., ICOMM Tele Ltd., Aster Tele Ltd. and Utkal Galvanizers Ltd. He holds a Bachelor's degree in Mechanical Engineering from Utkal University.



**Mr. Swapnil Patil**  
Company Secretary & Compliance Officer

Mr. Patil has over 10 years of experience in corporate, legal and secretarial functions involving mergers and acquisitions, private equity, corporate restructuring, governance, corporate codes and policies, and compliance management. He is a member of the Institute of Company Secretaries of India. He holds a Bachelor's degree in Commerce and a Master's degree in Law from University of Pune.



**Mr. Kundan Kishore**  
Head – Human Resources

Mr. Kishore has 11 years of HR business partnering experience in driving change through organizational effectiveness practices, driving cultural integration post M&A, talent acquisition and organizational transformation. He has diverse experience working with the leadership across corporate, manufacturing, sales, analytics, supply chain and product functions in driving their people agenda. He has previously worked with KEC International Ltd, Bennett Coleman & Co. Ltd and TransUnion CIBIL Ltd. He holds a Bachelor's degree in Electrical Engineering from Madhav Institute of Technology & Science, Gwalior and Post Graduate in Diploma in Human Resource from International Management Institute.

# INDIGRID STRATEGY

*IndiGrid's key strategies have been developed around few core pillars underpinning all the aspects of its business and intended to build a resilient and innovative organisation. IndiGrid's main objective is to continue to ensure a positive impact on India's power connectivity and infrastructure development while delivering superior risk-adjusted total returns to its unitholders.*

IndiGrid's resilient business model has enabled it to grow and provide superior risk-adjusted returns to unitholders. The Trust is enabling this by investing

in long-term stable cash-generating power transmission assets. IndiGrid's strategy is to achieve the stated objectives and ensure it is on a course

of long-term, profitable and responsible growth. IndiGrid's key strategies to achieve the stated objectives are build on the following few core pillars.

## FOCUSSED BUSINESS MODEL

### Long-Term AAA Rated Cash Flows

- ▶ Owns and operates commissioned power transmission assets with long-term contracts
- ▶ Pre-contracted availability-based tariffs, independent of the quantum of power transmitted through the lines High visibility of pre-contracted long-term tariff, assuring top line stability
- ▶ Typical contractual life of 25-35 years; actual technical life of more than 50 years. The counterparty risk is minimal due to the inherent tariff payment security mechanism, resulting in AAA-rated cash flows for IndiGrid and its unitholders.

### Low Risk Annuity Returns

- ▶ Currently operates transmission assets under low risk PoC mechanism
- ▶ Subject to unitholder approval, acquire annuity generating, low risk, AAA-rated long-term cash flow assets, in both transmission and solar sectors
- ▶ Underlying objective to retain risk profile of the existing portfolio, while expanding our asset base, and enhance unitholder returns while diversifying counterparty risks

## VALUE ACCRETIVE GROWTH

### Stabilising DPU

- ▶ With planned acquisition pipeline, well positioned to deliver INR 12 DPU for at least next 10 years
- ▶ Look for value-accretive acquisitions aimed to stabilise and grow DPU

### Maximising Total Returns

- ▶ Superior risk-adjusted total returns
- ▶ Planned acquisition of framework assets along with third-party acquisitions to enable incremental growth in DPU yield

## OPTIMAL CAPITAL STRUCTURE

### Compliance with InvIT Regulations

- ▶ Consolidated borrowings and deferred payments net of cash and cash equivalents below the SEBI norms of 70% leverage prescribed for InvITs

### Maximise Distribution to Investors

- ▶ Maintain prudent capital structure of revenue generating SPVs to ensure optimal cash upstreaming to IndiGrid and to unitholders
- ▶ Maintain balanced capital structure and consolidated leverage to maximise stable and predictable cash flows to unitholders

### Lower Cost of Capital by Ensuring AAA Credit Rating for its borrowing

- ▶ Evaluate both private and public markets for debt and equity capital
- ▶ Appropriate risk policies to manage foreign exchange and market risks

## BEST-IN-CLASS CORPORATE GOVERNANCE

### Eligibility and Lock-In

- ▶ At least 80% of InvIT's assets have to be revenue-generating for 1 year prior to the acquisition, ensuring operational stability. Not more than 10% assets of InvITs can be under construction or liquid assets
- ▶ Sponsor to remain invested and hold at least 15% of units of InvIT for 3 years after the initial offer of units, ensuring alignment of interest between Sponsor and Unitholders

### Independence

- ▶ Valuation of assets along with physical inspection to be undertaken by valuer periodically – quarterly in case of leverage beyond 49%
- ▶ Investment Committee to comprise majority Independent Directors
- ▶ 50% of the Board of Investment Manager to be independent

### Distribution

- ▶ 90% of net distributable cash flows to be distributed to unitholders, at least every 6 months
- ▶ IndiGrid is following quarterly distribution policy with annual distribution guidelines

### Unitholder Rights

- ▶ Ability to appoint and remove Investment Manager
- ▶ Vote on increase in leverage over 25%
- ▶ Vote on acquisition or divestment of assets
- ▶ Vote on material related party transaction





# OPPORTUNITY LANDSCAPE

## Total Transmission Network in India\*

**432,785** ckms

Transmission Line Length

**986,643** MVA

Transformation Capacity

\*Note: As per CEA progress report till Sep 2020 (only commissioned)

## KEY PLAYERS AND TRANSMISSION PORTFOLIO

### India Grid Trust\*\*

**~7,730** ckms

Transmission Line Length

**~15,720** MVA

Transformation Capacity

\*\*Note: Asset portfolio considering sale of Framework Assets to IGT

### Sterlite Power India Business\*\*

**~1,700** ckms

Transmission Line Length

**~3,000** MVA

Transformation Capacity

### Brazil Business\*\*\*

**~2,130** ckms

Transmission Line Length

**~5,950** MVA

Transformation Capacity

\*\*\*Note: Anticipated portfolio post sale of Arcoverde, Novo Estado and Pampa

### PGCIL®

**~163,695** ckms

Transmission Line Length

**>4,13,959** MVA

Transformation Capacity

®Note: As per PGCIL Q1 FY21 Investor presentation dated August 11, 2020

### Adani Transmission#

**14,814** ckms

Transmission Line Length

**27,280** MVA

Transformation Capacity

#Note: As per ATL Sep 2020 Equity Presentation (excluding HVDC)



## Other Key Transmission Projects in India

Project SPV	Stakeholders	Length / Capacity	Project Cost (In INR Million)
Raichur Sholapur Transmission Company Limited	Patel Engineering Limited, Simplex Infrastructures Limited & BS TransComm Limited (33.3% each)	210 ckms	3,000
Kudgi Transmission Limited	L&T Infrastructure Development Projects Limited	960 ckms	15,000
Darbhanga - Motihari Transmission Co. Ltd.	Sekura Energy	~280 ckms, 1,400 MVA	17,000
NRSS XXXI (B) Transmission Limited	Sekura Energy	~580 ckms	
Warora Kurnool Transmission Limited	Essel Infraprojects	~1,890 ckms; 3,000 MVA	45,000
NRSS XXXVI Transmission Limited	Essel Infraprojects	~340 ckms	
Alipurduar Transmission Limited	Kalpataru Power Transmission Limited / Adani Transmission Limited	440 ckms	11,000
Kohima-Mairani Transmission Limited	Kalpataru Power Transmission Limited, Techno Electric & Engineering Company Limited / China Light and Power	~500 ckms; 1,200 MVA	13,000
Kalpataru Satpura Transco Pvt Ltd.	China Light and Power	200 ckms	3,400
Western UP Power Transmission Company Limited	Megha Engineering	820 ckms; 6340 MVA	70,000
Pink City Transmission Service Co. Ltd	EMCO	260 ckms	NA
Lake City Transmission Service Co. Ltd.	NA	490 ckms	NA
South East UP Power Transmission Company Limited	Isolux Concessions	2090 ckms; 5000 MVA	80,000
Powerlinks Transmission Limited	PGCIL (49%), Tata Power Ltd. (51%)	2300 ckms	7,500
Torrent POWERGRID Limited	PGCIL(26%), Torrent Power Limited (74%)	710 ckms	3,500
Jaypee POWERGRID Limited	PGCIL (26%), Jaiprakash Power Ventures Limited (74%)	440 ckms	10,000
North-East Transmission Company Limited	PGCIL (26%), ONGC Tripura Power Company Limited (26%), Govt. of Tripura (10%), Govt. of Assam (13%), Govt. of Mizoram (10%), Govt. of Manipur (6%), Govt. of Meghalaya (5%) & Govt. of Nagaland (4%)	1320 ckms	22,000
Parbati-Koldam Transmission Company Limited	PGCIL (26%), Reliance Infrastructures Limited (74%)	460 ckms	10,000
Teesta Valley Power Transmission Limited	PGCIL (26%), Teesta Urja Limited (74%)	410 ckms	7,680
Cross Border Power Transmission Company Ltd.	PGCIL (26%), IL&FS Energy Development Company Ltd (38%), Satluj Jal Vidyut Nigam Ltd (26%) and NEA (10%)	170 ckms	2,500
Power Transmission Company Nepal Limited	NEA: 50%, PGCIL: 26%, Hydroelectricity Investment and Development Company Limited (HIDCL):14% and IL&FS Energy: 10%	80 ckms	1,000
Bihar Grid Company Limited	PGCIL (50%), Bihar Power (Holding) Company Limited (50%)	800 ckms; 2990 MVA	16,900
Kalinga Bidyut Prasaran Nigam Private Limited	PGCIL (50%), Odisha Power Transmission Corporation Limited (50%)	NA	NA
Jaigad Power Transco Ltd	JSW (74%), MSETCL (24%)	330 ckms	4,000
Amravati Power Transmission Company Ltd	Rattan India (100%)	215 ckms	2,500
Sinnar Power Transmission Company Ltd	Rattan India 100%	110 ckms	1,500
Essar Power Transmission Company Limited	Essar Power Limited (100%)	905 ckms	25,000
<b>Total</b>		<b>17,310 ckms; 19,930 MVA</b>	<b>371,480</b>

# OUR ASSET PORTFOLIO

*As of September 30, 2020, the portfolio has a total circuit length of approximately ~6,280 ckms (across 28 transmission lines, 7 x 765 kV lines and 21 x 400 kV lines), and 11,460 MVA (across 9 substations) of transformation capacity across 14 states and 1 union territory in India.*

Each of the portfolio assets has in place long-term TSAs of 35 years from the scheduled commercial operation date of the relevant Portfolio Asset (except ENICL which has a TSA life of 25 years. However, ENICL is a perpetual ownership project), after which we can apply to CERC for extension if not unilaterally extended by CERC.

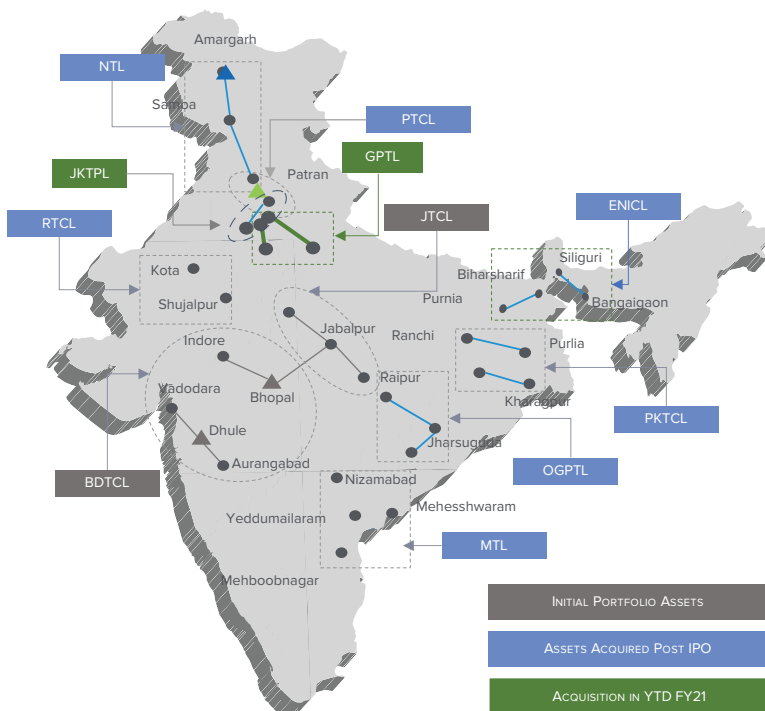
The Portfolio Assets, except for PTCL, ENICL, GPTL and JKTPL, are owned by us indirectly through our wholly-owned subsidiary, IndiGrid Limited (IGL), IndiGrid 1 Limited (IGL 1) and IndiGrid 2

Limited (IGL 2). Through IGL and IGL 1, 100% legal and economic ownership of BDTCL, JTCL, PKTCL, RTCL, MTL, NTL and OGPTL is held by IndiGrid.

IndiGrid directly owns 74% of the outstanding shares of PTCL and pursuant to the terms of the share purchase agreement dated February 19, 2018, we have agreed to purchase the remaining outstanding shares of PTCL from TEECL and TPGCL. Additionally, IndiGrid directly holds 100% equity stake in ENICL.

In August 2020, IndiGrid completed acquisition of Gurgaon Palwal Transmission Limited from Sterlite Power Grid Ventures Limited, which is directly owned by IndiGrid Limited. Additionally, IndiGrid also directly owns Jhajjar KT Transco Private Limited which was acquired from Kalpataru Power Transmission Limited and Techno Electric Engineering Company Limited.

## Snapshot of Our Portfolio Assets



Note : Map not to scale

In view of the aforesaid acquisitions, the Investment Management Agreement executed between ATSL, SIML, IGL, BDTCL and JTCL on November 10, 2016, and amended on December 1, 2016, was amended further on February 14, 2018, to include MTL, PKTCL and RTCL as parties to the agreement. The Investment Management Agreement was again amended on August 31, 2018 to include PTCL as party to the agreement, amended on June 4, 2019 to include NTL and IGL 1, amended on June 28, 2019 to include OGPTL and IGL 2, amended on March 23, 2020 to include ENICL, amended on August 28, 2020 to include GPTL and amended & restated on September 28, 2020 to include JKTPL as parties to the agreement, respectively.

Further, the Project Implementation and Management Agreement executed between ATSL, SPGVL, SIML, IGL, BDTCL, JTCL on November 10, 2016 and amended on April 25, 2017, was amended further on February 14, 2018, to include MTL, PKTCL and RTCL as parties to the agreement. The Project Implementation and Management Agreement was amended on August 31, 2018.

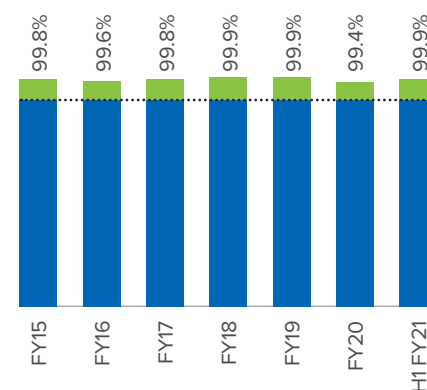
To include PTCL, amended on June 04, 2019 to include NTL and IGL 1, amended on June 28, 2019 to include OGPTL and IGL 2, amended on March 23, 2020 to include ENICL and amended & restated on August 28, 2020 to include GPTL as parties to the agreement.

## Bhopal Dhule Transmission Company Limited (BDTCL)

BDTCL was incorporated on September 8, 2009. BDTCL entered into a TSA on December 7, 2010 with LTTCs. The BDTCL project was awarded to IGL by the Ministry of Power on January 31, 2011 for a 35-year period from the scheduled commercial operation date, on a Build, Own, Operate and Maintain (BOOM) basis. We acquired BDTCL from our Sponsor on May 30, 2017.

BDTCL facilitates the transfer of electricity from coal-fired power plants from Odisha and Chhattisgarh to power load centres in India's western and northern regions. Our largest power transmission project, BDTCL operates six EHV overhead transmission lines of approximately 945 ckms comprising four 765 kV single circuit lines of 891 ckms and two 400 kV double circuit lines of 53 ckms.

### Annual Availability



### DETAILS OF BDTCL TRANSMISSION LINES

Transmission Line/Substation	Location	CKMS	Specifications	Commission Date	Expiry Term of TSA	Contribution to Total Tariff (%)
Jabalpur-Bhopal	Madhya Pradesh	260	765 kV S/C	June 9, 2015	March 31, 2049	22%
Bhopal-Indore	Madhya Pradesh	176	765 kV S/C	November 19, 2014	March 31, 2049	12%
Bhopal-Bhopal (MPPTCL)	Madhya Pradesh	17	400 kV D/C	August 12, 2014	March 31, 2049	2%
Aurangabad-Dhule (IPTC)	Maharashtra	192	765 kV S/C	December 5, 2014	March 31, 2049	10%
Dhule (IPTC)-Vadodara	Maharashtra, Gujarat	263	765 kV S/C	June 13, 2015	March 31, 2049	16%
Dhule (IPTC)-Dhule (MSETCL)	Maharashtra	36	400 kV D/C	December 6, 2014	March 31, 2049	4%
Bhopal Sub-station	Madhya Pradesh	-	2 x 1,500 MVA	September 30, 2014	March 31, 2049	17%
Dhule Sub-station	Maharashtra	-	2 x 1,500 MVA 765/400 kV	December 6, 2014	March 31, 2049	17%

#### Current Status

As on March 31, 2020, the BDTCL TSA has a remaining term of over 29 years.

## Jabalpur Transmission Company Limited (JTCL)

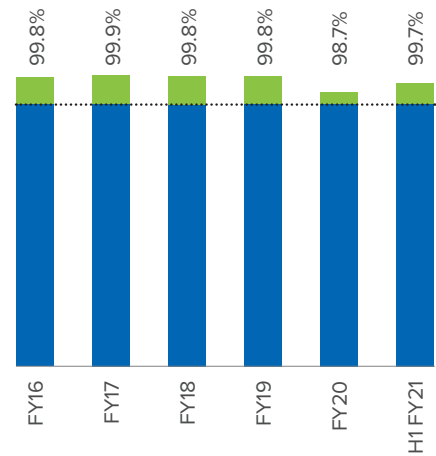
JTCL was incorporated on September 8, 2009. JTCL entered into a TSA with LTTCs on December 1, 2010 and a TSA on November 12, 2013 with PGCIL (together JTCL TSAs). The JTCL project was awarded to IGL by the Ministry of Power on January 19, 2011 for a 35-year period from the scheduled commercial operation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

JTCL alleviates transmission capacity bottlenecks and expands the reliability and stability of the power grid in western and northern India by providing open access to transmit

power from independent power projects in the eastern region of India. The corridors thus created are crucial links, on the basis of which the CTU has entered into long-term open-access agreements with several generation companies in the eastern region.

JTCL operates two EHV overhead transmission lines of 992 ckms in Chhattisgarh and Madhya Pradesh comprising one 765 kV double circuit line of 757 ckms from Jabalpur (Madhya Pradesh) to Dharamjaigarh (Chhattisgarh) and one 765 kV single circuit line of 235 ckms from Jabalpur to Bina in Madhya Pradesh.

Annual Availability



### DETAILS OF JTCL'S TRANSMISSION LINES

Transmission Line	Location	Route Length (ckms)	Specifications	Commission Date	Expiry Term of TSA	Contribution to Total Tariff
Jabalpur-Dharamjaigarh	Chhattisgarh, Madhya Pradesh	760	765 kV D/C	September 14, 2015	March 31, 2049	72%
Jabalpur-Bina	Madhya Pradesh	235	765 kV S/C	July 1, 2015	March 31, 2049	28%

#### Current Status

As of March 31, 2020, the JTCL TSA had a term of 29 years.

## Purulia and Kharagpur Transmission Company Limited (PKTCL)

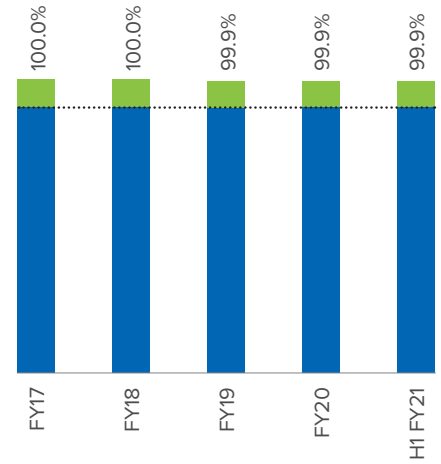
PKTCL was incorporated on December 15, 2012. PKTCL entered into a TSA (the PKTCL TSA) with LTTCs on August 6, 2013. The PKTCL project was awarded by the Ministry of Power on September 17, 2013 for a 35-year period from the scheduled commercial operation date on a BOOM basis.

We acquired PKTCL from our Sponsor on February 14, 2018.

PKTCL supports the interconnection of the West Bengal state grid and the ISTS and facilitates the exchange of additional power between them. PKTCL was established to strengthen the

transmission system in West Bengal and Jharkhand. PKTCL operates two EHV overhead transmission lines with a total circuit length of 545 ckms in West Bengal and Jharkhand, comprising one 400 kV D/C line of 322 ckms from Kharagpur (West Bengal) to Chaibasa (Jharkhand) and one 400 kV D/C line of 223 ckms from Purulia (West Bengal) to Ranchi (Jharkhand). The Kharagpur-Chaibasa 400 kV D/C transmission line was commissioned in June 2016, while the Purulia-Ranchi 400 kV D/C transmission line was commissioned in January 2017.

### Annual Availability



### DETAILS OF PKTCL'S TRANSMISSION LINES

Transmission Line	Location	Route Length (ckms)	Specifications	Commission Date	Expiry Term of TSA	Contribution to Total Tariff
Kharagpur (WBSETCL)-Chaibasa, PG	West Bengal, Jharkhand	322	400 kV D/C	June 18, 2016	April 19, 2051	54%
Purulia – Ranchi	West Bengal, Jharkhand	223	400 kV S/C	January 7, 2017	April 19, 2051	46%

#### Current Status

As on March 31, 2020, the PKTCL TSA has a remaining term of over 31 years.

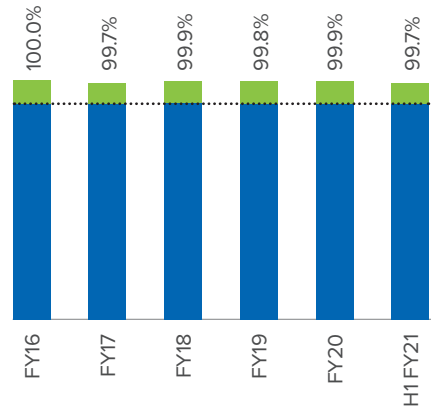
## RAPP Transmission Company Limited (RTCL)

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

We acquired RTCL from our Sponsor on February 14, 2018. RTCL strengthens the transmission capability between the northern and western sectors of India's

power grid by evacuating electricity from an atomic power plant near Kota in Rajasthan to central Madhya Pradesh. The project was undertaken in conjunction with the Rajasthan Atomic Power Project established by the Nuclear Power Corporation of India. RTCL operates one EHV overhead transmission line of 403 ckms in Rajasthan and Madhya Pradesh, comprising one 400 kV D/C line from Rajasthan to Madhya Pradesh.

Annual Availability



### DETAILS OF RTCL'S TRANSMISSION LINES

Transmission Line	Location	Route Length (ckms)	Specifications	Commission Date	Expiry Term of TSA	Contribution to Total Tariff
RAPP-Shujalpur	Rajasthan, Madhya Pradesh	403	400 kV D/C	March 1, 2016	February 2051	100%

#### Current Status

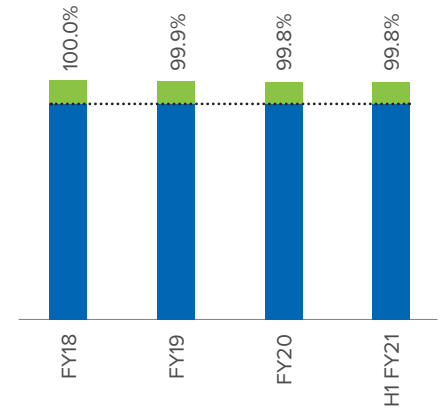
As on March 31, 2020, the RTCL TSA has a remaining term of over 31 years.

## Maheshwaram Transmission Limited (MTL)

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

MTL constitutes a key component in enabling the southern region of India to draw more power from the rest of the grid and seeks to address the issue of power stability in Telangana. This improved grid connectivity is expected to facilitate power procurement from the ISTS network to meet electricity demand in South India.

### Annual Availability



### DETAILS OF MTL'S TRANSMISSION LINES AND LINE BAYS

Transmission Line	Location	Route Length (ckms)	Specifications	Commission Date	Expiry Term of TSA	Contribution to Total Tariff
Maheshwaram (PG)-Mehboob Nagar	Telangana	197	400 kV D/C	December 14, 2017	December 14, 2053	35%
2 Nos. of 400 kV line bays at Mehboob Nagar S/S of TSTRANSCO						
Nizamabad-Yeddumailaram	Telangana	279	400 kV D/C	October 14, 2017	October 14, 2053	65%
2 Nos. of 400 kV line bays at Mehboob Nagar S/S of TSTRANSCO						

#### Current Status

As on March 31, 2020, MTL TSA has a remaining term of over 32 years.



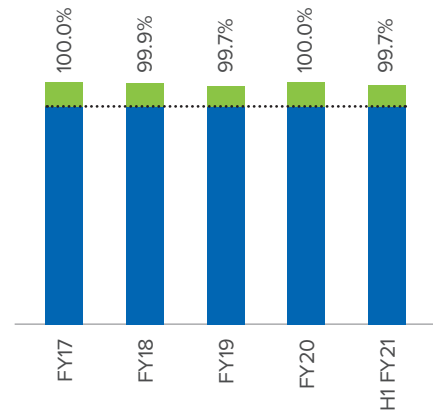
## Patran Transmission Company Limited (PTCL)

PTCL was incorporated on December 19, 2012. PTCL entered a TSA (the PTCL TSA) with LTTCs on May 12, 2014. The PTCL project was awarded by the Ministry of Power to TEECL and TPGCL through a letter of intent dated September 8, 2013 for a 35-year period from the scheduled commercial operation date on a BOOM basis.

On August 31, 2018, we completed the acquisition of 74% of equity shares of PTCL from TEECL and TPGCL. As a result, we now own PTCL's

one substation with 1,000 MVA of transformation capacity. PTCL plays a key role in strengthening the power transmission system in Punjab. PTCL operates one 400 kV D/C line from Patiala to Kaithal and has a 1,000 MVA, 400/220 kV substation at Patran and 14 kV line bays. The Patiala-Kaithal 400 kV D/C transmission line was commissioned in June 2016.

Annual Availability



### DETAILS OF PTCL'S TRANSMISSION LINES

Transmission Line	Location	Route Length (ckms)	Specifications	Commission Date	Expiry Term of TSA	Contribution to Total Tariff
Patiala-Kaithal	Punjab	-	400 kV D/C	November 12, 2016	November 12, 2051	-
Patran Substation	Punjab	-	2x500 MVA, 400/220kV Substation at Patran with: 1. 6 nos. 400kV Bays 2. 8 nos. 220kV Bays	November 12, 2016	November 12, 2051	100%

#### Current Status

As on March 31, 2020, the PTCL has a remaining term of over 31 years.

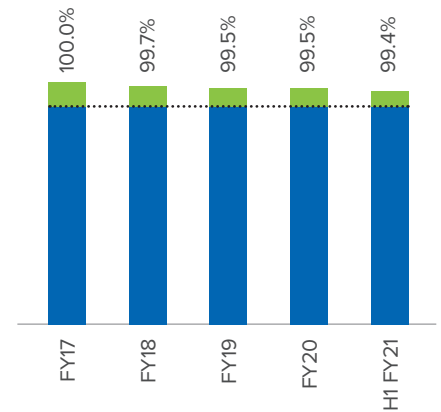
## NRSS XXIX Transmission Limited (NTL)

NRSS XXIX Transmission Limited (NTL) was incorporated on July 29, 2013. NTL entered into a TSA on January 2, 2014 with LTTCs. The NTL project is held by IGL 1 and was awarded by the Ministry of Power on a perpetual ownership basis with a TSA term of 35 years from the scheduled commercial operation date. The NTL project is expected to deliver over 2,000 MW of electricity

from Punjab to the Kashmir Valley by strengthening the transmission system in Jammu & Kashmir and Punjab.

The Jalandhar-Samba 400 kV D/C transmission line was commissioned in June 2016. NTL was fully commissioned in August 2018, ahead of its scheduled commissioning in October 2018. We acquired NTL from our Sponsor on June 04, 2019.

### Annual Availability



### DETAILS OF NTL'S TRANSMISSION LINES

Transmission Line	Location	Route Length (ckms)	Specifications	Commission Date	Expiry Term of TSA
Samba-Amargarh	Jammu & Kashmir	546	400 kV D/C	September 2, 2018	September 2053
Uri-Wagoora	Jammu & Kashmir	14	400 kV D/C	September 2, 2018	September 2053
Jalandhar-Samba	Punjab, Jammu & Kashmir	270	400 kV D/C	June 24, 2016	June 2051
Amargarh Substation	Jammu & Kashmir		400 kV D/C GIS Substation with 630 MVA of transformation capacity	September 2, 2018	September 2053

#### Current Status

As on March 31, 2020, the NTL TSA has a remaining term of over 33.5 years.

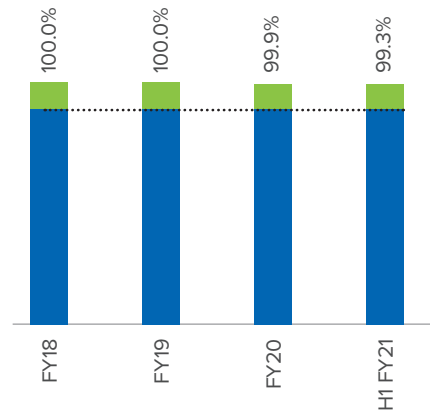


## Odisha Generation Phase II Transmission Limited (OGPTL)

Odisha Generation Phase II Transmission Limited (OGPTL) was incorporated on April 17, 2015 with LTTCs. OGPTL entered into a TSA on November 20, 2015 with LTTCs. The OGPTL project was awarded to IGL 2 by the Ministry of Power on a perpetual ownership basis with a TSA term of 35

years from the scheduled commercial operation date. The project has been fully commissioned. The OPGC-J line was commissioned in August 2017 and JR line was commissioned in April 2019 respectively. We acquired OGPTL from our Sponsor on June 28, 2019.

### Annual Availability



### ELEMENTS IN OGPTL

Transmission Line/Substation	Location	Route Length (ckms)	Specifications	Commission Date	Expiry of term of TSA
Jharsuguda-Raipur	Odisha, Chhattisgarh	610	765 kV D/C	August 6, 2019	April 2054
OPGC-Jharsuguda	Odisha	103	400 kV D/C	August 30, 2017	July 2052

#### Current Status

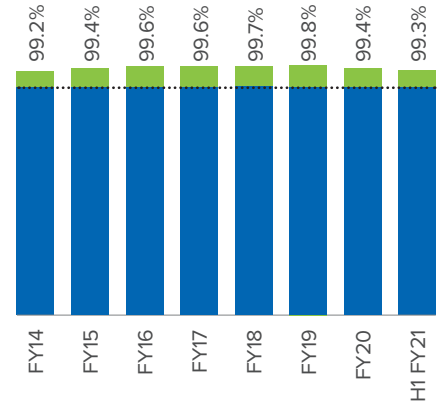
As on March 31, 2020, the OGPTL TSA has a remaining term of over 34 years.

## East-North Interconnection Company Limited (ENICL)

East-North Interconnection Company Limited (ENICL) was incorporated on February 1, 2007. ENICL entered into a TSA on August 6, 2009 with LTTCs. The ENICL project was awarded to STL by the Ministry of Power on a perpetual ownership basis with a TSA term of

25 years from the date of issue of the licence by CERC. ENICL operates two EHV overhead transmission lines of 909 ckms in Assam, Bihar and West Bengal. The project was fully commissioned in November 2014.

### Annual Availability



### ELEMENTS IN ENICL

Transmission Line/Substation	Location	CKMS	Specifications	Commission Date	Expiry of TSA Term
Bongaingaon-Siliguri	Assam, Bihar	438	400 kV D/C	November 12, 2014	April 2035
Purnia-Biharsharif	West Bengal	459	400 kV D/C	September 16, 2013	April 2035

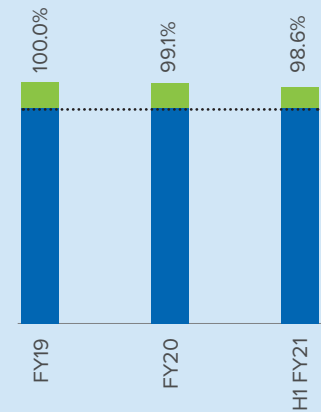
#### Current Status

As on March 31, 2020, the ENICL TSA has a remaining term of over 15 years.

## Gurgaon-Palwal Transmission Limited (GPTL)

*Gurgaon-Palwal Transmission Limited (GPTL) was incorporated on October 26, 2015. GPTL entered into a TSA on March 4, 2016 with LTTCs. GPTL project was awarded to SGL-4 by the Ministry of Power on a perpetual ownership basis with a TSA term of 35 years from the scheduled commercial operation date. The project has been commissioned and is operational from April 13, 2020 onwards.*

Annual Availability



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 a 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.



### ELEMENTS IN GPTL

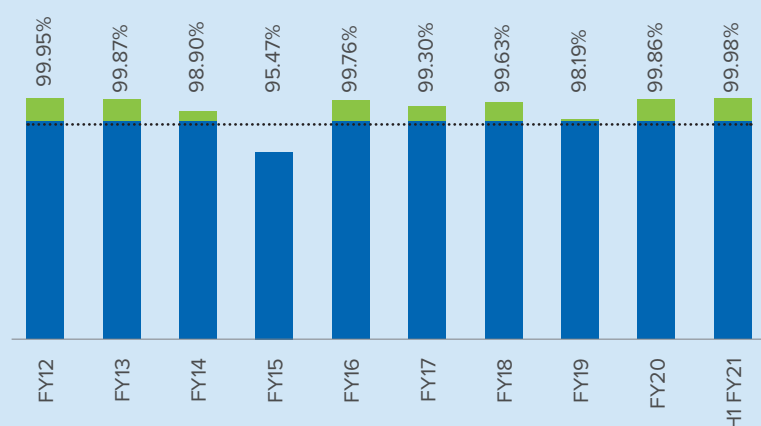
Transmission Line/Substation	Location	Route Length (ckms)	Specifications	Commission Date	Expiry of TSA Term
Aligarh-Prithala	Uttar Pradesh, Haryana	99	400 kV D/C HTLS Line	August 6, 2019	July 2054
Prithala-Kadarpur	Haryana	58	400 kV D/C HTLS Line	December 7, 2019	July 2054
Kadarpur-Sohna Road	Haryana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

## 2nd Third-Party Acquisition by IndiGrid

### Jhajjar KT Transco Pvt Ltd. (JKTPL)

*Jhajjar KT Transco Pvt Ltd. (JKTPL), is an operational intra state asset awarded on a Design Build Finance Operate and Transfer (“DBFOT”) basis, with a contractual period of 25 years and a provision of further 10-year extension*

Annual Availability



It consists of three 400 KV transmission lines spread across 103 kms in Haryana with 2 substations with a transformation capacity of 830 MVA. The project has been operational for 8 years with a robust collection track record and steady receivable cycle. It is a strategic asset for Haryana state distribution companies and the key evacuation transmission system from the 1,320 MW thermal power plant in Jhajjar. IndiGrid Limited acts as the O&M contractor for this project.

### ELEMENTS IN JKTPL

Transmission Line/Substation	Location	Route Length (ckms)	Specifications	Commission Date	Expiry of TSA Term
Jharli - Kabulpur	Haryana	70	400 kV D/C Quad Moose	Mar 2012	Oct 2035*
Kabulpur - Dipalpur	Haryana	134	400 kV D/C Quad Moose	Mar 2012	Oct 2035*
S/C LILO at Sonapat of Abdallapur –Bawana	Haryana	1	400kV D/C line	Mar 2012	Oct 2035*
Rohtak Substation	Haryana	-	400kV/220kV, 2 x 315 MVA + 2x 100 MVA 220/132 kV substation	Mar 2012	Oct 2035*
Sonapat Substation	Haryana	-	400kV/220kV, 2 x 315 MVA + 2x 100 MVA 220/132 kV substation	Mar 2012	Oct 2035*
Rohtak Substation Bays	Haryana	-	8x 400 kV, 9x220 kV and 9x132 kV Bays	Mar 2012	Oct 2035*
Sonapat Substation Bays	Haryana	-	6x 400 kV, 9x220 kV and 9x132 kV Bays	Mar 2012	Oct 2035*

\* Provision of further 10-year extension

# GROWTH PIPELINE: FRAMEWORK ASSETS

*We have a strong pipeline of inter-state transmission assets, which are at various stages of development in strategically important areas.*

## Khargone Transmission Limited (KTL)

Khargone Transmission Limited (KTL) was incorporated on November 28, 2015. KTL entered into a TSA on March

14, 2016 with LTTCs. The KTL project was awarded to SGL-4 by the Ministry of Power on a perpetual ownership

basis with a TSA term of 35 years from the scheduled commercial operation date.



### ELEMENTS IN KTL

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

\*Commissioned as per schedule

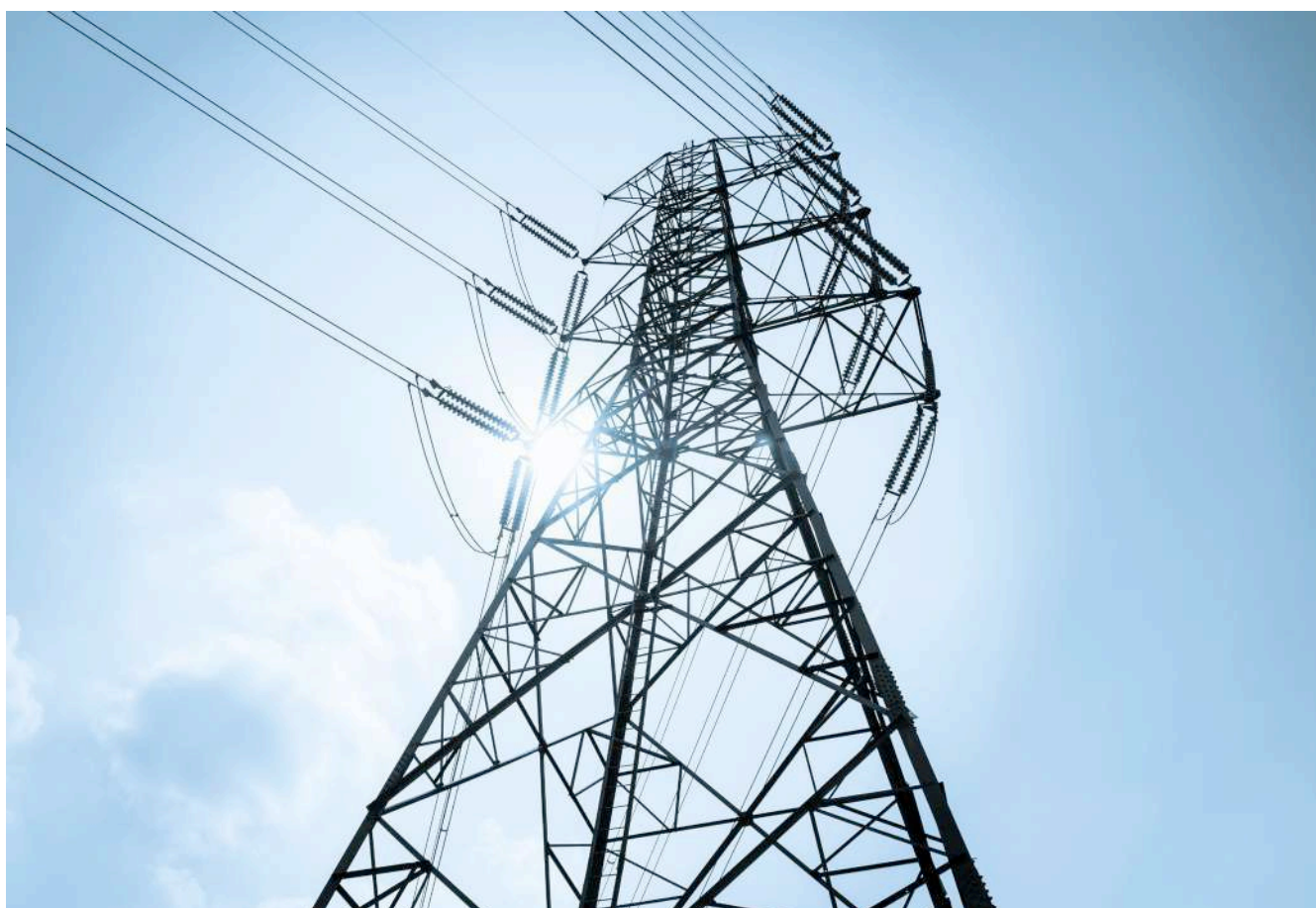
\*\* As per the MOP guideline of timeline extension of 5 months to all infra projects, the revised timeline for full commissioning is now April 2021  
Project progress based on CERC Validation Committee submissions.

## NER-II Transmission Limited (NER)

NER-II Transmission Limited (NER) was incorporated on April 21, 2015. NER entered into a TSA on December 27, 2016 with LTTCs. The NER-II project was awarded to SGL-4 by the Ministry

of Power on a perpetual ownership basis with a TSA term of 35 years from the scheduled commercial operation date. The project is currently under development and is expected to be

fully commissioned and operational by November, 2020. SGL-4 is a wholly-owned subsidiary of the Sponsor.



### ELEMENTS IN NER-II

Transmission Line/Substation	Location	Route Length (ckms)	Specifications	Scheduled Commission Date	Expiry of TSA Term
Biswanath Chariyali - Itanagar Line	Assam	137	132 kV D/C	April 2021*	November 2055
LILO line between Biswanath Chariyali	Assam	17	132 kV D/C		November 2055
Silchar - Misa Line	Assam	356	400 kV D/C		November 2055
400/132 kV, 2*315 MVA Single phase sub-station at Surajmaninagar	Assam	-	400/132 kV, 2X315 MVA		November 2055
400/132 kV, 2*315 MVA sub-station at P.K. Bari	Tripura	-	400/132 kV, 2X315 MVA		November 2055
AGTPP - P.K. Bari Line	Tripura	48	132 kV D/C		November 2055
Surajmaninagar - P.K. Bari Line	Tripura	35	400 kV D/C		November 2055
Multi Ckt portion (MA-43, MB-57, MC-21 & MD - 34)	Tripura	238	400 kV D/C		November 2055

\* Some elements will start getting commissioned from November 2020  
Expect full commissioning by April 2021





# 48-888

## Management Reports



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# MANAGEMENT DISCUSSION AND ANALYSIS

*The Government took necessary measures to lift up consumption and investment in India. The Union Budget 2020-21 was oriented towards India's growth aspirations of becoming a USD 5 trillion economy.*

## ECONOMIC OVERVIEW

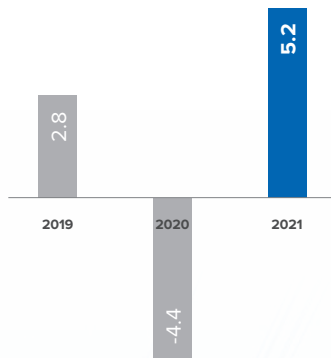
### Global Economy

As per International Monetary Fund, in its World Economic Outlook October 2020, the global growth is projected at -4.4 percent in 2020, with a recovery in 2021 at 5.2 projected growth. After the rebound in 2021, global growth is expected to gradually slow to about 3.5 percent into the medium term.

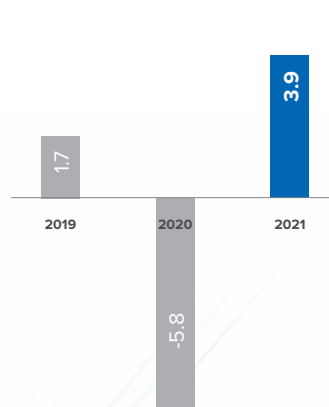
Though the global economy is climbing out from the depths to which it had plummeted during the Great Lockdown in April 2020, many countries have slowed reopening and some are reinstating partial lockdowns as the COVID-19 pandemic continues to spread.

## Global Economic Growth: Actual and Projection (in %)

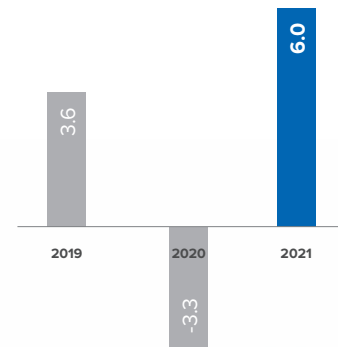
Global Economy



Advanced Economies



Emerging Markets and Developing Economies (EMDEs)



Source: International Monetary Fund

However, as economies reopened and released constraints on spending, overall activity normalized faster than anticipated in 2020. GDP outturns for the second quarter surprised on the upside in China and the United States and euro area. IMF, therefore, expects a strong rebound in the third quarter as massive policy support has prevent-

ed worse outcomes, but slowing momentum is expected while entering the fourth quarter. Growth in the advanced economy group is projected at -5.8 percent in 2020, while emerging market and developing economies are projected to grow at -3.3 percent in 2020.

## India Economy

India mirrored the global sentiment in its growth parameters. A stressed financial sector, lower GST collections and strain on fiscal deficit put pressure on manufacturing, investment, consumption and trade. However, it earned the support of strong monetary and fiscal policies. As per the IMF data, the Indian economy is projected to contract sharper than earlier expected by 10.3 percent in 2020, before rebounding by 8.8 percent in 2021.

The Government took necessary measures in the year under review to lift up consumption and investment in next fiscal. The Union Budget 2020-21 was oriented towards India's growth aspirations of becoming a USD 5 trillion economy. The business competitiveness in India is expected to increase with Government's push for better logistics infrastructure. This is further aided by multiple repo rate cuts by the Reserve Bank of India (RBI) and the reduced corporate tax rate. The National Infrastructure Pipeline (NIP), with a budget of INR 111 trillion, which has lined up 6,500 projects across 23 sectors, will be another catapult for the economy.

However, the COVID 19 outbreak posed fresh challenges to the growth projections, as the Government focussed on saving lives and supporting the economy. The Government signed a USD 1.5 billion loan deal with Asian Development Bank (ADB) to support its response to the coronavirus pandemic. The fund will be used in disease containment and prevention, as well as social protection for the poor and economically and socially susceptible sections of the society.

The Government also announced an economic stimulus package worth INR 1.7 trillion (USD 22.6 billion) to ease the country from the economic impact of the pandemic. RBI slashed its repo rate by 75 basis points to 4.40% on March 27, 2020 from 5.15%, to make loans easily available to banks. This was further brought down to 4% in May 2020. In April 2020, the RBI also cut the reverse repo rate to 3.75%, which was revised further to 3.35% in May 2020 to make commercial banks avoid parking cash with the central bank. As per RBI, real GDP is expected to decline by 9.5 per cent, with risks tilted to the downside for the year 2020-21 as a whole. Given the unprecedented nature of the crisis, the projected contraction is a historic low. However, RBI believes that with the modest recovery in various high-frequency indicators in September 2020, the recovery could strengthen further in the second half of 2020-21 with progressive unlocking of economic activity.

## INDUSTRY OVERVIEW

### India Power Sector

According to International Energy Agency (IEA), India has the potential to become an influential trendsetter in the global power sector as the world's third largest producer and consumer of electricity and a population of 1.4 billion. With its power demand set to double by 2040 and its electricity demand rising about three times, it is projected to be a game-changer in global energy markets. Based on data from the

Central Electricity Authority (CEA), India's power generation capacity is projected to be around 480.4 GW by the end of FY 2021-22 from 370.106 GW as of March 31, 2020 and the major addition will come from renewable sector. India's power demand has been growing every year because of universal electrification programmes and further growth in consumer income, urbanisation, housing, railways and metros and industrial facilities.

While electricity generation contracted during Q1 2020-21 due to shrinking demand, although the pace moderated considerably in May and June. Some signs of recovery became evident in July-Sep 2020 as demand improved with the easing of the lockdown.

### Growing Power Consumption

India has developed into a power surplus nation from a power deficit one. In FY 2019-20, there was just 0.7% gap between peak power demand and peak supply. According to the Ministry of Power and the Ministry of New & Renewable Energy, the gap is mostly because of limitations in sub-transmission and distribution network and financial constraints of state power utilities. Despite being the third largest electricity consumer after China and the U.S., the per capita electricity consumption in India in FY 2018-19 was 1,181 kWh (FY 2019-20 provisional: 1,208 kWh), which is considerably low compared to about 5,161 kWh in China and about 12,164 kWh in the U.S. Given India's large population, the country's per capita electricity demand has huge potential for growth. Electricity generation contracted during Q1 2020-21 due to shrinking demand, although the pace moderated considerably in May and June. Some signs of recovery became evident in July-Sep 2020 as demand improved with the easing of the lockdown.

Source: <https://www.statista.com/> (for US and China consumption), [www.cea.nic.in](http://www.cea.nic.in) (Provisional data in May 2020)

### Projected Per Capita Electricity Consumption (MWh/Capita) in India

Year	Per Capita Consumption (MWh/Capita)
2016	1,075
2017	1,122
2018	1,149
2019	1,181
2022(P)	1,490
2027(P)	2,121
2030(P)	2,634

Source: [https://www.teriin.org/files/transition-report/files/downloads/Transitions-in-Indian-Electricity-Sector\\_Report.pdf](https://www.teriin.org/files/transition-report/files/downloads/Transitions-in-Indian-Electricity-Sector_Report.pdf)

To boost the low per capita consumption, the Government has introduced a series of power sector reforms focussing on 24x7 power supply to consumers, higher standards of service, promotion of renewable energy sources. Its focus is also on development of hydro power and cutting down on fossil fuels, improving efficiency in transmission and distribution sector, and on last-mile connectivity to remote households, among others.

## Power for All

Electricity demand in India is on the rise due to increase in customer base, changes in lifestyle and consumption pattern which requires reinforcement and creation of new electricity infrastructure in generation, transmission and distribution sectors to meet the consumer expectations. The Government started 'Power for All' (PFA) programme in FY 2017-18 as a joint initiative with 36 States and Union Territories (UTs) to make 24x7 power available to all households, industry, commercial businesses, public needs, other electricity consuming entity and agriculture farm holdings by FY 2018-19. The Government already had Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGY) scheme in place for universal electrification. Under PFA, it pushed various other schemes such as Pradhan Mantri Sahaj Bijli Har Ghar Yojana - Saubhagya, the Integrated Power Development Scheme, UDAY and UJALA. While DDUGJY reported successful completion of its target before time, Saubhagya scheme provided electricity connections to 99.93% of the 26.04 million targeted households in FY 2019.

## Power Transmission in India

The efficient working of transmission and distribution systems is a key focus in developing economies with high growth of electricity demand. In India, the power sector is characterised by surplus power, lower cost of power generation and growing demand. Despite that, access to power continues to be a key challenge. In other words, generation capacity is abundant and affordable, but energy access is more of a transportation challenge in the country.

According to CEA, about 46,000 MW of installed power capacity in India is stranded because of poor last-mile connectivity and inadequate transmission and distribution infrastructure. The Government has been working towards strengthening the generation capacity and the transmission network, and extension of National Grid to disperse power to regions lagging behind. CEA published in its National Electricity Plan (NEP) as a blueprint to develop transmission systems to meet the growing power demand in India.

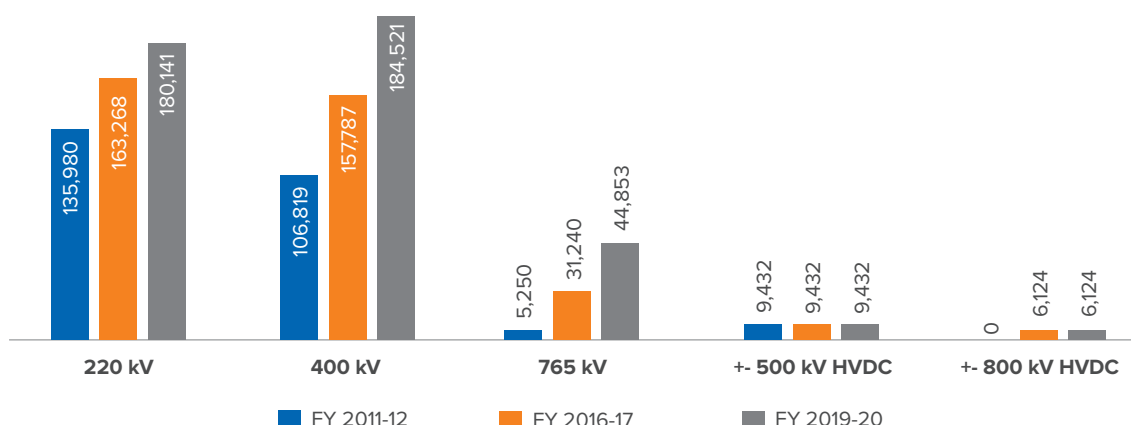
## Transmission Sector Growth up to August 2020

At the end of	Total Transmission Line (ckms)	% Growth
9th Plan (Ending 2002)	152,269	30%
10th Plan (2007)	196,123	29%
11th Plan (2012)	257,481	31.2%
12th Plan (2017)	367,851	43%
Plan Period FY 2017- 22 (Up to August-2020)	428,582 (Target=478,132)	16.5% (Target=45%)

Source: [http://www.cea.nic.in/reports/monthly/transmission/2020/growth\\_summary\\_tx-03.pdf](http://www.cea.nic.in/reports/monthly/transmission/2020/growth_summary_tx-03.pdf)

According to the plan, about 110,000 circuit kilometers<sup>1</sup> (ckms) of transmission lines are required to be added within the plan period FY 2017-22. Slightly more than 50% of this has been completed by March 2020, which means about 53,000 ckms are yet to be completed over the next two years.

## Length of High Voltage Transmission Lines (above 220 kV) ((In Circuit Kilometres) (ckms))



Source: CEA

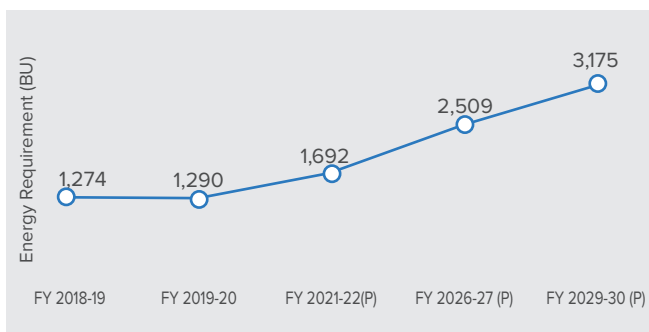
<sup>1</sup> <https://mercomindia.com/india-39-billion-transmission-infrastructure-revamp/>

## Key Growth Drivers for Power Transmission

### Growing electricity demand

The all-India demand for electricity is expected to grow from 1,290 BU in FY 2019-20 to 1,691 BU by FY 2021-22 and further to 3,175 BU by FY 2029-30. The rise in power demand and consumption will lead to higher investment in transmission and distribution sector. With a substantial increase in demand, India needs even higher investments to strengthen its grid transmission infrastructure and supply electricity to the needy.

### Electricity demand scenario (Actual and Projection) (In billion Unit or BU)



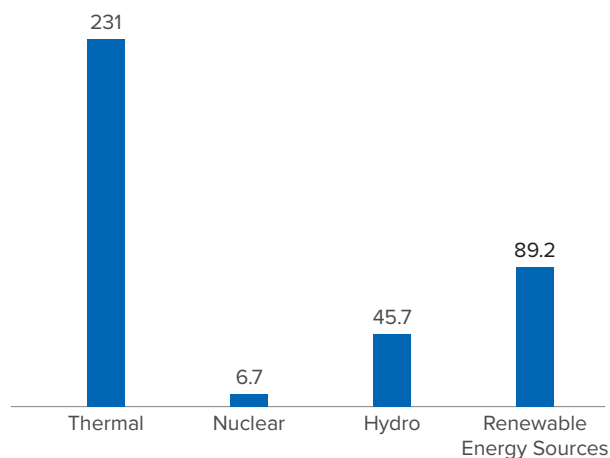
### Inter-regional power demand-supply gap

India has a power demand-supply gap in different regions. While some states are highly power deficit, some states have surplus power. To bridge this gap, higher evacuation capacity is required, which in turn will increase the inter-state transmission capacity. According to CEA, regional power transmission capacity of 118 GW will be required to transfer power capabilities from power surplus regions in east and west India to deficit regions in north, north east and south India. Actual power transfer capabilities will be decided by factors such as load flow pattern, voltage stability, loop flows, and line loading. However, the inter-regional transfer will require substantial transmission line corridor expansion.

### Focus on renewable energy

India currently stands with a renewable power capacity of 89 GW (Sep 2020). The Government's target of installing 175 GW of renewable power by 2022 will require a capacity addition of 45 GW annually. With this, the share of renewable energy is likely to increase from the current 23.5% (in terms of installed capacity) to approximately 36% by FY 2023, opening more opportunities for growth in transmission capacity. Given the ambitious target, it becomes mandatory to evacuate renewable power from generating stations. Renewable power generating companies have urged for adequate grid availability in the past. This will urgently need an expansion of grid connectivity in the next two fiscal years to be able to accomplish the renewable energy target.

### All India Installed Power Capacity (In GW) (September 30, 2020)



Source: CEA

### Green energy corridor

As renewable energy is volatile and intermittent, and may negatively impact normal transmission networks, a dedicated independent transmission corridor is a pre-requisite to evacuate renewable power. The Green Energy Corridor Project aims at merging renewable electric power with conventional power stations in the grid. The Ministry of New and Renewable Energy (MNRE) sanctioned the Intra State Transmission System (InSTS) project which will evacuate large-scale renewable energy from eight renewable-rich states of India. The project covers completion of 9,767 ckms intra-state and 3,068 ckms inter-state transmission lines in India, along with completion of substations with a transformation capacity of 19,000 MVA. This aims to evacuate 20,000 MW of large-scale renewable power and improve grid capacities in those states. As of December 2019, 6,258 ckms



of intra-state transmission lines had been constructed, along with over 2,400 ckms of inter-state transmission lines. The project has been extended till December 31, 2020.

### Shift to higher voltage cables

The Indian grid is shifting from low voltage cables to high voltage cables with new and improved technologies to supply bulk power from the generation source to load centres to reduce ATC losses. Use of HVDC and static compensators are also being used to add stability to the grid. Currently, inter-state transmission runs at 400/765 kV level. This demand is primarily driven by construction of high capacity, long distance corridors to deliver electricity to high demand regions and the development of green energy corridors. Construction of high voltage transmission lines is becoming an imperative to cater to future load demand and ease transmission congestion.

### Changing flow of electricity in India

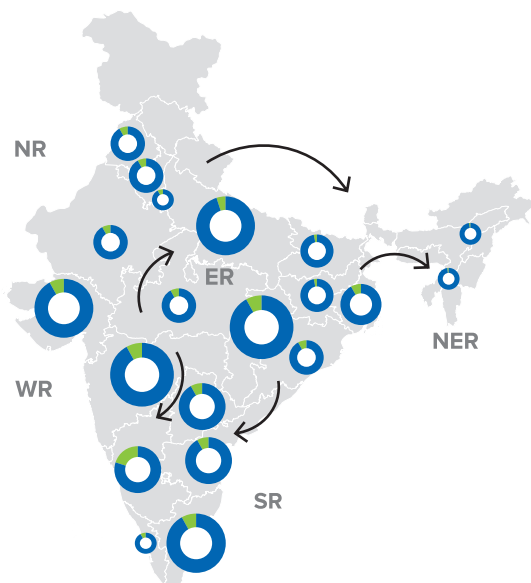
As India is shifting its focus towards renewable energy from fossil fuels, there is a shift in electricity flow between different regions. Earlier, because of the dependence on thermal power generation, electricity was flowing from the coal belts of East to other parts of India. In future, with an increasing contribution of renewable sources in power generation, electricity will flow from the West and South regions to the rest of India. This will entail an investment in construction

of transmission grid. Renewable capacity additions will require faster execution of transmission lines as renewable assets take lesser commissioning time than thermal assets. Interestingly, the growth of renewable energy sector has a linear relationship with transmission growth.

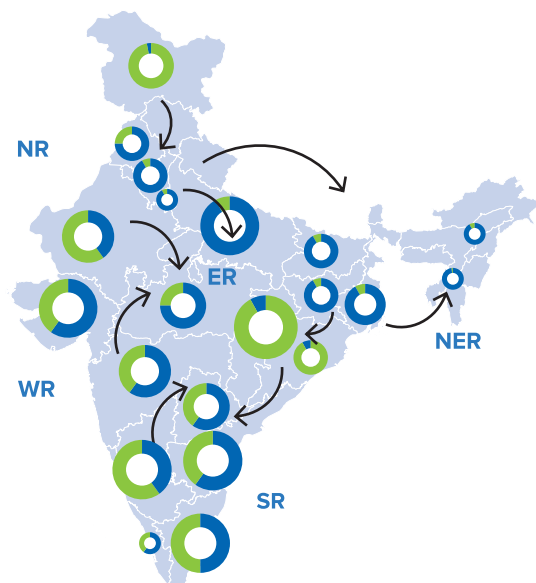
Large-scale development in the transmission sector is expected because of these expansions. Large solar and wind power plants are usually located in the remote areas with limited support for generation and transmission infrastructure. The Government is slowly taking measures for balanced distribution of renewable energy across different states. The Government has already begun the process of developing transmission capacities and lines to support renewable capacity additions in India. SECI and other govt agencies announced about 6.3 GW of tenders in the third quarter Q3 of the calendar year (CY) 2020, this after the 6 GW of solar tenders announced during the second quarter of 2020 (Q2 2020), according to Mercom India Research. Initiatives have also been taken towards setting up solar pooling stations and integrating solar and wind projects into the National Grid under the 'Green Energy Corridors'. Till March 2020, SECI had tendered 14.2 GW of ISTS solar projects and 13.4 GW of ISTS wind projects under Tranche I to IX. Both renewable and transmission sectors offer superior de-risked returns for developers and investors. They are also benefited by competitive bidding, annuity cash flows, long duration contracts and lower operational challenges.

## CAPACITY: THERMAL VS. RENEWABLE ENERGY (FY 2019-20)

2010



2022



Installed Capacity >







### Railway electrification

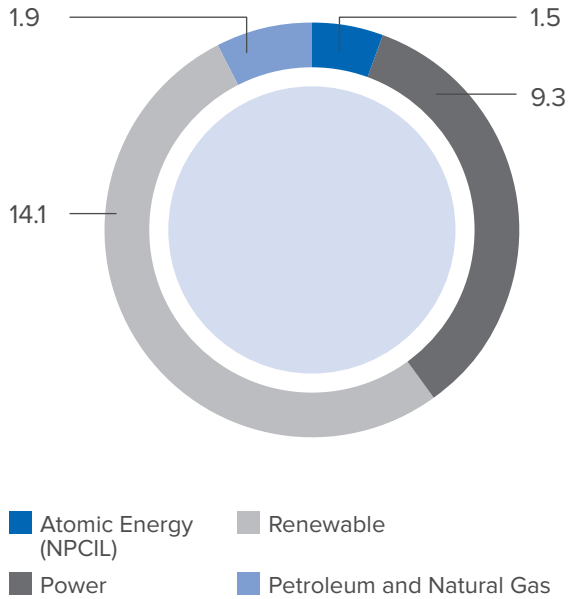
Currently, ~40% of the railway network in India is not electrified. The electrified network accounts for more than 50% of the passenger traffic and 60% of the freight traffic, at less than 40% of the total fuel cost. Needless to think otherwise, the Indian Railways looks to electrify the entire transmission network length by 2024. The Government has already emphasised the goal of becoming 100% electrified railway network by 2030. Thus, this shall open up opportunity for both renewable power generation players as well as transmission developers.

### Investments in Power Transmission in India

Transmission will be a focus area for the power sector investment for a foreseeable future, alongside renewable energy investments. Due to the inter-related growth pattern, increase in capital investments in transmission and renewable both will require significant Government push in the form of policy reforms. A conducive environment for public-private partnership and promoting alternate avenues of fund raisings and a push towards public sector spending are an imperative. Asset monetisation or asset recycling can boost this. The National Infrastructure Pipeline (NIP) (2020-25) envisaged in the Union Budget for FY 2020-21 has tried to identify this investment gap via envisaged capex, sources of funding and private participation needed for each of the sectors and the energy sector in particular.

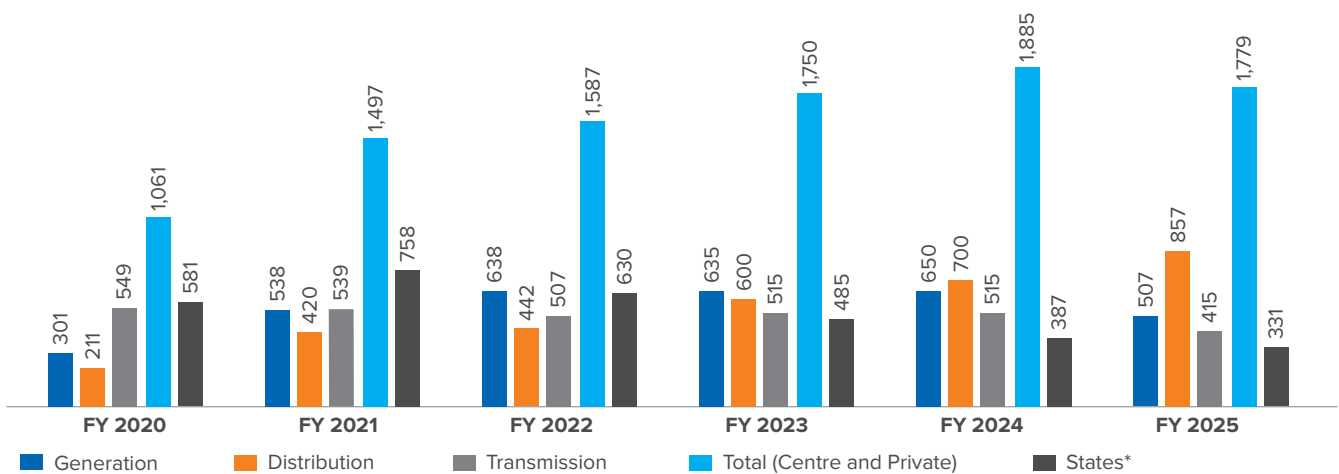
As mentioned earlier, the NIP has an INR 111 trillion capex budget, which has lined up 6,500 projects across 23 sectors. Energy sector accounts for 24% share in investment under NIP, more than any other sector. This equates to a capex outlay of roughly INR 26.9 trillion for the energy sector, with power and renewable power sectors expected to get a majority share of INR 14.1 trillion and INR 9.3 trillion, respectively. Transmission alone is expected to account for INR 3 trillion of capex during this period.

### National Infrastructure Pipeline: Energy sector capex outlay\* of INR 26.9 trillion



\*Total energy sector capital expenditure to be incurred from FY2020 to FY2025  
Source: DEA

### National Infrastructure Pipeline, Power sector capex outlay of INR 14,104 billion (FY 2020-25)



Source: [https://dea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20%28NIP%29%20-%20volume-ii\\_1.pdf](https://dea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20%28NIP%29%20-%20volume-ii_1.pdf)

\*States/UTs include Uttar Pradesh, Maharashtra, Gujarat, Telangana, Jharkhand, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Karnataka, Haryana, Punjab, Delhi, Kerala, Odisha, Chhattisgarh, West Bengal Sikkim, Mizoram, Andaman & Nicobar, Chandigarh, and Puducherry. For some projects, year-wise phasing has not been provided, so capital outlay for FY20 to FY25 will not add up to total capital outlay. Includes projects where yearly capex phasing has not been provided.

### National Infrastructure Pipeline, Renewable sector capex outlay of INR 9,295 billion

Category	Target by Dec 25 (GW)	Actual achievement till Sep 20 (GW)	Capacities to be added by FY 25 (GW)	Capex over FY 2020-25 (INR billion)
Solar	149.7	36.05	118.0	4,720
Wind	97.0	38.12	59.9	4,193
Small Hydro	7.0	4.7	2.4	235
Bio Power	12.0	10.3	2.1	147
<b>Total</b>	<b>265.7</b>	<b>89.2</b>	<b>182.4</b>	<b>9,295</b>

Source: [https://dea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20%28NIP%29%20-%20volume-ii\\_1.pdf](https://dea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20%28NIP%29%20-%20volume-ii_1.pdf)

#### Investment opportunity for private sector

Private sector investment in power sector is expected to be approx. INR 1,120 billion in FY 2020-25 period (excluding renewables). Transmission alone is expected to account for INR 480 billion worth of private investment during this period.

In terms of actual investment in the power sector, total FDI investment decreased from INR 104 billion in FY 2018 to INR 73 billion in FY 2019. Given the major investment in thermal power generation is going to be stalled due to pending discom dues, fuel supply assurance and focus on reducing carbon footprint, a bulk of the private investment is likely to be in the transmission and renewable sectors. Additionally, given the lower base of investment in FY 2019 and FY 2020, the next few years will see unprecedented greenfield bids in order

to meet investment targets in both transmission and renewable sectors.

Investments in transmission projects are extremely critical and need to be taken up on a fast-track basis for the success of new renewable energy projects. Prolonged delay in securing (grid) connectivity is likely to impact project commissioning of new wind and solar projects.

#### Key Challenges

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

- Transmission project construction needs to keep pace with faster commissioning of renewable generation facilities
- With rapid urbanisation, greenfield projects might not have adequate space as they compete with the much-needed city infrastructure

- Land acquisition for new infrastructure will remain a constraint
- Needs refurbishing/repurposing existing infrastructure
- Commercial T&D losses due to theft, defective meters, and errors in meter reading, and in estimating unmetered supply of energy
- Generation sources are located in remote areas, posing challenges in developing transmission infrastructure

#### Financing Projects in Power Transmission

The revamping of existing transmission infrastructure and implementation of new transmission capacity needs long-term sustainable finance, which cannot be met by Government balance sheets. Development of new renewable energy will increase the quantum of transmission capacity and need for higher investments. Such investments need to look beyond traditional modes of financing through “Regulated Asset Base” schemes. Tariff-based competitive bidding with private players vying for inter-state transmission projects has resulted in competitive pricing and lower cost of power to consumers. Coupled with renewable projects which have now been bid regularly at sub INR 3 per kWh, the green energy mix is not only going to be cleaner, but cheaper and efficient too. The sectors need a supportive regulatory environment, and disruptive innovations to meet the challenges of time, space and capital and facilitate universal access to power in India. For instance, getting intra-state assets under TBCB ambit was one such move. Measures like upfront land acquisitions, faster regulatory and environmental approvals will solve both time and space conundrums for such projects.



On the capital front, private players have been more active in competitive bidding and are even taking up tougher infrastructure projects. The advent of InvITs has opened up avenues for developers to monetise and recycle capital for further pipeline development as well as allow institutional financial investors to invest in India's power sector. The reforms, however, will have to continue in terms of participation of wider domestic and foreign institutions to invest in such innovative investment vehicles through the debt as well as equity routes. Conducive measures such as these will enable the private sector's investment in the power sector to grow further from the current 10%.

### Power Transmission vis-à-vis other Infrastructure Assets

India is one of the few countries in the world where the entire power transmission space is open to private sector investment, allowing entities such as IndiGrid to own and operate transmission lines. The power sector also allows 100% FDI through the direct route. Between April 2000 and June 2020, India's power sector attracted USD 15.2 billion in FDI. The transmission sector is attractive for private sector investments as the Tariff-Based Competitive Bidding regime encourages private sector participation.

According to CRISIL Infrainvex Scores 2019, the power transmission sector remains the most stable and attractive sector for investment with a score of 7.8 in the 10 point index. This is followed by roads and highways, ports and airports. The higher score is attributed to growing private investment in states, more recently awarded projects and also to Government's emphasis on Public-Private Partnership (PPP) projects in the sector. Keeping aside the potential for expansion and the favourable regulatory framework, there are a few more factors that are bringing more funds to this sector in comparison to other infrastructure sectors.




































### Factors Driving Investments in Power Transmission:

- Conducive regulatory framework  
The introduction of tariff-based competitive bidding (TBCB) mechanism has been one of the important dimensions of reforms in the power sector. Currently, both public and private sector contenders need to bid for projects based on tariffs. It is a favourable augury for private sector participation in the power transmission sector. The draft New Tariff Policy (NTP) also contains strategic reform proposals including rationalisation of tariffs, obligation to

supply and competition through open access.

- Low operational risk  
Transmission projects face a number of execution risks in the construction phase, such as right of way, forest and environment clearances, and raw material price hikes. However, once the project is commissioned, with the implementation of Point-of-Connection (PoC) mechanism, there is limited offtake and no price risks. Thus, operational transmission projects have regular cash flows and steady project returns.
- Availability-based regime  
As per Transmission Service Agreement (TSA) under the tariff-based competitive bidding (TBCB) system, revenue from a transmission line is based on the availability of the system irrespective of actual amount of power flow. On the other hand, revenue for other asset-class such as roads and highways are dependent on volume of traffic, which makes the revenue flow irregular.
- Diversified counter-party risk  
As revenue among all Transmission Service Providers (TSPs) is aggregated on a pan-India basis and is not asset-specific, the counter-party risk gets diversified. The pool of beneficiaries as well as transmission providers tends to go up with an increase in load growth leading to further diversification.
- Robust payment security  
Transmission Service Agreement (TSA) covers payment security for transmission providers, which reduces the chance of revenue default. In order to support power generation companies, the Centre has enforced a payment security mechanism where distribution companies (DISCOMs) are required to open letters of credit (LoC) for getting power supply. This can be utilised in case of revenue shortfall. Further, in case of default by DISCOMs, the generation company can sell the regulated volumes of power to third-parties.

Source: CRISIL Report, Media coverage, CEA, [https://powermin.nic.in/sites/default/files/uploads/Draft\\_sbd\\_tsa.pdf](https://powermin.nic.in/sites/default/files/uploads/Draft_sbd_tsa.pdf)

					
	Inter State Power Transmission	Renewables	Power Generation	Roads	Ports
<b>Certainty of Cash Flows</b>	 Driven by long term agreements	 Driven by long term agreements	 Offtake and cost of fuel a key risk	 Traffic risk in BOT projects	 End-user industry risk
<b>Counter Party Risk</b>	 Exposure limited to systemic risk	 Exposure to state counter parties	 Direct exposure to debt laden SEBs	 O&M impact collection	 Exposure to multiple end-users
<b>Operational Risk</b>	 Limited O&M requirements	 Slightly higher O&M, especially wind	 Substantial maintenance needed	 Slightly higher due to periodic maintenance	 Limited O&M requirements
<b>Future Growth Potential</b>	 Staggering owing to deficit	 Staggering owing to RE demand	 High potential given deficit	 Future growth potential	 Good potential, limited by location
<b>Competitive Environment</b>	 New players entering bidding fray	 Highly competitive (multiple players)	 Highly competitive (multiple players)	 Highly competitive (multiple players)	 Few private players
<b>Summary:</b>					

 Most attractive  Least attractive

## Renewable Energy in India

The significance of renewable energy is expected to grow manifold in future in the international and domestic context. The sector will be the key driving force in the growing investment in power transmission. The significance of this sector lies in its environmental benefits, falling installation costs and government support. The latest and 55th edition of the Renewable Energy Country Attractiveness Index (RECAI) report published in May 2020 by Ernst & Young ranks India at the 7th position among 40 countries on the attractiveness of their renewable energy investment and implementation opportunities. As per United Nations Environment Programme (UNEP), India has so far committed a USD 90 billion investment in the renewable energy sector and is among the top six countries investing in green energy projects.

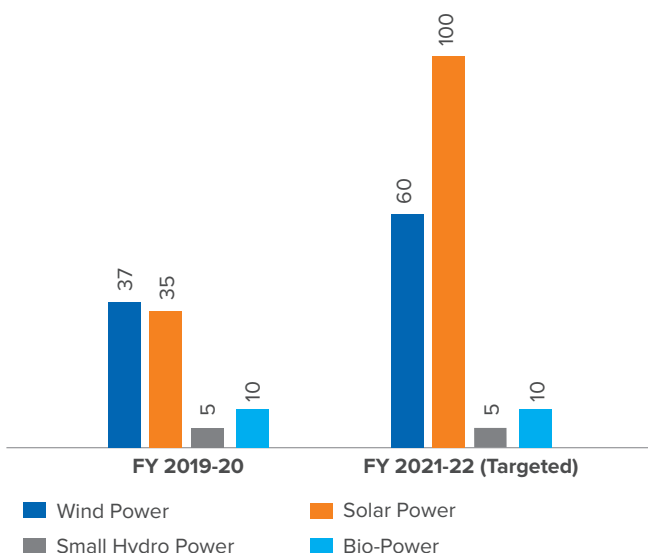
India's renewable energy generation potential stands at 900 GW from commercially exploitable sources. This includes a potential for Solar: 750GW; Wind: 102 GW; Small Hydro: 20 GW; and Biomass: 25 GW. The potential for clean energy in India is further enhanced by its huge landmass and varied topography. Further, adoption of green energy sources also places the country higher in the global index for sustainability and climate change commitments.

The country is slowly moving towards its goal of achieving 175 GW renewable energy capacity by 2022. According to a Government statement, India has set up an ambitious target of installing 450 GW of renewable energy capacity by 2030.

### Current Renewable Energy Capacity in India

As of September 2020, India already has an installed renewable energy capacity of 89 GW, accounting for roughly 24% share of the total installed energy capacity. This is likely to almost double to 44% to reach 275 GW by 2027.

### All India Renewable Energy Capacity (In GW) (FY 2019-20 vs. FY 2021-22)



Currently, around 36 GW of clean energy is under installation and about 35 GW is under various bidding stages. Addition of these capacities will push the installed Renewable Energy capacity to 90% of the targeted capacity.

In the recent years, the cost of renewable energy has declined in comparison to fossil fuel. This year, the MNRE received a major boost with budgetary allocation going up by 48%. Union Budget 2020-21 proposed a total outlay of INR 220 billion for power and renewable energy sector for FY 2020-21. Further, the Government's push with schemes like National Solar Mission and Green Energy Corridor is expected to facilitate the transition to renewable energy faster.

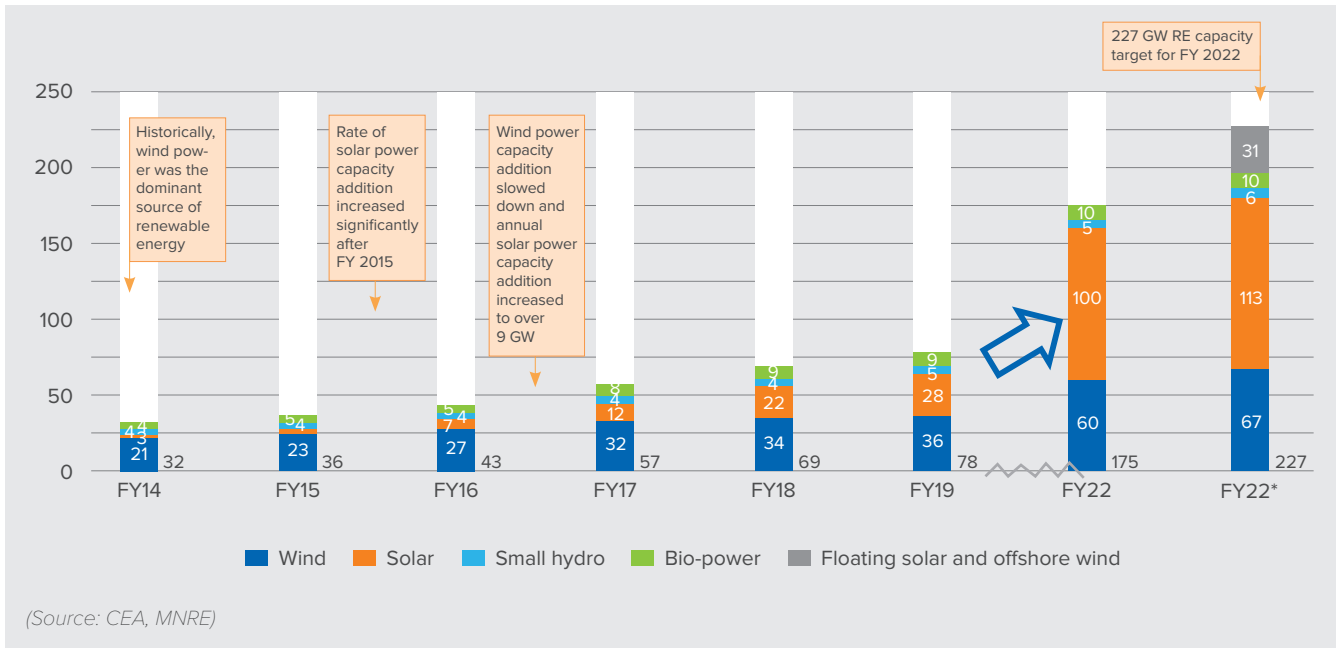
Source: MNRE

### Generation of Solar Energy in India

Solar energy has emerged as the centrepiece to renewable energy capacity addition in India. The nation's abundant solar energy potential remains one of the key drivers in the transition towards green renewable energy. According to the Website of MNRE, about 5,000 trillion kWh per year energy is incident over India's land area, with most parts receiving 4-7 kWh per sq. m. per day. Solar photovoltaic power can effectively be harnessed from this energy in India. Power generated from solar has multiplied by nearly 6-7 times during FY 2014-20, with a share of 35 GW in renewable energy installed capacity. Currently, solar has reached 35% of its 2022 target of 100 GW, contributing 40% to India's total renewable energy capacity. Bhadla Solar Park in Rajasthan, the world's largest solar power plant, is being constructed targeting a capacity of 2,255 MW.

The FY 2020-21 budgetary allocation for power includes a sum of INR 25 billion for solar power. This includes both grid-interactive and off-grid projects, up 10.35% over allocation in Union Budget 2019-20. It also provided for Central Financial Assistance for a capacity addition of 7,500 MW of solar power in FY 2020-21. Further, it allocated INR 10 billion for extending the PM-KUSUM scheme. It also proposed setting up large solar power capacity alongside rail tracks. The proposal to set up large solar capacity alongside railway tracks can help the Railways add about 18-20 GW capacity by utilising vacant land.

According to a KPMG Report, higher budgetary allocation for MNRE will improve financial assistance for various clean energy initiatives such as solar parks, roof-top solar, and off-grid renewable energy. The Report added that higher allocation can speed up 10-15 GW of new capacity creation.





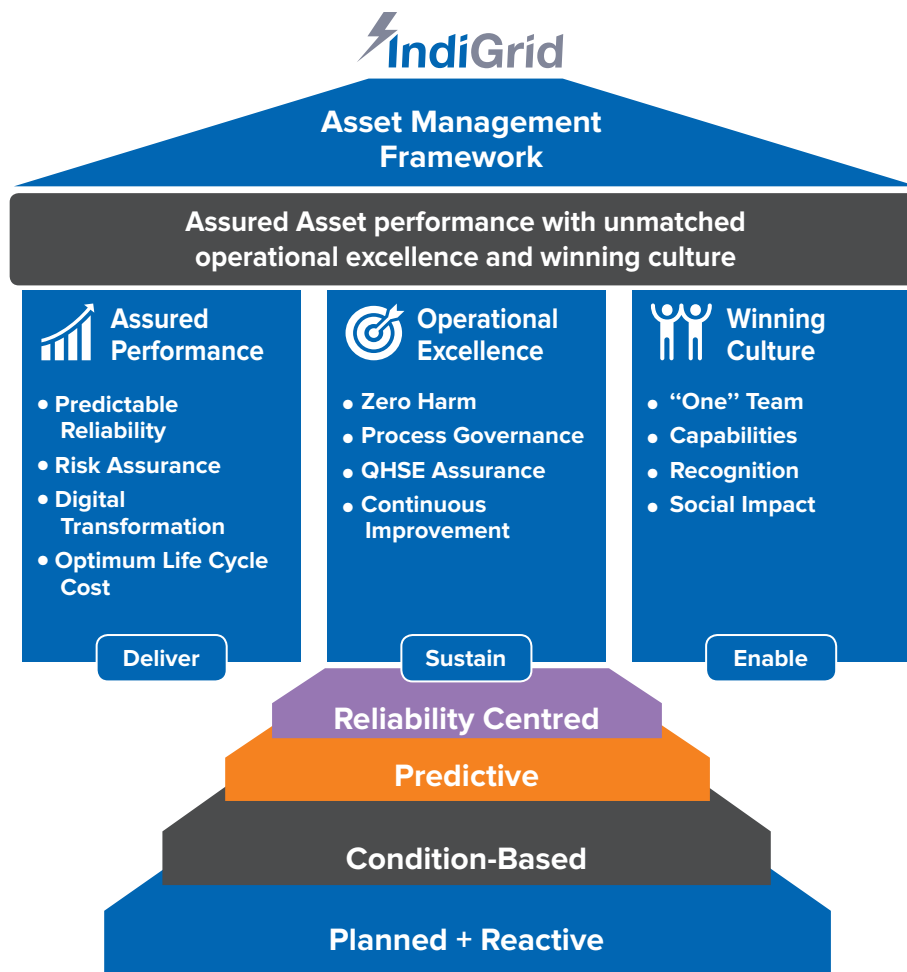
Parameter									
	Transmission	Solar			Wind			Small Hydro	Bio Mass
		SECI/NTPC	States	Merchants	Centre	States	Merchants		
<b>Certainty of Revenues</b>	Revenue driven by long-term agreements and depends on maintaining availability	Revenue driven by long-term agreements and off-take risk is low	Revenue driven by long-term agreements and off-take risk is moderate	Contracts are 3-10 years long and off-take risk is moderate (50)	Revenue driven by long-term agreements and off-take risk is low	Revenue driven by long-term agreements and off-take risk is moderate	Contracts are 3-10 years long and off-take risk is moderate	Revenue driven by long-term agreements and off-take risk is moderate	Revenue driven by long-term agreements and off-take risk is moderate
<b>Counterparty Risks</b>	Payment pooling mechanism by CTU reduces counterparty risk	High creditworthiness of SECI and NTPC	Depends on creditworthiness of the beneficiary DISCOM	Depends on creditworthiness of the beneficiary	High creditworthiness of SECI and NTPC	Depends on creditworthiness of the beneficiary DISCOM	Depends on creditworthiness of the beneficiary	Depends on creditworthiness of the beneficiary DISCOM	Depends on creditworthiness of the beneficiary DISCOM
<b>Operational Risk</b>	Limited O&M requirement	Limited O&M requirement	Limited O&M requirement	Limited O&M requirement	O&M is usually under the scope of OEM	O&M is usually under the scope of OEM	O&M is usually under the scope of OEM	Moderate O&M requirement (25)	High O&M requirement and fuel certainty
<b>Future Growth Potential</b>	Severe deficit in power transmission capacity	SECI/NTPC driving Govt. of India's ambitious RE targets	Several states have regularly procured power under state bids	Merchant market is limited due to regulatory challenges	SECI/NTPC driving Govt. of India's ambitious RE targets	Several states have regularly procured power under state bids	Merchant market is limited due to regulatory challenges	Limited growth due to development risk and low tariff	Limited growth due to operational risks
<b>Competitive Environment for IndiGrid</b>	Limited Competition	Highly competitive intensity in bids as number of players have built capability	Highly competitive intensity in bids as number of players have built capability	Limited number of IPP's operate in the merchant market	Highly competitive intensity in bids as number of players have built capability	Highly competitive intensity in bids as number of players have built capability	Limited number of IPP's operate in the merchant market	FIT based PPAs are not completely awarded	FIT based PPAs are not completely awarded
<b>Summary</b>									

Most Favourable     
 Favourable     
 Marginally Favourable     
 Less Favourable

## OPERATIONAL REVIEW

A robust asset management framework is in place at IndiGrid to ensure robust and prudent asset management programme, formulate policies, devise strategies and plan prudently to meet IndiGrid vision. This framework duly considers the sector-specific conventional practices being followed and the global best practices from closely-related sectors like power generation, renewable and other sectors which leads to risk adjusted asset management of power transmission assets enabling to unlock maximum value to our stakeholders. Below is graphical representation of the asset management framework.





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

**a) Deliver Assured Performance**

Assured Performance is key to achieve IndiGrid Vision to meet our investor and other stakeholder expectations. Robust risk mitigation plan execution enabled by digital technologies will be key driver for success of this pillar. Digital technologies will enable transition from conventional planned and corrective practices to advanced reliability centered maintenance. Thus, strong rigor to minimize the downtime and improve mean time between failures and restoration, would certainly result in optimizing total life cycle cost of ownership and unlocking the value of assets for our stakeholder.

**b) Sustain with Operational Excellence**

Simplified processes, methodologies, its compliances and skill developments are the most important element

of developing continuous improvement culture across the value chain of asset management functions and will play critical role for the success of this pillar. Implementing globally benchmarked processes, standard operating procedures on EHS standards and Quality Assurance systems and with strong compliance rigor shall enable unmatched operational excellence to deliver Assured Performance.

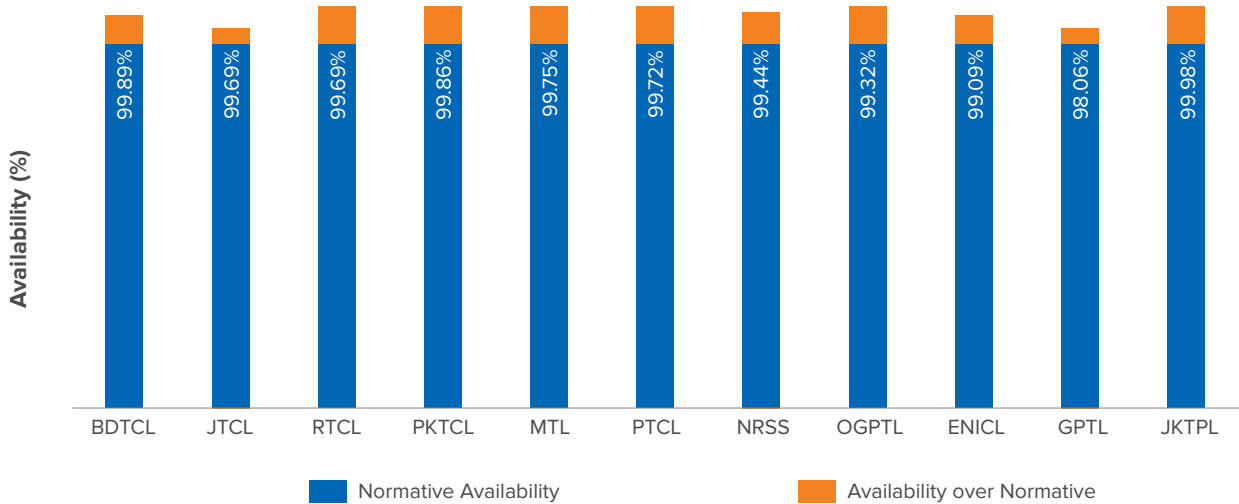
**c) Enable with Winning Culture**

This pillar becomes a strong enabler for delivering Assured Performance and to sustain with unmatched Operational Excellence. Working as “ONE TEAM” till the last-mile person involved at the project sites, developing core competencies and building self-motivating teams would be key priorities to achieve objectives for this pillar. This is especially of great importance because there are several stakeholders involved including IndiGrid, the Project Manager, O&M Contractors etc. Asset Management offers huge opportunity to create a social impact by supporting communities and environment located nearby our assets and will be important aspect of this strategic pillar.

## Asset performance | H1 FY21

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

### Average Availability H1 FY21

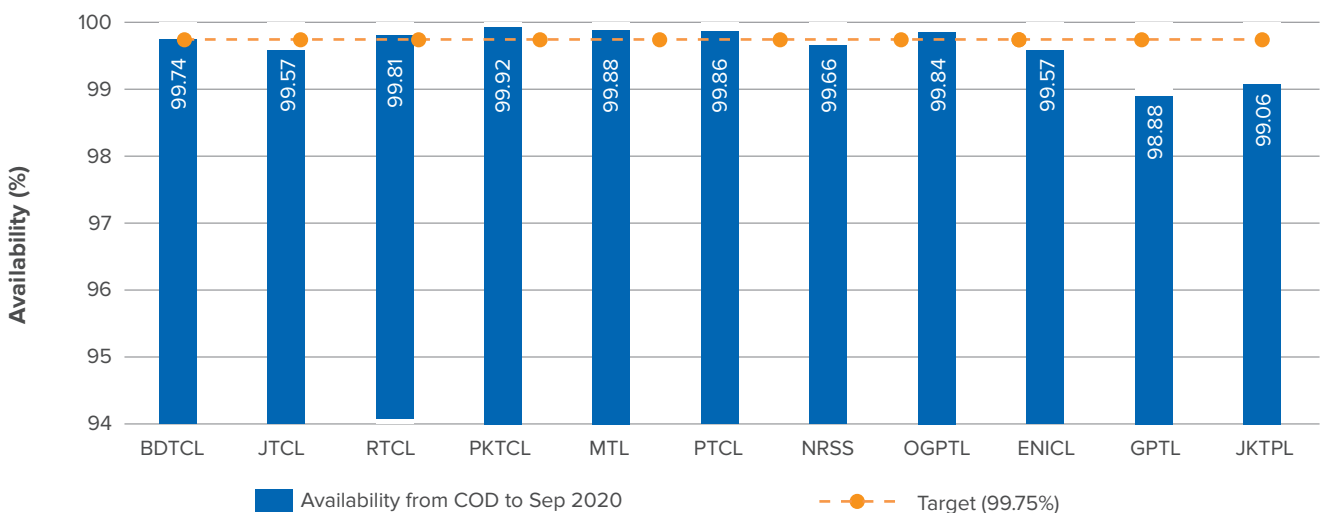


1. GPTL & JKTPL were acquired in Q2 FY21
2. In OGPTL, Planned outage was taken. Availability loss is indemnified.

Key Indicators	H1 FY20	H1 FY21
Avg. Portfolio availability (%)	>99.5%	>99.5%
No. of Trips / Line	0.54	0.42
Safe Man Hours	100%	91.41%
Loss Time Incident reporting	-	1
Near Miss reporting	52	21
Solar Generation (kWh)	18,981	19,691

Table includes details of only owned assets

### Commercial Operations date to September 2020 Performance





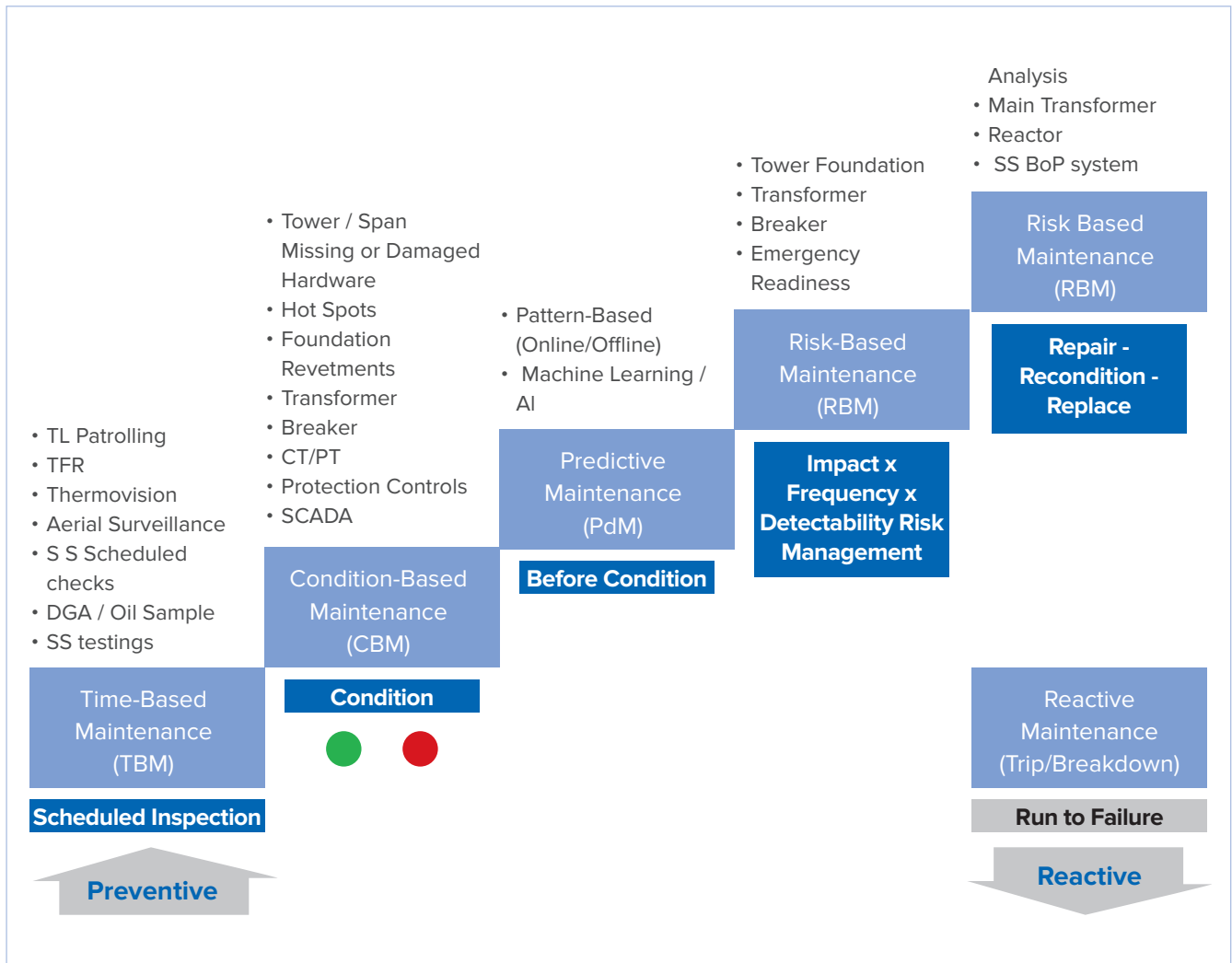
**Summary**

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

Overall, H1 FY21 turned out another good performance period for IndiGrid assets from an asset management and performance perspective.

**Focus on maximising ‘Reliability’**

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









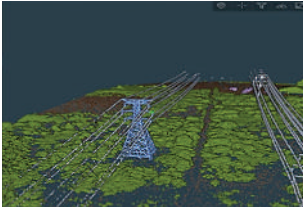
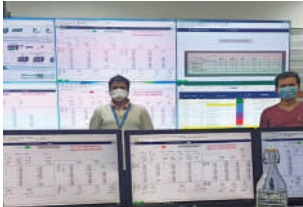
Under this approach, conventional O&M mindset change from corrective (or reactive or run to failure approach) to preventive to predictive and ultimately to reliability centered maintenance shall be key philosophy towards maintaining the IndiGrid Assets. Reliability-Centered Maintenance (RCM) is the process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

The RCM philosophy shall employ best practices from each of maintenanc strageies such as Time based Maintenance, Condition Based Maintenance, Predictive Maintenance with Real-time Monitoring, Risk based Maintenance, Life Cycle Based Maintenance and even hard inevitable learnings from Run-to-Failure maintenance. These are deployed in

integrated manner at system or component level to increase the confidence that the assets will deliver its assured performance in the desired manner over its design life cycle.

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

IndiGrid shall put all its best endeavour to transform the way the power transmission assets are maintained with Reliability Centred Maintenance Approach. Key Project details are as follows

 <b>Heli Survey</b>	 <b>Weather Prediction</b>	 <b>Drone (POC)</b>	 <b>Digital Asset Management</b>
			
<ul style="list-style-type: none"> <li>• Helicopter surveys to access snow bound and difficult terrain and monitor the health of the line</li> <li>• Avalanche Risk Assessment</li> <li>• Quick Emergency Readiness and Response management</li> </ul>	<ul style="list-style-type: none"> <li>• Weather prediction to enable emergency readiness</li> <li>• Enable decision making to get ready for climate change risk mitigation</li> <li>• Also acts as micro-site level data for basis for insurance claim if required</li> </ul>	<ul style="list-style-type: none"> <li>• Aerial Survey to ensure Inspection continuity</li> <li>• Effective Vegetation Management to reduce trips</li> <li>• At POC stage</li> <li>• Enabling image analytics with Thermal &amp; LIDR Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Central control room for entire portfolio at Bhopal Substation</li> <li>• Asset Performance &amp; Life Cycle Optimization</li> <li>• Further investment in digital platforms for field force management</li> </ul>
<b>Deployed in NRSS in Nov 2019</b>	<b>Partnered with Climacell®</b>	<b>Effective Inspections and Productivity</b>	<b>DAM to be deployed</b>

POC - Proof of Concept

ROW - Right of Way

DAM - Digital Asset Management



### Learning Management System



- Cloud based Centralized LMS Platform which can host custom training content
- Off-the-shelf ready to deploy 75 HSE training modules
- Customized Pure Safety Online learning management system in collaboration with UL
- Distributed Training Access
- SOP Adaptability and Compliance
- UL HES Certification
- Reward & Recognition

**Skill development across IndiGrid and Partners**

### Emergency Preparedness



- Deployment of ERS
- Material Management strategy for strategic placement of inventory
- Training on Emergency restoration SOP
- Virtual mock drill on Emergency restoration
- Reduced Response time
- Reduce Restoration time

**Revenue Assurance**

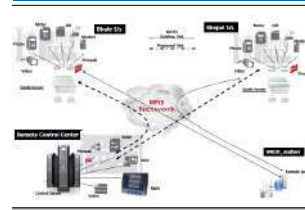
### KPI Based Contracts



- KPI based contract for Transmission line & Substation
- Incentive and penalty-based contract
- Better performance at optimum cost
- Rewards/ penalize for QHSE compliance/ non-compliance
- Works on fixed and variable cost model

**Reliability mindset with accountability**

### Cyber security



- Cyber security architecture & Framework for SS
- In-house IT infrastructure
- OT Policy
- Firewall strengthening policy
- SCADA upgrade
- Pro active Incident management & reporting

**Vulnerability identification and mitigation**

SOP - Standard Operating procedure  
 KPI - Key Performance Indicator  
 ERS - Emergency Restoration System  
 QHSE - Quality Health Safety Environment  
 SS - Substation

IndiGrid operates its power transmission assets under an availability-based tariff regime, which incentivizes to provide the highest possible system reliability, measured as “availability”. Availability is defined as the time in hours during a given period for which the transmission system is capable of transmitting electricity at its rated voltage, expressed as a percentage of total hours in the period.

This implies that revenue for a power transmission asset is independent of actual power flow through the asset.

The Central Electricity Regulatory Commission (CERC) Tariff Regulations provide specific guidance on the calculation of availability and consider the elements in the transmission

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

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

### IndiGrid – ESG prerogatives:

Sustainability is core focus for IndiGrid for creating long-term value creation for all its stakeholders.

IndiGrid has defined below key issues related to sustainability to focus with respect to its business and materiality map of Sustainability Accounting Standards Board (SASB):

#### Environmental

- GHG Emissions
- Resource Management
- Environmental Policy and Compliance

#### Social

- Health & Safety
- Legal Compliance
- Community Engagement

#### Governance

- Corporate Governance
- Business Ethics
- Critical Risk Management

#### GHG Emissions:

- We generated 146,899 kWh units (YTD Sep-20) from our roof top solar power plant at Bhopal and Dhule substation used for auxiliary consumption resulting in CO<sub>2</sub> avoidance of total 125.07 tonnes
- SF6, a potent GHG used in circuit breakers is arrested through systematic monitoring and immediate action

- We operate extra high voltage (EHV) lines at 400 kV and 765 kV which enables reduction in emissions by way of reducing losses

#### Resource Management:

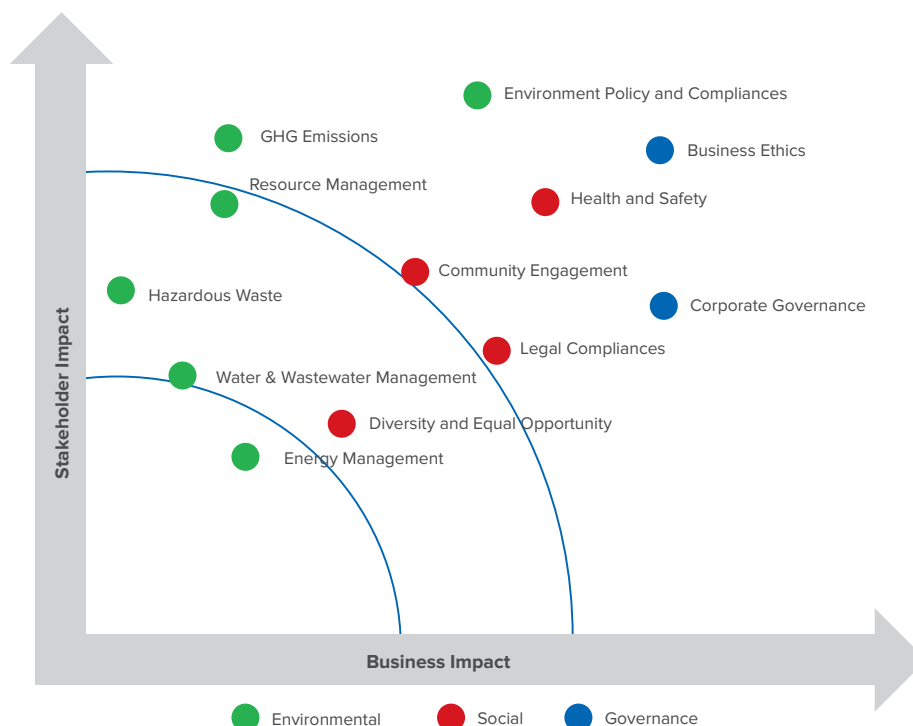
- Tree plantation carried out in lieu of vegetation management for the transmission lines
- Several of our assets are built with Multi circuit towers, Pole towers and GIS substations which reduces our land footprint and therefore impact on Land / ROW and trees

#### Environment Policy and Compliance:

- Implementation of full compliance of forest and wildlife rules across our portfolio
- Compliance with applicable environment laws

#### Health & Safety:

- 100% of our contractors have received relevant health & safety training designed for their scope of work
- We continued to focus on aligning our practices with international standards. In FY 20 we launched new SOPs with respect to Permit to Work and other HSE SOPs with leading practices to ensure safety of every person in our portfolio
- More progress was made in FY21 with launch of the HSE Policy
- 16,196 Man hours of training across employees and partners in H1 FY21
- Especially with COVID-19, additional precautions are implemented with respect to social distancing as well as monitoring



### Environment And Social Management System (ESMS)

- Constitution of ESMS committee
- ESG due diligence will be included in M&A process
- Environment Impact assessment (EIA) and Society Impact Assessment (SIA) to be done for all assets under IGT
- Environment and Social due diligence (ESDD) to be done for all future acquisition assets
- Basis on EIA, SIA, ESDD an Environment and Social Action plan (ESAP) to be prepared
- Implementation and monitoring of ESAP shall be done for lifetime of the asset

### Legal Compliances:

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

### Community Engagement:

- Our operations are across 14 states and 1 union territory and we rely on support of local communities in enabling repairs and maintenance as and when required. We focus on active engagement to avoid ROW issues



### Corporate Governance:

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

### Business Ethics:

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

### Critical Risk Management:

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

### COVID-19 Readiness:

- 3 COVID cases (YTD) of ~600 people at site. All have fully recovered.
- COVID test is mandatory prior to joining work site. We have found three positive cases prior to joining and thus saved others as we have not allowed them to our site
- Travel Guideline released considering COVID-19
- Daily reporting of COVID -19
- Body Temperature observed daily
- Travel History tracking
- Ensure 100% compliance with PPE's
- Daily Toolbox Talks and Safety Moments.
- Frequent Vehicle sanitization and driver hygiene.
- Quarantine Facility at Sub Stations for shift operations.
- Tie ups with hospitals and isolation arrangements.
- COVID insurance coverages
- Frequent Circulation of guidelines and checklist for COVID 19 precaution
- Fortnightly cadence with all AMC partner management teams
- Awareness sessions with all AMC partners and session at SPV level on COVID 19
- Guidelines prepared for post lockdown situation
- Compliance to Statutory Guidelines (Curfew, Social Distancing, Essential Service Permits)

## Strong Operations Asset Management Team



**Mr. P. Jaganmohan Rao**  
Senior Vice President – Transmission

- ▶ Domain expert with 25+ years experience in Power Transmission Projects and O&M
- ▶ Executed large scale projects along with bidding, contract management, liasoning and overall project leadership roles
- ▶ Previously worked with PGCIL, REC Ltd., JSW Energy Ltd., Sterlite Power & Kalpataru
- ▶ Bachelor's Degree in Electrical Engineering from UCEK, JNTU, Kakinada, AP



**Mr. Piyush Pandya**  
National Head – Substation

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



**Mr. Ramneek Teng**  
Vice President – Operational Excellence

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



**Mr. Shankar Kumar**  
Head - O&M Solar

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



**Mr. Venkatraman Inumula**  
Vice President – Regulatory & Contracts

- ▶ 21 Years of Techno - Commercial experience in Power Sector, primarily into Electricity Regulatory Affairs
- ▶ Previously worked with SEMBCORP, GMR-Energy, Abhijeet -Group, Maharashtra SEB & Indorama Synthetics
- ▶ Bachelor's degree in Electrical Engineering from Nagpur University, alumnus of IMT Ghaziabad, Post Graduate Diploma in Electricity Regulation -MERC



**Mr. Aryan Panchal**  
Head – IT / Digital

- ▶ 20+ years of experience in core IT - ERP, Digital Transformation, Cybersecurity in Infrastructure & Real Estate sectors
- ▶ Previously worked with Rawpressery, Ashok Piramal Group, Emco Ltd, Kalpataru group and Allcargo
- ▶ Bachelor's degree in commerce and Masters of Business Administration (MBA) in IT & Systems



**Mr. Vishal Shah**  
Assistant Vice President – Environment, health and Safety

- ▶ 18 years of experience in the field of Safety, Environment and Sustainability (ESG) in Power, Ports & harbors, and Cement sector.
- ▶ Previously worked with Adani Group, Tata Power, Birla white cement and Shree cement
- ▶ Holds International general certificate in occupational health and safety from NEBOSH, UK and Masters in Ecology and Environment Science from Sikkim Manipal University of Health, Medical and Technological Science



**Mr. Sateesh Kumar**  
Assistant Vice President – Quality Assurance

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





## FINANCIAL REVIEW

### Consolidated Financials - IndiGrid

(INR million unless otherwise stated)

Particulars	H1 FY21	H1 FY20	FY20	FY19	FY18*
Revenue from Operations	7,451.95	5,760.16	12,427	6,656	4,476
EBITDA	6,680.11	5,370.20	11,504	6,036	4,155
EBITDA Margin	90%	93%	93%	91%	93%
NDCF	3,786.33	3,501.41	7,203	3,330	2,793
PAT	1711.33	2742.08	5,057	1,539	2,104
Net Debt/AUM	54%	44%	50%	47%	45%
DPU (INR/Unit)	6	6	12.00	12.00	9.56*
NAV as per Independent Valuer (INR/Unit)	109.17	101.34	102.26	96.55	101.87

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



## REVENUE, EBITDA and PAT

Revenue grew by 29% in H1 FY21 from a year ago on account of acquisition of three inter-state transmission assets: ENICL, GPTL and JKPTL during the preceding 12 months and full period impact of NTL & OGPTL .

In H1 FY21, the EBITDA margin was ~90% for power transmission assets, down from ~93% YoY. Key cost components include costs incurred towards annual maintenance contracts, insurance, professional and regulatory fees.

During the period under review, PAT has decreased on account of higher finance cost and depreciation on back of fresh acquisitions.

## NDCF and DPU

Net Distributable Cash Flows (NDCF) is free cash flow generated from underlying operations. Cash flows received

by IndiGrid are typically in the form of interest income and principal repayment. IndiGrid is required to distribute 90% of the cash flows received to its unitholders. The Net distributable cash flow has increased by 8% during the period to 3,786 million.

DPU is cash flows distributed on a per unit basis to the unitholders. The trust has distributed DPU of INR 6 per unit in H1 FY 2020, which comprised INR 3.00/unit for each quarter. Total cash distribution to unitholders in H1 FY21 was at ~3,500 million.

## ASSETS UNDER MANAGEMENT

Registered valuer Mr. S. Sundararaman, carried out valuation as an independent valuer and valued IndiGrid assets at INR 139.01 billion as of September 30, 2020.

## Consolidated revenue and AUM break up by assets

Asset	Revenue (INR million)					AUM (INR billion)
	FY 2017-18	FY 2018-19	FY 2019-20	H1 FY20	H1 FY21	As of September 30 2020
BDTCL	2,180	2,577	2,694	1,394.01	1,316.24	19.12
JTCL	2,118	2,150	1,505	766.01	768.39	15.06
MTL	72	572	585	290.79	290.97	4.16
RTCL	41	457	460	229.50	228.95	6.7
PKTCL	65	746	756	377.96	377.10	5.76
PTCL	-	153	301	150.78	159.44	2.46
NTL	-	-	4,832	2,122.21	2,599.04	45.36
OGPTL	-	-	1,260	428.91	829.72	14.64
ENICL	-	-	33	-	736.70	11.44
GPTL	-	-	-	-	138.05	11.41
JKTPL	-	-	-	-	7.35	2.88
<b>Total</b>	<b>4,476</b>	<b>6,656</b>	<b>12,427</b>	<b>5,760.16</b>	<b>7,451.97</b>	<b>139.01</b>

In H1 FY 21, valuation has increased from previous half year basis the current market conditions with the change in taxes beta and lower cost of debt resulting into lower WACC leading to the FMV being higher than the book carrying value.

## BORROWINGS

During H1 FY21, for acquisition of ENICL, GPTL and JKTPL following borrowings have been raised:

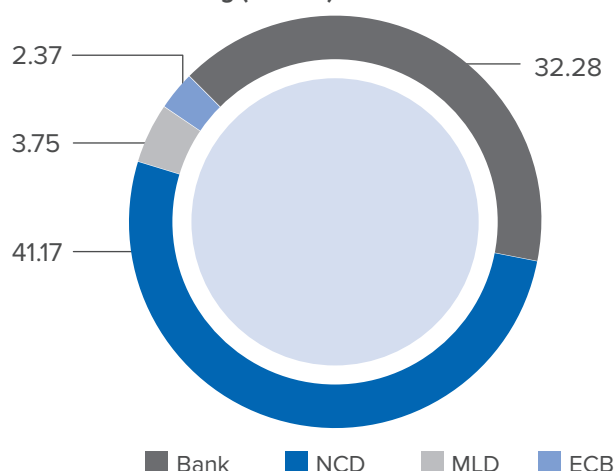
Date of Issuance	Entity	Tenure	Amount (INR million)	Type of Instrument
16-05-2020	IndiGrid	5 Years	1,500	Term Loan
15-06-2020	IndiGrid	1.75 Year	1,000	Non-convertible Debenture
15-06-2020	IndiGrid	3 Years	2,500	Non-convertible Debenture
10-07-2020	IndiGrid	2 Year & 11 Months	1,000	Non-Convertible Debenture
03-09-2020	IndiGrid	3.5 Year	4,000	Non-Convertible Debenture



All the above-mentioned NCD/MLD are listed on the BSE Limited. GPTL has raised the loan of INR 8218 million in June & July 2020 from HDFC Bank for 18 year tenor. Outstanding amount As of Sep 30, 2020 at 7451 million. On account of the borrowing raised during the year, consolidated borrowings as on Sep 30 stood at INR 79.57 billion.

IndiGrid enjoys a AAA corporate credit rating; its debt facilities at the asset level are also rated AAA. This is on account of low operating risk resulting in stable cash flows. The break-up of borrowing by sources as of September 30, 2020 is as follows:

Source of Borrowing (INR BN)



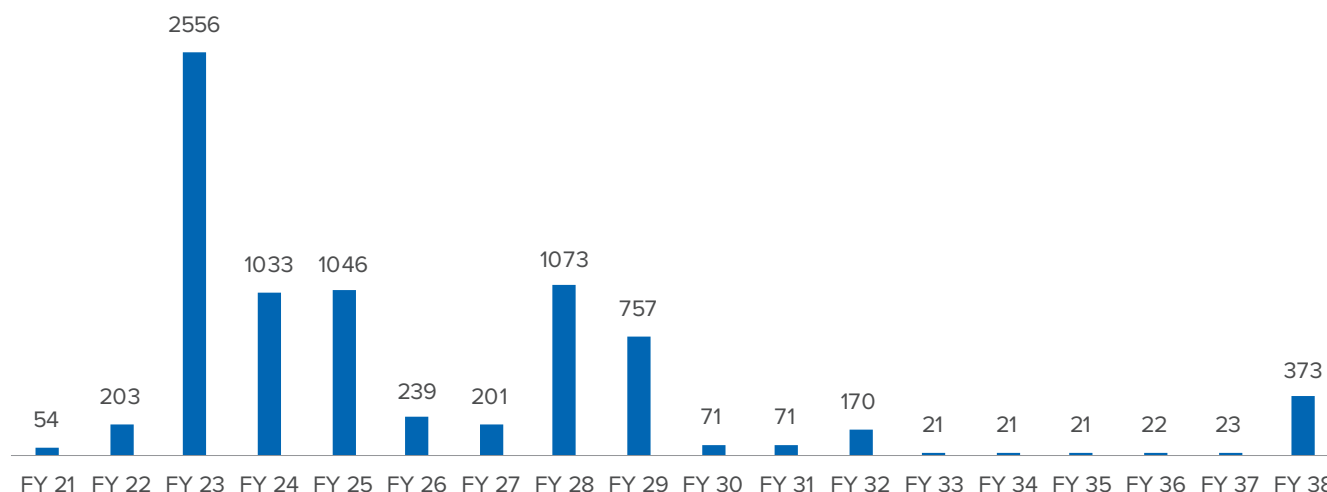
### Credit Rating

Rating Agency	Rating For	Rating	Date	Rating Rationale
CRISIL	IndiGrid	CCR AAA/Stable, CRISIL AAA/Stable & PP- MLD AAAr/Stable	June 17, 2020	<ul style="list-style-type: none"> <li>- Stable revenue of the operational SPVs</li> <li>- Cash Flow stability under PoC mechanism</li> <li>- Strong financial risk profile</li> </ul>
India Ratings	IndiGrid	IND AAA/Stable	June 19, 2020	<ul style="list-style-type: none"> <li>- Stable Operating Performance</li> <li>- Diversified Ownership</li> <li>- High-Quality Underlying Assets</li> <li>- Stake Acquisition in Phases</li> <li>- Moderate Debt Structure</li> <li>- Liquidity Indicator - Adequate</li> </ul>
ICRA	IndiGrid	ICRA AAA/Stable	May 04, 2020	<ul style="list-style-type: none"> <li>- Stable performance of power transmission assets</li> <li>- Assured offtake under long-term TSA</li> <li>- Strong payment security</li> <li>- Healthy financial risk profile</li> <li>- Structural features like presence of Debt Service Reserve, cash trap triggers and payment mechanism</li> </ul>
ICRA	BDTCL	ICRA AAA/Stable	May 04, 2020	<ul style="list-style-type: none"> <li>- Stable performance of power transmission assets</li> <li>- Assured offtake under long-term TSA</li> <li>- Strong payment security</li> <li>- Healthy financial risk profile</li> <li>- Structural features like presence of Debt Service Reserve, cash trap triggers and payment mechanism</li> </ul>
CRISIL	BDTCL	CRISIL AAA/Stable	May 22, 2020	<ul style="list-style-type: none"> <li>- Low offtake risks as per contractual terms of TSA</li> <li>- Stable cash flow under PoC pool mechanism</li> </ul>
India Ratings	BDTCL	IND AAA/Stable	January 03, 2020	<ul style="list-style-type: none"> <li>- Stable Operations</li> <li>- Strong financial risk profile as part of IndiGrid</li> <li>- Price Risk Mitigated</li> <li>- Low Operating Risks</li> <li>- Low Operating Costs</li> <li>- Revenue Sharing Mechanism Addresses Counterparty Risks</li> <li>- Established Tariff Recovery Track Record</li> <li>- Strong Sponsor</li> <li>- Comfortable Liquidity &amp; Comfortable Debt Structure</li> </ul>
ICRA	OGPTL	ICRA AAA/Stable	May 04, 2020	<ul style="list-style-type: none"> <li>- Stable performance of power transmission assets</li> <li>- Assured offtake under long-term TSA</li> <li>- Strong payment security</li> <li>- Healthy financial risk profile</li> </ul>
India Rating	ENCIL	IND AAA/Stable	April 30, 2020	<ul style="list-style-type: none"> <li>- Price Risk Mitigated</li> <li>- IndiGrid's High-quality Underlying Assets</li> <li>- Liquidity Indicator – Adequate</li> <li>- IndiGrid's Stable Operating Performance</li> <li>- IndiGrid Liquidity Indicator – Adequate</li> </ul>
India Rating	GPTL	IND AAA/Stable	01 Oct 2020	<ul style="list-style-type: none"> <li>- Low Revenue Risk</li> <li>- Low Operating Risk</li> <li>- Acquisition by IndiGrid -Positive</li> <li>- Suitable Debt Structure</li> <li>- Low Counter party Risk</li> <li>- Adequate Liquid0ty Indicator</li> <li>- IndiGrid Stable Operating performance</li> </ul>

### Repayment Schedule as of September 30, 2020.



### Repayment / Refinancing Schedule as of September 30, 2020\* (INR crores)



\*Chart is not drawn to scale

IndiGrid's consolidated debt maturity profile consists of INR 25.3 billion, INR 11.2 billion, and INR 10.5 billion maturing in FY 2023, FY 2025 and FY 2028, respectively and would be refinanced to elongate average maturity. IndiGrid endeavours to take competitive long tenure debt available through banks and financial markets.

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

### RISK MANAGEMENT AND MITIGATION

IndiGrid is aware of the risks associated with its business. These risks are constantly monitored, and adequate steps are taken to mitigate these risks. There are robust internal control mechanisms to identify and manage these risks in a timely manner.

#### A. Delay in Collection

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

#### B. Inability to Offset Cost Increases

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

#### C. Unforeseen Changes, in Regulatory Environment

Any adverse regulatory development can impact cash flows to the unit holders.

#### D. Force Majeure

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

### INTERNAL CONTROL SYSTEMS

IndiGrid has a strong internal control system to manage its operations, financial reporting, and compliance requirements. The Investment Manager has clearly defined roles and responsibilities for all managerial positions. All the business parameters are regularly monitored, and effective steps are taken to control them. Regular internal audits are undertaken to ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of internal control systems and suggests improvements to further strengthen them.

### INSURANCE POLICIES

All Transmission assets, substation and transmission lines are covered under Industrial All Risks (as against Standard Fire and Special Peril Insurance). This provides a wider cover against perils such as fire & allied perils, burglary, accidental damage, asset breakdown as well as business interruption. We have also covered the damage due to terrorism. The substations assets are covered on replacement value basis including business interruption through a separate industrial all risk policy. Sudden and accidental machinery breakdown and related business interruption are also covered. Detailed



insurance terms and conditions, exclusions, deductibles are mentioned in the respective policy contract ”

All transmission lines are insured to the extent of INR 200 crores loss limit for standard risks like fire, storm, flood, tempest, machinery breakdown and related risks including loss of profit. The policy is subject to standard exclusions. The coverage under policy has been extended for reinstatement of value, escalation, cost of architect, surveyors, consulting engineers, etc., removal of debris and other clauses.

All substations assets are covered on 100% replacement value basis including business interruption. Sudden and accidental machinery breakdown and related business interruption are also covered. In addition there is terrorism cover for all Transmission assets with loss limit of INR 400 Cr and CGL with loss limit of INR 50 Cr.

## OUTLOOK

The Indian power sector has been more dynamic in the recent past than it has been in the past couple of years. With focussed debt resolution for power generation assets, financial prudence is likely to be exercised across the power delivery value chain. This, in our opinion, will bring new developers and players along with fresh investments in the power sector in general. Another interesting development has been a marked increase in transactions in the transmission space in the recent past. This has paved the way for financial investors to invest in the power transmission sector, leaving greater churn of capital by the developers into new projects. We see this as a wider monetisation of assets

in the transmission space and a larger opportunity for asset acquisition by IndiGrid.

While growth will continue to be our underlying theme in the future, IndiGrid remains committed to its mandate of making recurring distribution to unitholders. This was primarily on account of feedback from our unitholders who prefer growth while maintaining stability of cash flows. We are proud to have met our stated guidance for FY 2020. We remain focussed and committed to deliver on their expectations. While we have a strong growth pipeline of Sponsor assets, we continue to look out for low risk yet accretive investments in third-party assets.

## CAUTIONARY STATEMENT

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



# YEAR IN REVIEW: H1 FY21

**April**  
2020

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

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

**E-voting period for Postal Ballot commenced - (April 10, 2020)**

**AAA Credit Rating re-affirmed from CRISIL, India Ratings, CARE (April 2020)**

**May**  
2020

**E-voting period for Postal Ballot ended - (May 9, 2020)**

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

- Approved change in Investment Strategy and the consequent amendment to the Trust Deed
- Approved the proposed acquisition of Power Transmission Assets from Sponsor and matters related thereto

**Raised INR 1.50 Billion from Federal Bank for 5 Year fixed rate (May 16, 2020)**

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

- Approved audited standalone and consolidated financial results the year ended March 31, 2020
- Declared a distribution of INR 3 per unit in the form interest for Q4FY20

**Published Valuation Report for FY19-20 (May 27, 2020)**

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

**June**  
2020

**Raised INR 1 Billion (Series-F) and INR 2.50 Billion (Series-G) (tranche 1) through allotment of AAA rated Non-Convertible Debentures - (June 15, 2020)**

**Non-Convertible Debentures [Series-F & G (tranche 1)] listed on BSE - (June 24, 2020)**

**July**  
2020

**Raised INR 1 Billion (Series-G) (tranche 2) through allotment of AAA rated Non-Convertible Debentures - (July 10, 2020)**

**Non-Convertible Debentures (Series-G) (tranche 2) listed on BSE - (July 24, 2020)**



## August 2020

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

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

- Approved unaudited standalone and consolidated financial results for Q1 FY21
- Declared a distribution of INR 3.00 per unit in the form of interest for Q1 FY21

**Published Valuation Report for Q1FY21 (August 6, 2020)**

**Intimated disclosure received from Sterlite Power Grid Ventures Limited, Sponsor of IndiGrid regarding sale of IndiGrid units. (August 14, 2020)**

**Published annual Report for the FY 2020 (August 27, 2020)**

**Executed Share Purchase Agreement for acquisition of shareholding and management control in Gurgaon-Palwal Transmission Limited (GPTL) from Sterlite Grid 4 Limited (wholly owned subsidiary of Sterlite Power Grid Ventures Limited, Sponsor of IndiGrid) (August 31, 2020)**

## September 2020

**Raised INR 4 Billion (Series-H) through allotment of AAA rated Non-Convertible Debentures - (September 3, 2020)**

**Called Third Annual General Meeting (AGM) of Unitholders (September 4, 2020)**

**Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc., (“Esoteric”) issued notice to Investment Manager to designate Esoteric as a Sponsor of India Grid Trust (“IndiGrid”) (September 8, 2020)**

**The Board of Investment Manager of IndiGrid approved designating Esoteric as a ‘sponsor’ of IndiGrid and corresponding amendment to Trust Deed subject to approval of Unitholders and other statutory governmental, regulatory and corporate approvals, wherever required. (September 8, 2020)**

**Issued addendum to AGM Notice to Unitholders (September 8, 2020)**

**Sterlite Investment Managers Limited acting in its capacity as Investment Manager of India Grid Trust (IndiGrid) has appointed Mr. Jyoti Kumar Agarwal as its Chief Financial Officer w.e.f. September 16, 2020**

**Non-Convertible Debentures (Series-H) listed on BSE - (September 17, 2020)**

**E-voting period for 3rd AGM commenced - (September 24, 2020)**

**Outcome of the 3rd AGM of IndiGrid held through Video Conferencing - (September 28, 2020)**

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

**Acquired Jhajjar KT Transco Private Limited (JKTPL) from Kalpataru Power Transmission Limited (KPTL) and Techno Electric & Engineering Company Limited (“TEECL”) (September 28, 2020).**

# CORPORATE GOVERNANCE REPORT



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

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

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

## IndiGrid has a three-tier governance structure:

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



## BOARD OF DIRECTORS

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

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

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

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

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

### Board Committees

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

## INVESTMENT COMMITTEE

### Composition and Meetings

The Investment Committee comprises of the board of directors of the Investment Manager. Majority members, including the chairperson of the Investment Committee are independent directors. The company secretary of the Investment Manager act as the secretary to the Investment Committee. The quorum shall be at least 50% of the number of members of the Investment Committee and subject to a minimum of two members.

The composition of the Investment Committee is as follows::

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

### Terms of reference of the Investment Committee

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

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

## AUDIT COMMITTEE

### Composition and Meetings

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

The composition of the Audit Committee is follows:

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

#### Terms of reference of the Audit Committee

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

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

21. Management's discussion and analysis of financial condition and results of operations;
22. Reviewing the statement of significant related party transactions, submitted by the management;
23. Reviewing the management letter/letters of internal control weaknesses issued by the statutory auditors; and
24. Formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

### Composition and Meetings

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

The composition of the Stakeholders' Relationship Committee is follows:

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

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

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

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

## NOMINATION AND REMUNERATION COMMITTEE

### Composition and Meetings

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

The composition of the Nomination and Remuneration Committee is follows:

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

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

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

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

## ALLOTMENT COMMITTEE

### Composition and Meetings

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

The composition of the Allotment Committee is follows:

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

### Terms of reference of the Allotment Committee

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

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

## RISK MANAGEMENT COMMITTEE

### Composition and Meetings

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

The composition of the Risk Management Committee is follows:

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

### Terms of reference of the Risk Management Committee

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

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

## BIDDING COMMITTEE

### Composition and Meetings

The Bidding Committee comprises of the board of directors of the Investment Manager who are not subject to potential conflict of interest. Half of members, including the chairperson of the Bidding Committee shall be independent directors. The company secretary of the Investment Manager act as the secretary to the Bidding Committee. The quorum shall be one third of the total strength of the Committee or two members which is higher, however, presence of at least one independent director is mandatory. This committee shall consider matters with respect to prospective opportunities during development phase of power transmission projects.

The composition of the Bidding Committee is as follows:

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

### INFORMATION SUPPLIED TO THE BOARD

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

#### Investor Complaints

The status of complaints is reported to the Board on a quarterly basis. During H1 FY21, the investor complaints received by the Company were general in nature, which were resolved within prescribed timelines. Details of Unitholders’ complaints on quarterly basis are also submitted to the Trustee, stock exchanges and published on IndiGrid’s website.

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

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

##### Borrowing Policy

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

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

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

##### Distribution Policy

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

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

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

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

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

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

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

##### Document Archival Policy

The Investment Manager has adopted the Document Archival Policy to provide a comprehensive policy on the preservation and conservation of the records and documents of IndiGrid. The Document Archival Policy aims at identifying, classifying, storing, securing, retrieving, tracking and destroying or permanently preserving records.

##### Nomination and Remuneration Policy

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

Except as stated otherwise in this report during the period under review, there are no changes in the clauses of trust deed, investment management agreement or any other agreement pertaining to activities of India Grid Trust

##### Whistle Blower Policy / Vigil Mechanism

The Investment Manager has established a Vigil Mechanism for Directors and employees to report genuine concerns. The Vigil Mechanism is widely circulated for knowledge of the Directors and employees.

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

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

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, the

Investment Manager has not received any complaint of sexual harassment during the period under review.

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

#### **SEBI Complaints Redress System (SCORES)**

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

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

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

#### **Green Initiative**

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

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

We request you to update your email address with your depository participant to ensure that the Annual Report and other documents reach you on your preferred email.

#### **Amendments to Material Contracts**

During the year under review, at the time of acquisition of Assets, the IndiGrid has executed amendment to the Investment Management Agreement and Project Implementation & Management Agreement.

Further, the Trust Deed was amended for addition of Renewable Energy to IndiGrid's Investment Strategy

### **GENERAL UNITHOLDER INFORMATION**

#### **1) Financial Year**

The IndiGrid follows April-March as the financial year. To consider and approve the quarterly financial results for FY2020-21, the meetings of the Board were held/ scheduled on the following dates/ months:

First Quarter Ended Results:	August 6, 2020
Second Quarter and Half Year Ended Results:	November 3, 2020
Third Quarter	Expected by end of Jan 2021
Fourth Quarter and Full Year Ended Results	Expected by April 2021



## 2) Distribution

The details of Distribution declared by IndiGrid during H1 FY21 are as follows:

Date of Board Meeting	Type of Distribution	Distribution (In INR)	Record Date
August 6, 2020	Interest payment	INR 3.00	August 12, 2020
November 3, 2020	Interest Payment	INR 3.00	November 10, 2020

## 3) Listing Details

Name and Address of the Stock Exchange	Security Type	Scrip Code	ISIN code
BSE Limited (BSE)	Units	540565	INE219X23014
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	NCD	958219	INE219X07017
	NCD	958599	INE219X07025
	NCD	958827	INE219X07033
	NCD (MLD)	958876	INE219X07041
	NCD	958915	INE219X07058
	NCD	958939	INE219X07066
	NCD (MLD)	959236	INE219X07074
	NCD	959595	INE219X07082
	NCD	959596	INE219X07090
	NCD	959985	INE219X07108
National Stock Exchange of India Limited (NSE)	Units	INDIGRID	INE219X23014

Exchange Plaza, Plot No.  
C/1, G-Block, Bandra Kurla  
Complex, Bandra (East),  
Mumbai - 400 051

## 4) Address for Correspondence including Investors Grievances

### 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, Delhi.

Company Secretary & Compliance Officer: Mr. Swapnil Patil

Tel: +91 22 4996 2200 | Fax: +91 22 4996 2288

E-mail: [complianceofficer@indigrid.co.in](mailto:complianceofficer@indigrid.co.in), Website: <http://www.indigrid.co.in>

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

Sterlite Investment Managers Limited

CIN: U28113MH2010PLC308857

Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex,  
Bandra East Mumbai, Maharashtra- 400051 India

Tel: +91 22 4996 2200 | Fax: +91 22 4996 2288

Email: [complianceofficer@indigrid.co.in](mailto:complianceofficer@indigrid.co.in)

Contact Person: Mr. Swapnil Patil

### Registered Office and Contact Details of RTA

KFIN Technologies Private Limited

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad - 500 032

Tel: +91 40 3321 5205, E-mail: [support.indiagrid@kfintech.com](mailto:support.indiagrid@kfintech.com)

### Investors Relations

Ms. Meghana Pandit

Tel: +91 845509 96408

E-mail: [investor.relations@indigrid.co.in](mailto:investor.relations@indigrid.co.in)

# SUMMARY OF INDEPENDENT VALUATION

As per Securities and Exchange Board of India (Infrastructure Investment Trust), Regulations, 2014 (InvIT Regulations), IndiGrid is supposed to carry out independent valuation for its assets. Haribhakti & Co. LLP, Chartered Accountants, has carried out yearly financial valuation of BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, OGPTL, ENICL, GPTL and JKTPL at the enterprise level. Enterprise value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

## Valuation Approach

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

## Valuation Summary

IndiGrid has acquired two revenue generating projects in the first half of FY21, namely GPTL and JKTPL. The independent valuation of the assets as of September 30, 2020 is summarized below:

	September 30, 2020		March 31, 2020		September 30, 2019		March 31, 2019	
	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)	Enterprise Value (INR billion)	WACC (%)
BDTCL	19.12	8.39%	18.56	8.84%	19.09	8.22%	19.47	8.24% (base case) *
JTCL	15.06	8.61%	14.43	9.09%	14.77	8.27%	14.61	8.30%
MTL	5.76	8.13%	5.44	8.61%	5.38	7.99%	5.27	8.12%
RTCL	4.15	8.04%	4.01	8.51%	4.17	8.28%	4.04	8.30%
PKTCL	6.70	8.04%	6.44	8.51%	6.48	8.40%	6.39	8.32%
PTCL	2.46	8.09%	2.37	8.56%	2.44	8.34%	2.42	8.32%
NRSS	45.36	7.97%	43.91	8.44%	44.35	7.92%		
OGPTL	14.64	8.12%	14.10	8.54%	13.88	8.07%		
ENICL*	11.44	8.37% to 11.17%	10.95	8.91% to 12.42 %**	-			
GPTL	11.41	8.01%						
JKTPL	2.88	8.43%						
<b>Total</b>	<b>139.01</b>		<b>120.21</b>		<b>110.56</b>		<b>52.20</b>	

Note

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

Valuation report of IndiGrid assets as on September 30, 2020 issued by Valuer are annexed to this report as Annexure A and forms part of this report only. The valuation report can also be viewed on the Company's website and can be accessed via the link <http://www.indigrid.co.in/download-investor.html>





# UNIT PRICE PERFORMANCE

Units of IndiGrid were listed on June 06, 2017 on BSE and NSE. Unit price inched higher in H1 FY21, with total volume of trade at approximately 172.23 million units. This translated to an average daily traded volume of approximately 1.40 million units during the period.

IndiGrid distributed INR 12.00/unit for FY 2019-20. Thereafter, IndiGrid distributed INR 3.00/unit in Q1 FY 2020-21 and Q2 FY 2020-21.

## Summary of Price and Volume

Particulars	BSE	NSE
<b>Price Information</b>		
Unit Price at the beginning of the period (Close price of April 01, 2020)	90.85	91.40
Unit Price at the close of the period (Close price of September 30, 2020)	105.71	105.62
Highest Unit Price (NSE - July 28, 2020) (BSE – July 30, 2020)	110.98	110.65
Lowest Unit Price (NSE- April 1, 2020) (BSE- April 13, 2020)	88.60	88.05
<b>Volume Information</b>		
Average Daily Volume Traded during the period (in Thousands)	211	1,175
Total Average Daily Volume Traded (on both BSE and NSE) (in Thousands)	1,386	

## Summary of DPU

Period	DPU (INR/unit)
Q1 FY18	0.92
Q2 FY18	2.75
Q3 FY18	2.89
Q4 FY18	3.00
<b>FY18*</b>	<b>9.56</b>
<b>FY18 (Annualised)</b>	<b>11.47</b>
Q1 FY19	3.00
Q2 FY19	3.00
Q3 FY19	3.00
Q4 FY19	3.00
<b>FY19</b>	<b>12.00</b>
Q1 FY20	3.00
Q2 FY20	3.00
Q3 FY20	3.00
Q4 FY20	3.00
<b>FY20</b>	<b>12.00</b>
Q1FY21	3.00
Q2FY21	3.00

\* For an operational period of 10 months

# GENERAL DISCLOSURES

1. Regulatory - Except otherwise specified, during the period under review, there were no regulatory changes that has impacted or may impact cash flows of the underlying projects.
2. Material Contracts - Except otherwise specified, during the period under review, there were no changes in material contracts or any new risk in performance of any contract pertaining to the India Grid Trust.
3. Legal Proceedings - Except otherwise specified in this report or its Annexures, during the period under review, there were no legal proceedings which may have significant bearing on the activities or revenues or cash flows of the India Grid Trust.
4. Material Information and Events - Except otherwise specified or disclosed to the Exchange from time to time, during the period under review, there were no material changes, events or material and price sensitive information to be disclosed for India Grid Trust.
5. Material Litigation - Except otherwise specified in this report or its annexures, there are no material litigation and actions by regulatory authorities, in each case against IndiGrid, the Sponsor(s) the Investment Manager, the Project Manager, or any of their Associates and the Trustee that are currently pending. For the India Grid Trust and for Sterlite Power Grid Ventures Limited or Project Manager, the total consolidated revenue of FY 2019-20 for respective entities was INR 12,427.13 million and 11238.32 million respectively. Accordingly, all outstanding cases and/or regulatory action which involve an amount exceeding INR 621.35 million and INR 561.92 million (being 5% of the total consolidated revenue) have been considered material, respectively for the review period.
6. Issue and Buyback of Units  

This is to confirm that, during the period under review, there was no issuance or buy back of any securities by IndiGrid.

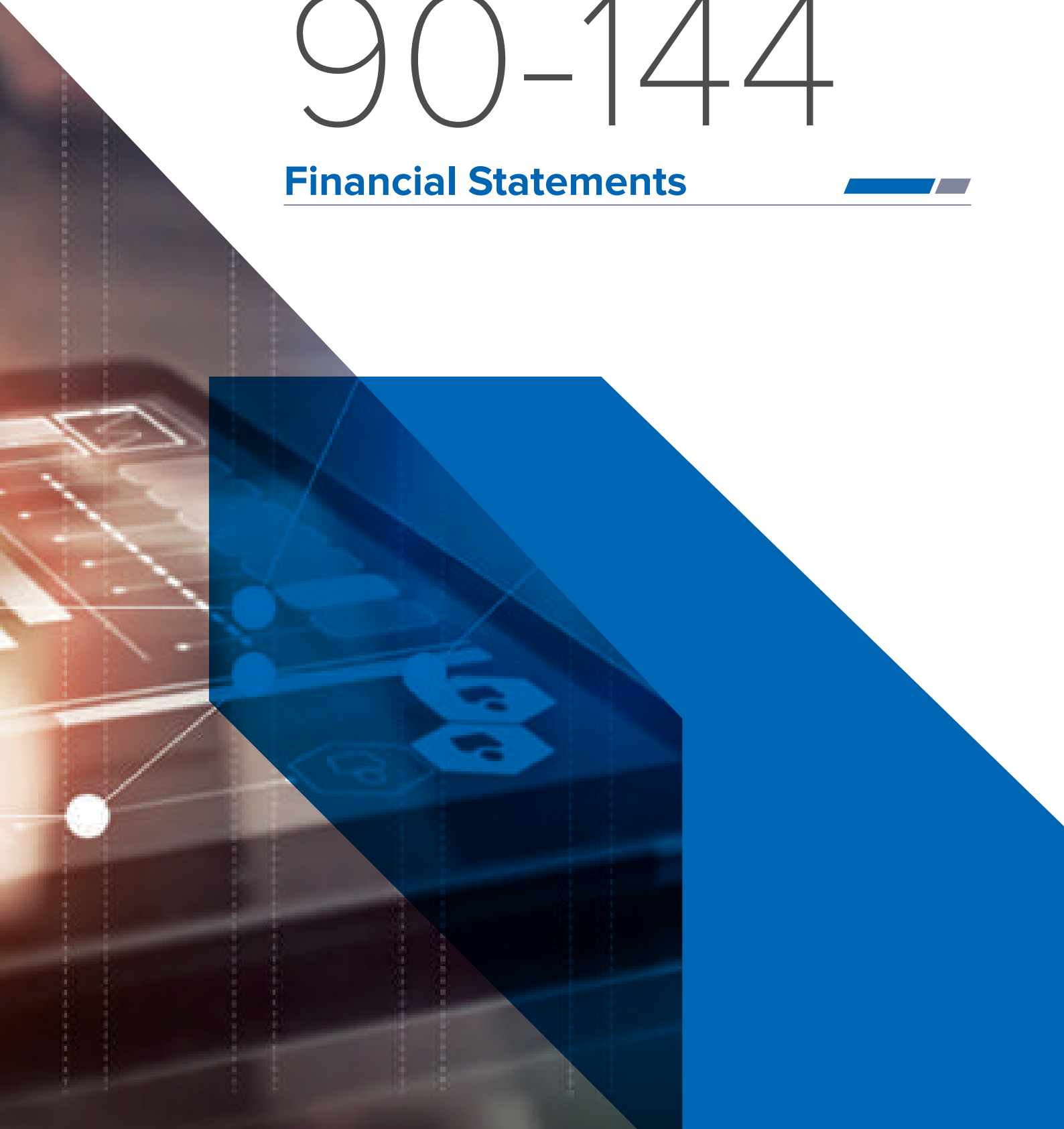


Mar Apr May Jun Jul Aug Sep Oct Nov Dec

# 90-144

**Financial Statements**

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# CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2020

(All amounts in INR million unless otherwise stated)

	As at September 30, 2020	As at September 30, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,16,510.45	99,793.62
Capital work-in-progress	1.89	-
Financial assets		
i. Other non-current financial assets	3,062.84	3.96
Other non current assets	316.72	276.20
	<b>1,19,891.90</b>	<b>1,00,073.78</b>
<b>Current assets</b>		
Financial assets		
i. Investments	2,374.78	-
ii. Trade receivables	3,258.10	2,337.35
iii. Cash and cash equivalents	3,502.78	3,598.02
iv. Bank Balances other than (iii) above	1,074.24	227.86
v. Other current financial assets	1,429.07	1,107.03
Other current assets	154.07	24.40
	<b>11,793.04</b>	<b>7,294.66</b>
<b>TOTAL ASSETS</b>	<b>1,31,684.94</b>	<b>1,07,368.44</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	53,145.69	53,154.81
Retained earnings	(4,448.98)	(1,474.06)
	<b>48,696.71</b>	<b>51,680.75</b>
<b>Non-current liabilities</b>		
Financial liabilities		
i. Borrowings	79,068.64	52,064.77
Employee Benefit Obligations	1.08	-
Deferred tax	899.84	682.35
	<b>79,969.56</b>	<b>52,747.12</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Trade payables	194.65	322.49
ii. Other financial liabilities	2,557.45	2,567.84
Employee Benefit Obligations	3.74	-
Other current liabilities	256.31	10.60
Provisions	6.52	39.64
	<b>3,018.67</b>	<b>2,940.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,31,684.94</b>	<b>1,07,368.44</b>

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(All amounts in INR million unless otherwise stated)

	April 01, 2020 to September 30, 2020	April 01, 2019 to September 30, 2019
<b>INCOME</b>		
Revenue from operations	7,451.95	5,760.16
Other income	14.87	30.24
<b>Total income (I)</b>	<b>7,466.82</b>	<b>5,790.40</b>
<b>EXPENSES</b>		
Employee benefit expenses	46.35	-
Other expenses	749.44	420.20
<b>Total expenses (II)</b>	<b>795.79</b>	<b>420.20</b>
<b>Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>	<b>6,671.03</b>	<b>5,370.20</b>
Depreciation expense	2,017.59	1,384.17
Impairment expense/(reversals)	-	(456.96)
Finance costs	3,070.27	1,783.54
Finance Income	(143.42)	(193.13)
<b>Profit before tax</b>	<b>1,726.59</b>	<b>2,852.58</b>
Current tax	4.48	125.51
Deferred tax	10.78	(15.01)
<b>Tax expense</b>	<b>15.26</b>	<b>110.50</b>
<b>Profit for the year</b>	<b>1,711.33</b>	<b>2,742.08</b>
<b>Total comprehensive income for the year</b>	<b>1,711.33</b>	<b>2,742.08</b>

# CONSOLIDATED STATEMENT OF EXTERNAL BORROWINGS

FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(All amounts in INR million unless otherwise stated)

Particulars	IGT	BDTCL	OGPTL	ENICL	GPTL	Total
Borrowing including current maturity	49,316.08	9,168.25	5,404.58	7,909.74	7,334.03	79,132.68
%	62%	12%	7%	10%	9%	100%

# CONSOLIDATED OPERATING EXPENSES

FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(All amounts in INR million unless otherwise stated)

	April 01, 2020 to September 30, 2020	April 01, 2019 to September 30, 2019
Transmission infrastructure maintenance charges	149.29	109.13
Insurance expenses	137.95	58.28
Legal and professional fees	45.70	21.45
Rates and taxes	38.01	25.08
Investment manager fees	145.04	107.51
Project manager fees	42.40	31.67
Vehicle hire charges	-	5.90
Valuation expenses	1.86	3.09
Trustee fees	2.30	1.18
Payment to auditors	6.43	5.11
Employee Benefit Expenses	46.35	-
Other expenses	180.46	51.80
Depreciation expense	2,017.59	1,384.17
Impairment of property, plant & equipment	-	(456.96)
Finance costs	3,070.27	1,783.54
<b>Total</b>	<b>5,883.65</b>	<b>3,130.95</b>





# STANDALONE BALANCE SHEET

AS AT SEPTEMBER 30, 2020

(All amounts in INR million unless otherwise stated)

Particulars	As at September 30, 2020	As at September 30, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in subsidiary	17,357.70	13,845.66
Financial assets		
i. Investments	4,275.06	4,999.52
ii. Loans	77,761.52	70,501.04
<b>Total</b>	<b>99,415.78</b>	<b>89,346.21</b>
<b>Current assets</b>		
Financial assets		
i. Cash and cash equivalents	2,276.57	2,685.17
ii. Bank Balances other than (i) above	828.00	
iii. Loans	523.61	
iv. Other financial assets	506.93	204.07
Other Current Assets	1.18	1.21
	<b>4,136.29</b>	<b>2,890.45</b>
<b>Total assets</b>	<b>1,03,552.07</b>	<b>92,236.66</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Unit capital	53,145.69	53,154.81
Other equity		
Retained earnings	(821.04)	(195.92)
<b>Total equity</b>	<b>52,324.65</b>	<b>52,958.89</b>
<b>Non-Current liabilities</b>		
<b>Financial liabilities</b>		
i. Borrowings	49,316.08	37,596.69
<b>Total</b>	<b>49,316.08</b>	<b>37,596.69</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
i. Trade Payables	-	12.63
ii. Other financial liabilities	1,897.05	1,621.79
Other current liabilities	7.96	7.02
Provisions	6.33	39.64
	<b>1,911.34</b>	<b>1,681.08</b>
<b>Total liabilities</b>	<b>51,227.42</b>	<b>39,277.77</b>
<b>Total equity and liabilities</b>	<b>1,03,552.07</b>	<b>92,236.66</b>

# STANDALONE PROFIT AND LOSS

FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(All amounts in INR million unless otherwise stated)

Particulars	April 01, 2020 to September 30, 2020	April 01, 2019 to September 30, 2019
<b>INCOME</b>		
Revenue from operations	5,958.18	4,700.89
Income from investment in mutual funds	-	97.44
Interest income on investment in fixed deposits	42.13	45.54
<b>Total income (I)</b>	<b>6,000.31</b>	<b>4,843.87</b>
<b>EXPENSES</b>		
Legal and professional fees	25.76	14.54
Annual listing fee	6.04	6.26
Rating fee	23.60	14.53
Valuation expenses	1.86	3.24
Trustee fee	1.83	1.18
Payment to auditors	1.77	1.00
Other expenses	101.49	3.51
Finance costs	1,957.06	1,265.76
Impairment/(Reversal of impairment) of investment in subsidiary	(516.69)	547.75
<b>Total expenses (II)</b>	<b>1,602.72</b>	<b>1,857.77</b>
<b>Profit before tax</b>	<b>4,397.59</b>	<b>2,986.10</b>
Tax expense	3.99	61.11
<b>Profit for the year</b>	<b>4,393.60</b>	<b>2,924.99</b>



# INDIA GRID TRUST

## SEBI REGISTRATION NUMBER: IN/INVIT/16-17/0005

### UNAUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

(All amounts in Rs. million unless otherwise stated)

Particulars	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited) (refer note 2)	(Unaudited)	(Unaudited) (refer note 3)	(Audited)
<b>I. INCOME</b>				
Revenue from contracts with customers (refer note 4 and 5)	7,451.95	5,760.16	6,666.97	12,427.13
Income from investment in mutual funds	64.27	137.89	53.00	190.89
Interest income on investment in fixed deposits	70.07	55.24	46.85	102.09
Other finance income	9.08	-	0.32	0.32
Other income	14.87	30.24	35.27	65.51
<b>Total income (I)</b>	<b>7,610.24</b>	<b>5,983.53</b>	<b>6,802.41</b>	<b>12,785.94</b>
<b>II. EXPENSES</b>				
Transmission infrastructure maintenance charges	149.29	109.13	131.25	240.38
Insurance expenses	137.95	58.28	88.74	147.02
Legal and professional fees	45.70	21.45	96.40	117.85
Rates and taxes	38.01	25.08	12.68	37.76
Investment manager fees (refer note 10)	145.04	107.51	131.28	238.79
Project manager fees (refer note 9)	42.40	31.67	31.99	63.66
Vehicle hire charges	-	5.90	7.61	13.51
Valuation expenses	1.86	3.09	1.80	4.89
Trustee fees	2.30	1.18	2.42	3.60
Payment to auditors (including for subsidiaries)				
- Statutory audit	5.27	5.11	1.96	7.07
- Tax audit	1.16	-	2.71	2.71
- Other services (including tax audits and certifications)	-	-	1.22	1.22
Other expenses	180.46	51.80	58.27	110.07
Employee benefit expenses	46.35	-	-	-
Depreciation expense	2,017.59	1,384.17	1,716.95	3,101.12
Impairment/ (reversal) on property plant and equipment (refer note 8)	-	(456.96)	-	(456.96)
Finance costs	3,070.27	1,783.54	2,369.84	4,153.38
<b>Total expenses (II)</b>	<b>5,883.65</b>	<b>3,130.95</b>	<b>4,655.12</b>	<b>7,786.07</b>
<b>Profit before tax (I-II)</b>	<b>1,726.59</b>	<b>2,852.58</b>	<b>2,147.29</b>	<b>4,999.87</b>
<b>Tax expense:</b>				
- Current tax	4.48	125.51	(68.55)	56.96
- Deferred tax	10.78	(15.01)	(99.28)	(114.29)
	<b>15.26</b>	<b>110.50</b>	<b>(167.83)</b>	<b>(57.33)</b>
<b>Profit for the period / year</b>	<b>1,711.33</b>	<b>2,742.08</b>	<b>2,315.12</b>	<b>5,057.20</b>

(All amounts in Rs. million unless otherwise stated)

Particulars	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited) (refer note 2)	(Unaudited)	(Unaudited) (refer note 3)	(Audited)
<b>Other comprehensive Income</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-
<b>Total comprehensive income</b>	<b>1,711.33</b>	<b>2,742.08</b>	<b>2,315.12</b>	<b>5,057.20</b>
<b>Earnings per unit (Rs. per unit)</b> (refer note E under additional disclosures)				
- Basic	2.93	5.23	3.97	9.13
- Diluted	2.93	5.23	3.97	9.13

**NOTES:**

- 1) The above unaudited consolidated interim financial results for the six months ended September 30, 2020 has been reviewed and approved by the Board of Directors of Sterlite Investment Managers Limited ('Investment Manager') at its meeting held on November 03, 2020.
- 2) The unaudited consolidated interim financial information comprises of the Statement of Profit and Loss and notes thereon of India Grid Trust comprising India Grid Trust ('IndiGrid' or 'the Trust') and its subsidiaries (together, 'the Group'), for the half year ended September 30, 2020 ("Interim Financial Information"). The Interim Financial Information has been prepared in accordance with recognition and measurement principles of Indian Accounting Standard 34 - Interim Financial Reporting (Ind AS 34), notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the circulars issued thereunder ("InvIT Regulations").
- 3) The half yearly consolidated financial results for the half year ended March 31, 2020 are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures upto September 30, 2019, being the date of the end of the first half of the previous financial year, which were subject to limited review.
- 4) a. During the previous half year ended September 30, 2019, the Group acquired IndiGrid 1 Limited (formerly known as Sterlite Grid 2 Limited), which is the holding company of NRSS XXIX Transmission Limited ('NTL') and the IndiGrid 2 Limited (formerly known as Sterlite Grid 3 Limited) which is the holding company of Odisha Generation Phase-II Transmission Limited, ('OGPTL') from Sterlite Power Grid Ventures Limited ('SPGVL') pursuant to share purchase agreements dated April 30, 2019 on June 04, 2019 and June 28, 2019 respectively. 100% equity share capital of IGL1 and IGL2 were acquired by the Group as per the share purchase agreement dated April 30, 2019. Accordingly, the Group had consolidated IGL1 and IGL2. Further, the revenue and corresponding expenses of IGL1 and NTL included in the consolidated financial information was from June 04, 2019 to March 31, 2020 and the revenue and corresponding expenses of IGL2 and OGPTL included in the consolidated financial information was from June 28, 2019 to March 31, 2020.

## INDIA GRID TRUST

SEBI REGISTRATION NUMBER: IN/INVIT/16-17/0005

# UNAUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

- b. During the previous year ended March 31, 2020, The Group also acquired 49% of paid up equity capital of East-North Interconnection Company Limited ('ENICL') with effect from March 24, 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') and Sterlite Power Transmission Limited ('SPTL') (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated March 23, 2020 ("SPA"). Further, the Group acquired the remaining 51% equity stake in ENICL on May 26, 2020. Accordingly, the Group has consolidated ENICL as a wholly owned subsidiary for the half year ended and year ended March 31, 2020.
- c. The Group has acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from August 28, 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') and Sterlite Grid 4 Limited ('SGL4'), together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated August 28, 2020 ("SPA"). The Group has finalised purchase consideration for acquisition of entire stake in GPTL and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in GPTL from the Selling Shareholders. Considering the rights available to the Group as per SPA, the Group has concluded that it controls GPTL. Accordingly, the Group has consolidated GPTL as a wholly owned subsidiary for the half year ended September 30, 2020. Further, the revenue and corresponding expenses of GPTL included in the consolidated financial information is from August 28, 2020 to September 30, 2020.
- d. The Group has acquired 74% of paid up equity capital of Jhajjar KT Transco Private Limited ('JKTPL') with effect from September 28, 2020 from Kalpataru Power Transmission Limited, Techno Electric & Engineering Company Limited, together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated May 29, 2020 ("SPA"). Further, the Group acquired the remaining 26% equity stake in JKTPL on October 03, 2020. Considering the rights available to the Group as per SPA, the Group has concluded that it controls JKTPL. Accordingly, the Group has consolidated JKTPL as a wholly owned subsidiary for the half year ended September 30, 2020. Further, the revenue and corresponding expenses of JKTPL included in the consolidated financial information is from September 28, 2020 to September 30, 2020.

Consequent to above, revenue and corresponding expenses included in the consolidated financial results for various periods may not be comparable.

- 5) Central Electricity Regulatory Commission ('CERC') vide its order dated 25 June 2018 approved an increase in non-escalable tariff revenue by 0.69% per annum on quoted non-escalable tariff of Bhopal Dhule Transmission Company Limited ('BDTCL') from the commercial operation dates ('COD') of respective elements of the BDTCL project on account of changes in laws. In earlier year, BDTCL recognised revenue based on revised non-escalable charges prospectively from 01 April 2018 instead of the COD of respective elements.

During the half year ended September 30, 2019, BDTCL received arrears of Rs. 50.20 million pertaining to period from the COD of the respective elements up to March 31, 2017 which is recognised as revenue from contracts with customers in the half year ended September 30, 2019.

- 6) Management has assessed impact on business and financial risks on account of COVID-19 on the financial information. Considering that the subsidiaries of the Group are engaged in the business of transmission of electricity which is considered as an "Essential Service", the management believes that the impact of COVID-19 is not significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due. Central Electricity Regulatory Commission ('CERC') has reduced Late Payment Charges (LPS) to 1.0% per month from 1.5% earlier or any delay in payment by the Long Term Transmission Customers (LTTCS) between March 24, 2020 and September 30, 2020 which does not have material impact on the financial information of the Group.

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

- 7) The Government of India's Code for Social Security 2020 (the 'Code') received assent from the President in September 2020. However, the date from when the Code will become applicable and the Rules have not yet been notified. The Group will assess the impact of the Code and account for the same once the effective date and the rules are notified.
- 8) The provision for impairment/(reversal) of impairment of property, plant and equipment is made based on the difference between carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiary has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model).
- 9) Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, Project Manager is entitled to fees @ 10% of gross expenditure incurred by each SPV in relation to operation and maintenance costs per annum. There are no changes in the methodology of computation of fees paid to Project Manager.
- 10) Pursuant to the Investment Management Agreement dated November 10, 2016 as amended, Investment Manager is entitled to fees @ 1.75% of difference between revenue from operations and operating expenses (other than fees of the Investment Manager) of each SPV per annum. For this purpose, operating expenses would not include depreciation, finance costs and income tax expense. There are no changes in the methodology of computation of fees paid to Investment Manager.
- 11) The unitholders of India Grid Trust (IndiGrid) have approved the induction of Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc ("Esoteric II") as a sponsor (as defined under the InvIT Regulations). The special resolution to induct Esoteric II as a sponsor was passed with a special majority in the 3rd Annual General Meeting of IndiGrid held on September 28, 2020.
- 12) The Board of Directors of the Investment Manager approved a distribution of Rs. 3 per unit for the period July 1, 2020 to September 30, 2020 to be paid on or before 15 days from the date of declaration.
- 13) **ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF ANNEXURE A TO THE SEBI CIRCULAR NO. CIR/IMD/DF/127/2016**

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

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Cash flows received from the Portfolio Assets in the form of interest	5,449.31	4,750.43	5,364.47	10,114.90
Cash flows received from the Portfolio Assets in the form of dividend	-	-	-	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	42.13	142.98	34.68	177.66
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	5,835.06	1,838.61	4,913.67	6,752.28



INDIA GRID TRUST  
SEBI REGISTRATION NUMBER: IN/INVIT/16-17/0005  
**UNAUDITED CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020**

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-	-	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>11,326.50</b>	<b>6,732.02</b>	<b>10,312.82</b>	<b>17,044.84</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i and ii)	(1,623.25)	(1,310.01)	(1,631.26)	(2,941.27)
Less: Costs/retention associated with sale of assets of the Portfolio Assets:	-	-	-	-
- related debts settled or due to be settled from sale proceeds of Portfolio Assets;	-	-	-	-
- transaction costs paid on sale of the assets of the Portfolio Assets; and	-	-	-	-
- capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments.	-	-	-	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/special purpose vehicles (Excluding refinancing)	-	-	-	-
Less: Income tax (if applicable) at the standalone IndiGrid level	(3.99)	(61.11)	4.15	(56.96)
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(5,912.49)	(1,859.49)	(4,983.80)	(6,843.29)
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-	-	-
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(7,539.72)</b>	<b>(3,230.61)</b>	<b>(6,610.92)</b>	<b>(9,841.52)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>3,786.78</b>	<b>3,501.41</b>	<b>3,701.91</b>	<b>7,203.32</b>

Notes:

- Does not include interest accrued but not due of Rs. 163.89 million (half year ended September 30, 2019: Rs. Nil million, half year ended March 31, 2020: Rs. 150.51 million, year ended March 31, 2020: Rs. 150.51 million) related to market linked non convertible debentures ('MLDs') which is payable on maturity of these MLDs from FY 2022 to FY 2024
- Does not include Earn - out expenses of Rs 91.19 million (half year ended September 30, 2019: Rs. Nil million, half year ended March 31, 2020: Rs. Nil million, year ended March 31, 2020: Rs. Nil million)

**B) Statement of Net Distributable Cash Flows (NDCFs) of underlying Holdcos and SPVs****(i) IndiGrid Limited (formerly known as Sterlite Grid 1 Limited) (Holdco)**

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	(295.17)	(0.12)	(884.52)	(884.64)
Add: Depreciation, impairment and amortisation	5.43	(147.53)	583.98	436.45
Add/Less: Decrease/(increase) in working capital	31.13	8.81	(3.88)	4.93
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid	303.63	225.98	395.06	621.04
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	1.09	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	(76.42)	(60.72)	(99.43)	(160.15)
- Unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
<b>Total Adjustments (B)</b>	<b>264.86</b>	<b>26.55</b>	<b>875.73</b>	<b>902.28</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>(30.31)</b>	<b>26.43</b>	<b>(8.79)</b>	<b>17.64</b>

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





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

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(245.11)</b>	<b>(90.83)</b>	<b>(194.79)</b>	<b>(285.62)</b>
Add: Depreciation, impairment and amortisation	353.39	354.21	352.83	707.04
Add/Less: Decrease/(increase) in working capital	(155.58)	(70.10)	(10.31)	(80.41)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	667.98	651.28	653.87	1,305.15
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	(2.22)	(0.90)	0.08	(0.82)
Add/less: Any other item of non-cash expense/ non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
Amortization of Upfront fees	1.90	2.09	2.01	4.10
Loss on account of MTM of F/W & ECB	86.98	17.03	45.82	62.85

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Non Cash Income - Reversal of Prepayment penalty				
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)				
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(43.78)	(80.25)	(40.70)	(120.95)
<b>Total Adjustments (B)</b>	<b>908.68</b>	<b>873.36</b>	<b>1,003.6</b>	<b>1,876.96</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>663.57</b>	<b>782.53</b>	<b>808.81</b>	<b>1,591.34</b>

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

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

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(887.36)</b>	<b>(115.38)</b>	<b>(988.11)</b>	<b>(1,103.49)</b>
Add: Depreciation, impairment and amortisation	253.38	(424.11)	389.68	(34.43)
Add/Less: Decrease/(increase) in working capital	89.83	147.04	(9.63)	137.41
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	1,347.60	1,246.63	1,295.05	2,541.68
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-



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Description	(Rs in million)			
	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	(0.21)	(19.96)	(1.12)	(21.08)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
<b>Total Adjustments (B)</b>	<b>1,690.60</b>	<b>949.60</b>	<b>1,673.98</b>	<b>2,623.58</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>803.24</b>	<b>834.22</b>	<b>685.87</b>	<b>1,520.09</b>

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

## (iv) RAPP Transmission Company Limited (RTCL) (SPV)

(Rs in million)

Description	Six months ended	Six months ended	Six months ended	Year ended
	September 30, 2020	September 30, 2019	March 31, 2020	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>1.75</b>	<b>15.12</b>	<b>12.27</b>	<b>27.39</b>
Add: Depreciation, impairment and amortisation	42.94	42.82	42.84	85.66
Add/Less: Decrease/(increase) in working capital	(6.03)	(23.44)	(7.93)	(31.37)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	169.40	177.05	168.12	345.17
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
Less: Capital expenditure, if any	(0.13)	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-



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Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
<b>Total Adjustments (B)</b>	<b>206.18</b>	<b>196.43</b>	<b>203.02</b>	<b>399.46</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>207.93</b>	<b>211.55</b>	<b>215.29</b>	<b>426.85</b>

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

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

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	(20.89)	(11.16)	(10.03)	(21.19)
Add: Depreciation, impairment and amortisation	71.62	71.45	71.44	142.89
Add/Less: Decrease/(increase) in working capital	(23.38)	3.86	(3.73)	0.13
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	295.80	299.89	292.80	592.69
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	(0.21)	-	-	-

(Rs in million)

Description	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
<b>Total Adjustments (B)</b>	<b>343.83</b>	<b>375.20</b>	<b>360.51</b>	<b>735.71</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>322.94</b>	<b>364.04</b>	<b>350.48</b>	<b>714.52</b>

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



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(vi) Maheshwaram Transmission Limited (MTL) (SPV)

Description	(Rs in million)			
	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(79.76)</b>	<b>(74.97)</b>	<b>(71.07)</b>	<b>(146.04)</b>
Add: Depreciation, impairment and amortisation	61.05	60.89	60.89	121.78
Add/Less: Decrease/(increase) in working capital	(42.92)	(2.39)	(5.82)	(8.21)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	289.11	284.29	284.29	568.58
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	(0.23)	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
<b>Total Adjustments (B)</b>	<b>307.01</b>	<b>342.79</b>	<b>339.36</b>	<b>682.15</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>227.25</b>	<b>267.82</b>	<b>268.29</b>	<b>536.11</b>

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

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

(Rs in million)

Description	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(76.32)</b>	<b>(85.02)</b>	<b>(83.12)</b>	<b>(168.14)</b>
Add: Depreciation, impairment and amortisation	90.72	102.79	102.79	205.58
Add/Less: Decrease/(increase) in working capital	(25.00)	(7.02)	(0.92)	(7.94)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	132.11	119.21	117.50	236.71
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re- invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-





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Description	(Rs in million)			
	Six months ended September 30, 2020	Six months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Less: Capital expenditure, if any	(0.21)	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
<b>Total Adjustments (B)</b>	<b>197.62</b>	<b>214.98</b>	<b>219.37</b>	<b>434.35</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>121.30</b>	<b>129.96</b>	<b>136.25</b>	<b>266.21</b>

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

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

(Rs in million)

Description	Six months ended September 30, 2020	June 04, 2019* to September 30, 2019	Six months ended March 31, 2020	June 04, 2019* to March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b> (pertaining to period post acquisition by IndiGrid)	<b>(86.38)</b>	<b>(42.91)</b>	<b>(86.46)</b>	<b>(129.37)</b>
Add: Depreciation, impairment and amortisation	-	(254.03)	254.03	-
Add/Less: Decrease/(increase) in working capital	18.47	42.47	(335.31)	(292.84)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	86.70	-	127.71	127.71
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	-	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-



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(Rs in million)

Description	Six months ended September 30, 2020	June 04, 2019* to September 30, 2019	Six months ended March 31, 2020	June 04, 2019* to March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
<b>Total Adjustments (B)</b>	<b>105.17</b>	<b>(211.56)</b>	<b>46.43</b>	<b>(165.13)</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>18.79</b>	<b>(254.47)</b>	<b>(40.03)</b>	<b>(294.50)</b>

\* Being the date of acquisition by IndiGrid.

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

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

(Rs in million)

Description	Six months ended September 30, 2020	June 04, 2019* to September 30, 2019	Six months ended March 31, 2020	June 04, 2019* to March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b> (pertaining to period post acquisition by IndiGrid)	<b>(14.73)</b>	<b>329.38</b>	<b>269.27</b>	<b>598.65</b>
Add: Depreciation, impairment and amortisation	415.45	269.50	414.43	683.93
Add/Less: Decrease/(increase) in working capital	97.25	(424.03)	(32.08)	(456.11)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	2,074.84	1,413.02	2,071.59	3,484.61
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-

(Rs in million)

Description	Six months ended September 30, 2020	June 04, 2019* to September 30, 2019	Six months ended March 31, 2020	June 04, 2019* to March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	(0.31)	(3.17)	0.00	(3.17)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	10.78	-	(95.30)	(95.30)
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(0.00)	-	-	-
<b>Total Adjustments (B)</b>	<b>2,598.01</b>	<b>1,255.32</b>	<b>2,358.65</b>	<b>3,613.96</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>2,583.28</b>	<b>1,584.70</b>	<b>2,627.91</b>	<b>4,212.61</b>

\* Being the date of acquisition by IndiGrid.

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

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

(Rs in million)

Description	Six months ended September 30, 2020	June 28, 2019* to September 30, 2019	Six months ended March 31, 2020	June 28, 2019* to September 30, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b> (pertaining to period post acquisition by IndiGrid)	<b>(45.28)</b>	<b>831.27</b>	<b>(45.75)</b>	<b>785.52</b>
Add: Depreciation, impairment and amortisation	-	(895.96)	- ^	(895.96) ^
Add/Less: Decrease/(increase) in working capital	(0.92)	0.23	0.73	0.96
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	44.87	64.40	44.80	109.20
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	-	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-

(Rs in million)

Description	Six months ended September 30, 2020	June 28, 2019* to September 30, 2019	Six months ended March 31, 2020	June 28, 2019* to September 30, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-	-
<b>Total Adjustments (B)</b>	<b>43.95</b>	<b>(831.33)</b>	<b>45.53</b>	<b>(785.80)</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>(1.33)</b>	<b>(0.06)</b>	<b>(0.22)</b>	<b>(0.28)</b>

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

\* Being the date of acquisition by IndiGrid.

^ Regrouped

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

(Rs in million)

Description	Six months ended September 30, 2020	June 28, 2019* to September 30, 2019	Six months ended March 31, 2020	June 28 2019* to March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b> (pertaining to period post acquisition by IndiGrid)	<b>(101.22)</b>	<b>724.12</b>	<b>(97.67)</b>	<b>626.45</b>
Add: Depreciation, impairment and amortisation	194.16	(632.66)	203.90	(428.76)
Add/Less: Decrease/(increase) in working capital	(44.89)	(126.26)	50.49	(75.77)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	454.85	176.65	444.91	621.56
Add/less: Loss/gain on sale of infrastructure assets	-	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
- related debts settled or due to be settled from sale proceeds;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- directly attributable transaction costs;	-	-	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-	-



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(Rs in million)

Description	Six months ended September 30, 2020	June 28, 2019* to September 30, 2019	Six months ended March 31, 2020	June 28 2019* to March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-	-
Less: Capital expenditure, if any	-	0.11	-	0.11
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-	-
- deferred tax;	-	-	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-	-
Amortization of Upfront fees	0.61	-	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(13.59)	-	-	-
<b>Total Adjustments (B)</b>	<b>591.14</b>	<b>(582.16)</b>	<b>699.30</b>	<b>117.14</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>489.92</b>	<b>141.96</b>	<b>601.63</b>	<b>743.59</b>

\* Being the date of acquisition by IndiGrid.

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

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

(Rs in million)

Description	Six months ended	March 24, 2020*
	September 30, 2020	to March 31, 2020
	(Unaudited)	(Audited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b> (pertaining to period post acquisition by IndiGrid)	<b>(17.27)</b>	<b>0.65</b>
Add: Depreciation, impairment and amortisation	279.03	12.27
Add/Less: Decrease/(increase) in working capital	(33.86)	14.69
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	54.88	-
Add/less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
- related debts settled or due to be settled from sale proceeds;	-	-
- directly attributable transaction costs;	-	-
- directly attributable transaction costs;	-	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
- deferred tax;	-	-
- unwinding of Interest cost on interest free loan or other debentures;	-	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>300.05</b>	<b>26.96</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>282.78</b>	<b>27.61</b>

\* Being the date of acquisition of ENICL by IndiGrid.

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





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

Description	(Rs in million)
	August 28, 2020* to September 30, 2020
	(Unaudited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b> (pertaining to period post acquisition by IndiGrid)	<b>1.76</b>
Add: Depreciation, impairment and amortisation	32.24
Add/Less: Decrease/(increase) in working capital	8.94
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	36.43
Add/less: Loss/gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
- related debts settled or due to be settled from sale proceeds;	-
- directly attributable transaction costs;	-
- directly attributable transaction costs;	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	0.01
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-
- deferred tax;	-
- unwinding of Interest cost on interest free loan or other debentures;	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
Amortization of Upfront fees	0.69
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>78.31</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>80.07</b>

\* Being the date of acquisition of GPTL by IndiGrid.

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

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

(Rs in million)

Description	September 28, 2020* to September 30, 2020 (Unaudited)
<b>Profit/(loss) after tax as per profit and loss account (A)</b> (pertaining to period post acquisition by IndiGrid)	<b>3.29</b>
Add: Depreciation, impairment and amortisation	-
Add/Less: Decrease/(increase) in working capital	(7.37)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	-
Add/less: Loss/gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
- related debts settled or due to be settled from sale proceeds;	-
- directly attributable transaction costs;	-
- directly attributable transaction costs;	-
- proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
- any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
- interest cost as per effective interest rate method (difference between accrued and actual paid);	-
- deferred tax;	-
- unwinding of Interest cost on interest free loan or other debentures;	-
- portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
- reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>(7.37)</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>(4.08)</b>

\* Being the date of acquisition of JKTPPL by IndiGrid.

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

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**C) Contingent Liabilities**

Particulars	(Rs in million)		
	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020
	(Unaudited)	(Unaudited)	(Audited)
- Entry tax demand*	411.24	409.91	411.24
- Sales tax demand <sup>#</sup>	58.71	129.00	24.66
- Other Demands <sup>^</sup>	20.12	-	-
<b>Total</b>	<b>490.07</b>	<b>538.91</b>	<b>435.90</b>

\*Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. Out of the total demand Rs. 138.75 million (March 31, 2020: Rs. 138.75 million; September 30, 2019: Rs. 138.75 million) pertains to Jabalpur Transmission Company Limited (JTCL), Rs. 165.80 million (March 31, 2020: Rs. 165.80 million; September 30, 2019: Rs. 165.80 million) pertains to Bhopal Dhule Transmission Company Limited (BDTCL) and Rs. 13.30 million (March 31, 2020: Rs. 13.30 million; September 30, 2019: Rs. 13.30 million) pertains to RAPP Transmission Company Limited (RTCL) which is pending with High Court, Jabalpur.

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. The total demand Rs. 1.33 million (March 31, 2020: Rs. 1.33 million; September 30, 2019: Nil) pertains to Bhopal Dhule Transmission Company Limited (BDTCL) which is pending with Commissioner (Appeals).

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Chhattisgarh. The total demand Rs. 92.05 million (March 31, 2020: Rs. 92.05 million; September 30, 2019: Rs. 92.06 million) pertains to Jabalpur Transmission Company Limited (JTCL) out of which Rs. 51.55 million (March 31, 2020: Rs. 51.55 million; September 30, 2019: Rs. 51.50 million) is pending with the Chhattisgarh High Court and Rs. 40.50 million (March 31, 2020: Rs. 40.50 million; September 30, 2019: Rs. 40.55 million) is pending with Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.).

<sup>#</sup> Sales tax demand of Rs 42.64 million (March 31, 2020: Rs. 24.66 million; September 30, 2019: Rs. 24.66 million) for Indigrid Limited (IGL) pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms, Rs. 24.66 million pertains to FY 2014-15 and Rs. 17.98 million pertains to FY 2015-16. The Group has filed an objection against the order with Assistant Commissioner of Delhi VAT Authorities.

VAT demand notice of Rs. 16.07 million (March 31, 2020: Nil, September 30, 2019: Nil) for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to Jharkhand VAT Act, 2005. The Group has received the notice for assessment in the month of January 2020 and various submissions along with the requisite details and documents were made to the officer. The Group further applied for a certified copy of the Assessment Order on October 01, 2020 and is still awaiting a copy of the same.

In the previous half year September 30, 2019, VAT demand of Rs 104.34 million for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to demand under Jharkhand Value Added Tax (Amendment) Act, 2005 for payment of VAT for the year 2015-16 which was pending with High Court, Jharkhand. The Company has received favourable order from the High Court during the year ended March 31, 2020.

<sup>^</sup> During the financial year 2019-20, land owners have filed a case with the District Court, Jhajjar, Haryana towards compensation and interest thereon for the value of land over which the transmission line is passing. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Further, these litigations are barred by limitations. Based on the legal advice, the Group does not anticipate any liability against the same.

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

### Others

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

The total contingent liability is recoverable as per share purchase agreement from Selling Shareholders.

### D) Statement of Commitments

- The Group has entered into a Framework agreement on 30 April 2019 with Sterlite Grid Ventures Limited ('SPGVL') for acquisition of NER II Transmission Limited ('NER') and Khargone Transmission Limited ('KTL').
- The Group has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group has to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.
- The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years.

### E) Statement of Earnings per unit:

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

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

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

Description	(Rs in million)			
	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
Profit after tax for calculating basic and diluted EPU	1,711.33	2,742.08	2,315.12	5,057.20
Weighted average number of units in calculating basic and diluted EPU (No. in million)	583.49	524.53	583.49	554.01
<b>Earnings Per Unit</b>				
Basic (Rupees/unit)	2.93*	5.23*	3.97*	9.13
Diluted (Rupees/unit)	2.93*	5.23*	3.97*	9.13

\* Not Annualised

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**F) Statement of Related Party Transactions:**

I. [List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures](#)

**A Entity with significant influence over the Trust**

Esoteric II Pte. Ltd (from May 04, 2019)- Sponsor w.e.f. September 28, 2020

Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project manager of IndiGrid

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

**a. Parties to IndiGrid**

Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project Manager of IndiGrid (refer note 9)

Sterlite Investment Managers Limited (SIML) - Investment Manager of IndiGrid (refer note 10)

Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

Esoteric II Pte. Ltd (from May 04, 2019)- Sponsor w.e.f. September 28, 2020

**b. Promoters of the parties to IndiGrid specified in (a) above**

Sterlite Power Transmission Limited- Promoter of SIML\*

Sterlite Power Transmission Limited- Promoter of SPGVL

Axis Bank Limited - Promoter of ATSL

Electron IM Pte. Ltd. - Promoter of SIML

**c. Directors of the parties to IndiGrid specified in (a) above**

**(i) Directors of SPGVL:**

Pravin Agarwal

Pratik Agarwal

A. R. Narayanaswamy

Arun Todarwal Lalchand (from July 22, 2019)

Zhao Haixia (from September 11, 2019)

Avaantika Kakkar (till April 21, 2020)

Ved Mani Tiwari (till March 31, 2020)

**(ii) Directors of SIML:**

Pratik Agarwal

Kuldip Kumar Kaura (till June 07, 2019)

Tarun Kataria

Late Shashikant Bhojani (till July 22, 2020)

Rahul Asthana

Harsh Shah (whole time director)

Sanjay Omprakash Nayar (from June 07, 2019)

**(iii) Directors of ATSL:**

Ram Bharoseylal Vaish (till November 08, 2019)

Rajesh Kumar Dahiya

Sanjay Sinha

Ganesh Sankaran (from April 18, 2019)

**(iv) Directors of Esoteric II Pte. Ltd.:**

Wong Wai Kin

Terence Lee Chi Hur

Ooi Yi Jun

**(v) Relative of directors mentioned above:**

Sonakshi Agarwal  
Jyoti Agarwal  
Sujata Asthana  
Mala Todarwal

**(vi) Firm in which director of sponsor is partner:**

Cyril Amarchand Mangaldas (till April 21, 2020)

\* During the previous year, Electron IM Pte. Ltd. purchased 40% stake in Sterlite Investment Managers Limited (SIML) from Sterlite Power Transmission Limited post which Electron IM Pte. Ltd. holds 60% of stake in SIML.

**III. Transactions with related parties during the period**

(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
<b>1</b>	<b>Purchase of equity shares of Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	12,644.22	(17.56)	12,626.66
<b>2</b>	<b>Purchase of equity shares of Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	465.91	52.40	518.31
<b>3</b>	<b>Purchase of loan to Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	2,289.49	-	2,289.49
<b>4</b>	<b>Purchase of equity shares of ENICL</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	6.17	-	1,259.46	1,259.46
	Sterlite Power Transmission Limited	Promoter of project manager	-	-	29.09	29.09
<b>5</b>	<b>Purchase of loan to ENICL</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	-	587.00	587.00
<b>6</b>	<b>Purchase of equity shares of GPTL</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	898.59	-	-	-



INDIA GRID TRUST  
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(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
<b>7</b>	<b>Purchase of loan to GPTL</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	2,252.28	-	-	-
<b>8</b>	<b>Received towards indemnification of liabilities</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	11.07	25.23	21.13	46.36
<b>9</b>	<b>Earn Out Expenses</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	91.19	-	-	-
<b>10</b>	<b>Issue of unit capital</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	2,300.13	-	2,300.13
	Esoteric II Pte. Ltd	Entity with significant influence over the Trust	-	11,412.04	-	11,412.04
<b>11</b>	<b>Project Manager Fees</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	42.40	31.67	31.99	63.66
<b>12</b>	<b>Investment Manager Fees</b>					
	Sterlite Investment Managers Limited	Investment Manager	145.04	107.51	131.28	238.79
<b>13</b>	<b>Distribution to unit holders</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	525.29	443.03	525.29	968.32
	Esoteric II Pte. Ltd	Entity with significant influence over the Trust	816.21	387.64	816.21	1,203.85
	Pravin Agarwal	Director of Sponsor	-	3.06	-	3.06
	Pratik Agarwal	Director of Sponsor and Investment Manager	1.55	2.20	2.20	4.41
	Pratik Agarwal	Director of Sponsor and Investment Manager	1.55	2.20	2.20	4.41
	Sonakshi Agarwal	Relative of director	0.09	0.09	0.09	0.18
	Jyoti Agarwal	Relative of director	0.12	0.12	0.12	0.24
	Sujata Asthana	Relative of director	0.40	0.39	0.28	0.67
	Arun Tadarwal	Director of Sponsor	0.04	0.06	-	0.06
	A. R. Narayanaswamy	Director of Sponsor	0.09	0.06	0.09	0.15
	Mala Tadarwal	Relative of director	0.03	-	-	-

(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
<b>14</b>	<b>Purchase of Project stores</b>					
	Sterlite Power Transmission Limited	Promoter of project manager	-	5.09	0.58	5.67
<b>15</b>	<b>Trustee fee</b>					
	Axis Trustee Services Limited (ATSL)	Trustee	2.21	1.18	1.18	2.36
<b>16</b>	<b>Rent</b>					
	Sterlite Power Transmission Limited	Promoter of project manager	-	1.18	-	1.18
<b>17</b>	<b>Legal and professional services taken</b>					
	Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	9.23	5.35	21.27	26.62

**iv. Outstanding balances**

(Rs in million)

Sr. No.	Particulars	Relation	As at September 30, 2020 (Unaudited)	As at September 30, 2019 (Unaudited)	As at March 31, 2020 (Audited)
<b>1</b>	<b>Project manager fees payable</b>				
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	39.29	37.80	29.39
<b>2</b>	<b>Investment manager fees payable</b>				
	Sterlite Investment Managers Limited	Investment manager	66.15	101.37	125.13
<b>3</b>	<b>Payable towards project acquired</b>				
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	543.54	1,451.99	1,925.09
<b>4</b>	<b>Management fees payable</b>				
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	2.44	2.52
<b>5</b>	<b>Payable for purchase of property, plant and equipment</b>				
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	445.52	265.86	23.83
<b>6</b>	<b>Legal and professional services taken</b>				
	Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	9.23	-	5.18





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

**For the six months ended September 30, 2020:**

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

(Rs in million)		
Particulars	GPTL	ENICL
Enterprise value	11,638	11,355
Method of valuation	Discounted Cash Flow	
Discounting rate (WACC):	7.96%	8.77%

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

**Acquisition of Gurgaon Palwal Transmission Limited (GPTL) :**

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

Under the Agreements, the Group has the following rights:

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

The acquisition of GPTL was financed by money raised from issue of Non-Convertible Debentures of Rs. 4,000 million (rate of interest - 8.50%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of East-North Interconnection Company Limited (ENICL) :**

Pursuant to the share purchase agreements dated March 23, 2020 (“SPA”) executed among Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited, Sterlite Investment Managers Limited, Sterlite Power Transmission Limited and East-North Interconnection Limited (‘ENICL’) for acquisition of equity stake in ENICL. The Trust acquired 49% of paid up equity capital of ENICL with effect from March 24, 2020 and acquired remaining 51% equity stake in ENICL on May 26, 2020.

The acquisition of ENICL was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million by IndiGrid and from issue of Non-Convertible Debentures of Rs. 22,750 million (rate of interest- 8.40% to 9.10%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**For the six months ended September 30, 2019:****(A) Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations):**

(Rs in million)

Particulars	NTL	OGPTL
Enterprise value	41,626	12,840
Method of valuation	Discounted Cash Flow	
Discounting rate (WACC):	8.12%	8.42%

**(B) Material conditions or obligations in relation to the transactions:****Acquisition of NRSS XXIX Transmission Limited (NTL) (through acquisition of Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)):**

Pursuant to the share purchase agreements dated April 30, 2019 ("SPA") executed among Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited, Sterlite Investment Managers Limited, Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited) and NRSS XXIX Transmission Limited for acquisition of equity stake in NTL. The Group has acquired 100% of equity in Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited) which is the holding company of NTL.

The acquisition of NTL and Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited) was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million and from issue of Non-Convertible Debentures of Rs. 21,000 million (rate of interest- 8.60% to 9.10%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of Odisha Generation Phase-II Transmission Limited (OGPTL) (through acquisition of Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)):**

Pursuant to the share purchase agreements dated April 30, 2019 as amended on June 28, 2019 ("SPA") executed among Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited, Sterlite Investment Managers Limited, Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) and Odisha Generation Phase-II Transmission Limited for acquisition of equity stake in OGPTL. The Group has acquired 100% of equity in Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) which is the holding company of OGPTL.

The acquisition of OGPTL and Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) were financed by issue of Non-Convertible Debentures of Rs. 21,000 million (rate of interest- 8.60% to 9.10%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**G) Changes in Accounting policies**

There is no change in the Accounting policy of the Group for the half year ended September 30, 2020.

For and behalf of the Board of Directors of  
**Sterlite Investment Managers Limited**  
 (as Investment Managers of India Grid Trust)

**Harsh Shah**  
 CEO & Whole Time Director  
 DIN: 02496122

Place: Delhi  
 Date: November 03, 2020

**INDIA GRID TRUST**  
**SEBI REGISTRATION NUMBER: IN/InvIT/16-17/0005**  
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**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020**

(All amounts in Rs. million unless otherwise stated)

Particulars	Six months ended September 30, 2020	Six Months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited) (refer note 3)	(Audited)
<b>I. INCOME</b>				
Revenue from operations (refer note 4 and 8)	5,958.18	4,700.89	5,853.21	10,554.10
Income from investment in mutual funds	-	97.44	-	97.44
Interest income on investment in fixed deposits	42.13	45.54	34.68	80.22
<b>Total income (I)</b>	<b>6,000.31</b>	<b>4,843.87</b>	<b>5,887.89</b>	<b>10,731.76</b>
<b>II. EXPENSES</b>				
Legal and professional fees	25.76	14.54	83.36	97.90
Annual listing fee	6.04	6.26	0.04	6.30
Rating fee	23.60	14.53	20.21	34.74
Valuation expenses	1.86	3.24	1.65	4.89
Trustee fees	1.83	1.18	2.28	3.46
Payment to auditors (including for subsidiaries)				
- Statutory audit	1.65	1.00	1.36	2.36
- Other services (including tax audits and certifications)	0.12	-	0.24	0.24
Other expenses	101.49	3.51	4.99	8.50
Impairment / (reversal) of investments in subsidiary (refer note 9)	(516.69)	547.75	2,079.47	2,627.22
Finance costs	1,957.06	1,265.76	1,715.23	2,980.99
<b>Total expenses (II)</b>	<b>1,602.72</b>	<b>1,857.77</b>	<b>3,908.83</b>	<b>5,766.60</b>
<b>Profit before tax (I-II)</b>	<b>4,397.59</b>	<b>2,986.10</b>	<b>1,979.06</b>	<b>4,965.16</b>
<b>Tax expense</b>				
- Current tax	3.99	61.11	(4.15)	56.96
- Deferred tax	-	-	-	-
	<b>3.99</b>	<b>61.11</b>	<b>(4.15)</b>	<b>56.96</b>
<b>Profit for the period / year</b>	<b>4,393.60</b>	<b>2,924.99</b>	<b>1,983.21</b>	<b>4,908.20</b>
<b>Other comprehensive income</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-
<b>Total comprehensive income</b>	<b>4,393.60</b>	<b>2,924.99</b>	<b>1,983.21</b>	<b>4,908.20</b>

(All amounts in Rs. million unless otherwise stated)

Particulars	Six months ended September 30, 2020	Six Months ended September 30, 2019	Six months ended March 31, 2020	Year ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited) (refer note 3)	(Audited)
<b>Earnings per unit (Rs. per unit)</b> (refer note C under additional disclosures)				
- Basic	7.53	5.58	3.40	8.86
- Diluted	7.53	5.58	3.40	8.86
Unit capital (net of issue expenses)	53,145.69	53,154.81	53,145.69	53,145.69
Paid-up debt capital [refer note 5(a)]	49,316.08	37,596.69	39,482.21	39,482.21
Retained earnings	(821.04)	(123.16)	(1,713.72)	(1,713.72)
Debt equity ratio [refer Note 5(b)]	0.94	0.71	0.77	0.77
Debt service coverage ratio [refer Note 5(c)]	2.83	3.64	3.14	3.34
Interest coverage ratio [refer Note 5(d)]	2.83	3.64	3.14	3.34
Asset cover ratio [refer Note 5(e)]	2.64	3.24	3.04	3.04

**NOTES:**

- The above unaudited standalone interim financial results for the half year ended September 30, 2020 has been reviewed and approved by the Board of Directors of Sterlite Investment Managers Limited ('Investment Manager') at its meeting held on November 03, 2020.
- The unaudited standalone interim financial information comprises of the Statement of Profit and Loss and notes thereon of India Grid Trust, for the six months ended September 30, 2020 ("Standalone Interim Financial Information"). The Interim Financial Information has been prepared in accordance with recognition and measurement principles of Indian Accounting Standard 34 - Interim Financial Reporting (Ind AS 34), notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the circulars issued thereunder ("InvIT Regulations").
- The half yearly standalone financial results for the half year ended March 31, 2020 are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures upto September 30, 2019, being the date of the end of the first half of the previous financial year, which were subject to limited review.
- IndiGrid Trust acquired IndiGrid 1 Limited (formerly known as Sterlite Grid 2 Limited), which is the holding company of NRSS XXIX Transmission Limited ('NTL') and the IndiGrid 2 Limited (formerly known as Sterlite Grid 3 Limited) which is the holding company of Odisha Generation Phase-II Transmission Limited, ('OGPTL') from Sterlite Power Grid Ventures Limited ('SPGVL') pursuant to share purchase agreements dated April 30, 2019 on June 04, 2019 and June 28, 2019 respectively.  
The Trust also acquired 49% of paid up equity capital of East-North Interconnection Company Limited ('ENICL') with effect from March 24, 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') and Sterlite Power Transmission Limited ('SPTL') (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated March 23, 2020 ("SPA"). Further, the Trust acquired the remaining 51% equity stake in ENICL on 26 May 2020.  
The Trust has acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ('GPTL') with effect from August 28, 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') and Sterlite Grid 4 Limited ('SGL4'), together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated August 28, 2020 ("SPA"). The Trust has



# INDIA GRID TRUST

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finalised purchase consideration for acquisition of entire stake in GPTL and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in GPTL from the Selling Shareholders.

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

Consequent to above, revenue and corresponding expenses included in the standalone financial results for various periods may not be comparable.

5) Formulae for computation of ratios are as follows:

- Paid up debt capital = Total borrowings as on reporting date
- Debt equity ratio = Total borrowings / (Unitholders' Equity+Retained Earnings)
- Debt Service Coverage Ratio= Earnings before Interest and Tax\*/ (Interest Expense + Principal Repayments made during the period/year)
- Interest Service Coverage Ratio= Earnings before Interest and Tax\*/ Interest Expense
- Asset cover ratio = (Total investments in subsidiaries + Loan to subsidiaries) / Liability in respect of Secured Non-convertible debentures at amortised cost under Ind-AS as at balance sheet date and Secured market linked debentures.

\*Earnings before Interest and Tax excludes impairment/(reversal) of impairment of investments or loans to subsidiary and finance income on NCD issued by subsidiary on effective interest rate basis.

6) Details of non-convertible debentures are as follows:

(Rs in million)

Particulars	Secured/Unsecured	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
8.60% Non-convertible debentures (refer note a)	Secured	-	September 30, 2020	August 31, 2028	December 31, 2020
8.9922% Non-convertible debentures (refer note a)	Secured	-	August 14, 2020	February 14, 2029	November 14, 2020
9.10% Non-convertible debentures (refer note a)	Secured	-	September 30, 2020	June 03, 2022	December 31, 2020
8.85% Non-convertible debentures (refer note a)	Secured	-	August 31, 2020	November 02, 2022	November 30, 2020
9.10% Non-convertible debentures (refer note a)	Secured	-	August 31, 2020	July 29, 2024	November 30, 2020
8.10% Non-convertible debentures (refer note a)	Secured	-	August 31, 2020	March 15, 2022	November 30, 2020
8.40% Non-convertible debentures (refer note a)	Secured	-	August 31, 2020	June 14, 2023	November 30, 2020
9.00% Market linked non-convertible debentures (refer note b)	Secured	-	-	January 04, 2023	January 04, 2023

(Rs in million)

Particulars	Secured/Unsecured	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
8.40% Market linked non-convertible debentures (refer note b)	Secured	-	-	January 24, 2024	January 24, 2024
8.40% Market linked non-convertible debentures (refer note b)	Secured	-	-	January 24, 2024	January 24, 2024
8.40% Non-convertible debentures (refer note c)	Secured	-	August 31, 2020	June 14, 2023	November 30, 2020
8.50% Non-convertible debentures (refer note c)	Secured	-	-	March 01, 2024	November 30, 2020

**Note a:**

Non convertible debentures are secured by:

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

**Note b:**

Market linked non convertible debentures are secured by:

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

**Note c:**

Non convertible debentures are secured by:

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

The Trust is in the process of creating the security.

- 7) The Trust retained its credit ratings of "CRISIL AAA/Stable" from CRISIL on June 17, 2020, "ICRA AAA/Stable" from ICRA on May 04, 2020 and "IND AAA/Stable" from India Ratings on June 19, 2020.



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- 8) Revenue from operations comprise of interest income on NCDs/loans to subsidiaries and includes the interest on 0.01% Non Convertible Debentures (NCD's) issued by Indigrid Limited (formerly known as Sterlite Grid 1 Limited) (wholly owned subsidiary of IndiGrid) which is the difference between market rate of interest and rate of interest on the NCD's (accounted for under EIR method).
- 9) The provision for impairment/(reversal) of impairment of investments in subsidiary is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiary has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model).
- 10) The management has evaluated the impact of COVID-19 pandemic and lockdown imposed by the Government of India on the Trust. The Trust receives income mainly in the form of interest income on loans given to subsidiaries which are engaged in the construction and operation & maintenance of power transmission lines and substations ('power transmission infrastructure'). These subsidiaries are governed by section 63 of The Electricity Act 2003 where in as per the Transmission Service Agreements ('TSAs') tariff revenue is accrued based on availability of power transmission infrastructure. Further, the Government of India has declared power transmission as "an essential service" therefore the subsidiaries are able to ensure availability of power transmission infrastructure and carry out maintenance activities during the lockdown period. As the tariff revenues of the subsidiaries are linked to availability, irrespective of the quantum of power transmitted through the power transmission infrastructure and considering the Point of Connection ('PoC') mechanism the risk of non-collection of transmission charges receivables as of September 30, 2020 is minimum, however there could be delays in collection of trade receivables and unbilled revenue of the subsidiaries. Therefore, the management believes that the Trust will be able to receive interest income from the subsidiaries. In assessing the recoverability of receivables and investment in subsidiaries, the Trust has considered internal and external information up to the date of approval of these standalone financial results including communication from regulatory agencies and LTTCs. Further, the management believes that there is no risk in the Trust's ability to continue as going concern and meeting its liabilities as and when they fall due. The management will continue to monitor and assess impact of economic conditions arising due to COVID 19. The impact of COVID-19 may differ from that expected at the date of approval of these standalone financial results.
- 11) The Government of India's Code for Social Security 2020 (the 'Code') received assent from the President in September 2020. However, the date from when the Code will become applicable and the Rules have not yet been notified. The Trust will assess the impact of the Code and account for the same once the effective date and the rules are notified.
- 12) The unitholders of India Grid Trust (IndiGrid) have approved the induction of Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc ("Esoteric II") as a sponsor (as defined under the InvIT Regulations). The special resolution to induct Esoteric II as a sponsor was passed with a special majority in the 3rd Annual General Meeting of IndiGrid held on September 28, 2020.
- 13) The Board of directors of the Investment Manager approved a distribution of Rs. 3 per unit for the period July 1, 2020 to September 30, 2020 to be paid on or before 15 days from the date of declaration.

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

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

(Rs in million)

Description	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
Cash flows received from the Portfolio Assets in the form of interest	5,449.31	4,750.43	5,364.47	10,114.90
Cash flows received from the Portfolio Assets in the form of dividend	-	-	-	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	42.13	142.98	34.68	177.66
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	5,835.06	1,838.61	4,913.67	6,752.28
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-	-	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>11,326.50</b>	<b>6,732.02</b>	<b>10,312.82</b>	<b>17,044.84</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i)	(1,623.25)	(1,310.01)	(1,631.26)	(2,941.27)
Less: Costs/retention associated with sale of assets of the Portfolio Assets:	-	-	-	-
- related debts settled or due to be settled from sale proceeds of Portfolio Assets;	-	-	-	-
- transaction costs paid on sale of the assets of the Portfolio Assets; and	-	-	-	-
- capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments.	-	-	-	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7) (a) of the InvIT Regulations	-	-	-	-
Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/special purpose vehicles (excluding refinancing)	-	-	-	-
Less: Income tax (if applicable) at the standalone IndiGrid level	(3.99)	(61.11)	4.15	(56.96)





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(Rs in million)

Description	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(5,912.49)	(1,859.49)	(4,983.80)	(6,843.29)
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-	-	-
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(7,539.72)</b>	<b>(3,230.61)</b>	<b>(6,610.92)</b>	<b>(9,841.52)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>3,786.78</b>	<b>3,501.41</b>	<b>3,701.91</b>	<b>7,203.32</b>

**Notes:** i. Does not include interest accrued but not due of Rs. 163.89 million (six months ended September 30, 2019: Rs. Nil, six months ended March 31, 2020: Rs 150.51 million, year ended March 31, 2020: Rs. 150.51 million) related to market linked non convertible debentures ('MLDs') which is payable on maturity of these MLDs from FY 2022 to FY 2024

ii. Does not include Earn - out expenses of Rs 91.19 million (half year ended September 30, 2019: Rs. Nil million, half year ended March 31, 2020: Rs. Nil million, year ended March 31, 2020: Rs. Nil million)

**B. 1) Statement of Commitments**

- The Trust has entered into a Framework agreement on 30 April 2019 with Sterlite Grid Ventures Limited ('SPGVL') for acquisition of NER II Transmission Limited ('NER') and Khargone Transmission Limited ('KTL').
- The Trust has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group has to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.

**B. 2) Statement of Contingent Liabilities:**

The Trust has no contingent liabilities as on September 30, 2020. (six months ended September 30, 2019: Rs. Nil, six months ended and year ended March 31, 2020: Rs. Nil)

**C) Statement of Earnings per unit:**

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

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

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

(Rs in million)

Particulars	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
Profit after tax for calculating basic and diluted EPU	4,393.60	2,924.99	1,983.21	4,908.20
Weighted average number of units in calculating basic and diluted EPU (No. in million)	583.49	524.53	583.49	554.01
<b>Earnings Per Unit</b>				
Basic (Rupees/unit)	7.53*	5.58*	3.40*	8.86
Diluted (Rupees/unit)	7.53*	5.58*	3.40*	8.86

\* Not Annualised

**D) Statement of Related Party Transactions:****I. List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures****(a) Name of related party and nature of its relationship:****Subsidiaries**

Indigrid Limited (formerly known as Sterlite Grid 1 Limited)  
 Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)  
 Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)  
 Bhopal Dhule Transmission Company Limited (BDTCL)  
 Jabalpur Transmission Company Limited (JTCL)  
 RAPP Transmission Company Limited (RTCL)  
 Purulia & Kharagpur Transmission Company Limited (PKTCL)  
 Maheshwaram Transmission Limited (MTL)  
 Patran Transmission Company Limited (PTCL)  
 NRSS XXIX Transmission Limited (NTL)  
 Odisha Generation Phase II Transmission Limited (OGPTL)  
 East-North Interconnection Company Limited (ENICL)  
 Gurgaon-Palwal Transmission Limited (GPTL) (from August 28, 2020)  
 Jhajjar KT Transco Private Limited (JKTPL) (from September 28, 2020)

**(b) Other related parties under Ind AS-24 with whom transactions have taken place during the year****Entity with significant influence over the Trust**

Esoteric II Pte. Ltd (from May 04, 2019)- Sponsor w.e.f. September 28, 2020  
 Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project manager of IndiGrid

**II. List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations****(a) Parties to IndiGrid**

Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project manager of IndiGrid  
 Sterlite Investment Managers Limited (SIML) - Investment manager of IndiGrid  
 Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid  
 Esoteric II Pte. Ltd (from May 04, 2019)- Sponsor w.e.f. September 28, 2020

**(b) Promoters of the parties to IndiGrid specified in (a) above**

Sterlite Power Transmission Limited - Promoter of SIML\* and SPGVL



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**(c) Directors of the parties to IndiGrid specified in (a) above**

**(i) Directors of SPGVL:**

Pravin Agarwal  
Pratik Agarwal  
A. R. Narayanaswamy  
Arun Todarwal Lalchand (from July 22, 2019)  
Zhao Haixia (from September 11, 2019)  
Avaantika Kakkar (till April 21, 2020)  
Ved Mani Tiwari (till March 31, 2020)

**(ii) Directors of SIML:**

Pratik Agarwal  
Kuldip Kumar Kaura (till June 07, 2019)  
Tarun Kataria  
Late Shashikant Bhojani (till July 22, 2020)  
Rahul Asthana  
Harsh Shah (whole time director)  
Sanjay Omprakash Nayar (from June 07, 2019)

**(iii) Directors of ATSL:**

Ram Bharoseylal Vaish (till November 08, 2019)  
Rajesh Kumar Dahiya  
Sanjay Sinha  
Ganesh Sankaran (from April 18, 2019)

**(iv) Directors of Esoteric II Pte. Ltd.:**

Wong Wai Kin  
Terence Lee Chi Hur  
Ooi Yi Jun

**(v) Relative of directors mentioned above:**

Sonakshi Agarwal  
Jyoti Agarwal  
Sujata Asthana  
Mala Todarwal

**(vi) Firm in which director of sponsor is partner:**

Cyril Amarchand Mangaldas (till April 21, 2020)

\* During the previous year, Electron IM Pte. Ltd. purchased 40% stake in Sterlite Investment Managers Limited (SIML) from Sterlite Power Transmission Limited post which Electron IM Pte. Ltd. holds 60% of stake in SIML.

### III. Transactions with related parties during the period

(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
<b>1</b>	<b>Unsecured loans given to subsidiaries</b>					
	Bhopal Dhule Transmission Company Limited	Subsidiary	339.44	-	166.20	166.20
	Jabalpur Transmission Company Limited	Subsidiary	1,412.20	500.00	703.10	1,203.10
	Maheshwaram Transmission Limited	Subsidiary	126.15	-	-	-
	RAPP Transmission Company Limited	Subsidiary	275.32	-	-	-
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	513.93	-	-	-
	Patran Transmission Company Limited	Subsidiary	529.57	-	-	-
	NRSS XXIX Transmission Limited	Subsidiary	3,623.99	28,169.22	1,314.20	29,483.42
	Odisha Generation Phase-II Transmission Limited	Subsidiary	110.25	5,782.72	360.80	6,143.52
	East-North Interconnection Company Limited	Subsidiary	1,045.00	-	-	-
	Gurgaon-Palwal Transmission Limited	Subsidiary	777.46	-	-	-
	Jhajjar KT Transco Private Limited	Subsidiary	1,760.54	-	-	-
	Indigrd Limited (formerly known as Sterlite Grid 1 Limited)	Subsidiary	54.63	-	-	-
	Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)	Subsidiary	23.38	1,048.93	41.00	1,089.93
	Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)	Subsidiary	1.64	-	-	-
<b>2</b>	<b>Interest income from subsidiaries</b>					
	Bhopal Dhule Transmission Company Limited	Subsidiary	667.98	651.28	653.87	1,305.15
	Jabalpur Transmission Company Limited	Subsidiary	1,347.60	1,246.63	1,295.05	2,541.68
	Maheshwaram Transmission Limited	Subsidiary	289.11	284.29	284.29	568.58

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(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
	RAPP Transmission Company Limited	Subsidiary	169.40	177.05	168.12	345.17
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	295.80	299.89	292.80	592.69
	Patran Transmission Company Limited	Subsidiary	132.10	119.21	117.50	236.71
	NRSS XXIX Transmission Limited	Subsidiary	2,074.84	1,413.02	2,071.59	3,484.61
	Odisha Generation Phase-II Transmission Limited	Subsidiary	454.85	176.65	444.91	621.56
	East-North Interconnection Company Limited	Subsidiary	54.88	-	-	-
	Gurgaon-Palwal Transmission Limited	Subsidiary	36.43	-	-	-
	IndiGrid Limited (formerly known as Sterlite Grid 1 Limited)	Subsidiary	-	17.45	-	17.45
	IndiGrid 1 Limited (formerly known as Sterlite Grid 2 Limited)	Subsidiary	86.70	42.47	85.24	127.71
	IndiGrid 2 Limited (formerly known as Sterlite Grid 3 Limited)	Subsidiary	44.87	64.40	44.80	109.20
<b>3</b>	<b>Repayment of loan from subsidiaries</b>					
	Bhopal Dhule Transmission Company Limited	Subsidiary	162.40	-	90.11	90.11
	Jabalpur Transmission Company Limited	Subsidiary	700.00	35.03	74.16	109.19
	Maheshwaram Transmission Limited	Subsidiary	-	-	-	-
	RAPP Transmission Company Limited	Subsidiary	277.75	105.08	26.09	131.17
	Purulia & Kharagpur Transmission Company Limited	Subsidiary	508.84	93.86	32.39	126.25
	Patran Transmission Company Limited	Subsidiary	314.70	22.57	11.14	33.71
	NRSS XXIX Transmission Limited	Subsidiary	3,563.94	1,740.59	2,038.22	3,778.81
	Odisha Generation Phase-II Transmission Limited	Subsidiary	68.86	43.72	100.41	144.13

(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
	East-North Interconnection Company Limited	Subsidiary	202.96	-	26.39	26.39
	Gurgaon-Palwal Transmission Limited	Subsidiary	35.41	-	-	
	Indigrd Limited (formerly known as Sterlite Grid 1 Limited)	Subsidiary	-	252.80	-	252.80
	Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)	Subsidiary	0.20	2,059.72	-	2,059.72
<b>4</b>	<b>Purchase of equity shares of Indigrd 1 Limited (formerly known as Sterlite Grid 2 Limited)</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	-	12,644.22	(17.56)	12,626.66
<b>5</b>	<b>Purchase of equity shares of Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	-	465.91	52.40	518.31
<b>6</b>	<b>Purchase of loan to Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	-	2,289.49	-	2,289.49



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(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
<b>7</b>	<b>Purchase of equity shares of ENICL</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	6.17	-	1,259.46	1,259.46
	Sterlite Power Transmission Limited	Promoter of project manager	-	-	29.09	29.09
<b>8</b>	<b>Purchase of loan to ENICL</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	-	-	587.00	587.00
<b>9</b>	<b>Purchase of equity shares of GPTL</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	898.59	-	-	-
<b>10</b>	<b>Purchase of loan to GPTL</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	2,252.28	-	-	-
<b>11</b>	<b>Received towards indemnification of liabilities</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	-	18.66	-	18.66

(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
<b>12</b>	<b>Earn Out Expenses</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	91.19	-	-	-
<b>13</b>	<b>Issue of unit capital</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/ Entity with significant influence	-	2,300.13	-	2,300.13
	Esoteric II Pte. Ltd	Entity with significant influence over the Trust	-	11,412.04	-	11,412.04
<b>14</b>	<b>Distribution to unit holders</b>					
	Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	525.29	443.03	525.29	968.32
	Esoteric II Pte. Ltd	Entity with significant influence over the Trust	816.21	387.64	816.21	1,203.85
	Pravin Agarwal	Director of Sponsor	-	3.06	-	3.06
	Pratik Agarwal	Director of Sponsor and Investment Manager	1.55	2.21	2.20	4.41
	Sonakshi Agarwal	Relative of director	0.09	-	0.18	0.18
	Jyoti Agarwal	Relative of director	0.12	0.12	0.12	0.24





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(Rs in million)

Sr. No.	Particulars	Relation	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)	Six months ended March 31, 2020 (Unaudited)	Year ended March 31, 2020 (Audited)
	Sujata Asthana	Relative of director	0.40	0.39	0.28	0.67
	Arun Todarwal	Director of Sponsor	0.04	0.06	-	0.06
	A. R. Narayanaswamy	Director of Sponsor	0.09	0.06	0.09	0.15
	Mala Todarwal	Relative of director	0.03	-	-	-
<b>15</b>	<b>Trustee fee</b>					
	Axis Trustee Services Limited (ATSL)	Trustee	1.83	1.18	1.18	2.36
<b>16</b>	<b>Legal and professional services taken</b>					
	Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	9.23	5.35	21.27	26.62

**IV. Outstanding balances**

(Rs in million)

Sr. No.	Particulars	As at September 30, 2020 (Unaudited)	As at September 30, 2019 (Unaudited)	As at March 31, 2020 (Audited)
<b>1</b>	<b>Unsecured loan receivable</b>	78,285.13	70,866.98	71,274.41
<b>2</b>	Interest receivable from subsidiaries	486.88	187.55	281.64
<b>3</b>	Non-Convertible Debentures of subsidiary (including accrued interest on EIR)	6,127.53	5,547.15	5,823.90
<b>4</b>	Investment in equity shares of subsidiary (excluding provision for impairment)	19,426.66	14,545.48	17,098.27
<b>5</b>	Optionally convertible redeemable preference shares	1,001.96	1,001.96	1,001.96
<b>6</b>	Payable towards project acquired	989.06	1,451.99	1,897.00
<b>7</b>	Payable towards legal and professional services	9.23	-	5.18

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

**For the six months ended September 30, 2020:**

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

(Rs in million)

Particulars	GPTL	ENICL
Enterprise value	11,638	11,355
Method of valuation	Discounted Cash Flow	Discounted Cash Flow
Discounting rate (WACC):	7.96%	8.77%

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

**Acquisition of Gurgaon Palwal Transmission Limited (GPTL) :**

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

Under the Agreements, the Indigrid trust has the following rights:

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

The acquisition of GPTL was financed by money raised from issue of Non-Convertible Debentures of Rs. 4,000 million (rate of interest - 8.50%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of East-North Interconnection Company Limited (ENICL) :**

Pursuant to the share purchase agreements dated March 23, 2020 ("SPA") executed among Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited, Sterlite Investment Managers Limited, Sterlite Power Transmission Limited and East-North Interconnection Limited ('ENICL') for acquisition of equity stake in ENICL. The Trust acquired 49% of paid up equity capital of ENICL with effect from March 24, 2020 and acquired remaining 51% equity stake in ENICL on May 26, 2020.

The acquisition of ENICL was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million by IndiGrid and from issue of Non-Convertible Debentures of Rs. 22,750 million (rate of interest- 8.40% to 9.10%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.



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**For the six months ended September 30, 2019:**

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

Particulars	(Rs in million)	
	NTL	OGPTL
Enterprise value	41,626	12,840
Method of valuation	Discounted Cash Flow	
Discounting rate (WACC):	8.12%	8.42%

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

**Acquisition of NRSS XXIX Transmission Limited (NTL) (through acquisition of Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)):**

Pursuant to the share purchase agreements dated April 30, 2019 (“SPA”) executed among Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited, Sterlite Investment Managers Limited, Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited) and NRSS XXIX Transmission Limited for acquisition of equity stake in NTL. The Trust has acquired 100% of equity in Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited) which is the holding company of NTL.

The acquisition of NTL and Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited) was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million and from issue of Non-Convertible Debentures of Rs. 21,000 million (rate of interest- 8.60% to 9.10%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of Odisha Generation Phase-II Transmission Limited (OGPTL) (through acquisition of Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)):**

Pursuant to the share purchase agreements dated April 30, 2019 as amended on June 28, 2019 (“SPA”) executed among Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited, Sterlite Investment Managers Limited, Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) and Odisha Generation Phase-II Transmission Limited for acquisition of equity stake in OGPTL. The Trust has acquired 100% of equity in Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) which is the holding company of OGPTL.

The acquisition of OGPTL and Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) were financed by issue of Non-Convertible Debentures of Rs. 21,000 million (rate of interest- 8.60% to 9.10%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**E) Changes in Accounting policies**

There is no change in the Accounting policy of the Trust for the half year ended September 30, 2020.

For and behalf of the Board of Directors of  
**Sterlite Investment Managers Limited**  
 (as Investment Managers of India Grid Trust)

**Harsh Shah**

CEO & Whole Time Director

DIN: 02496122

Place: Delhi

Date: November 03, 2020

## Glossary

ACM	Audit Committee Meeting
ALM	Allotment Committee Meeting
ATSL	Axis Trustee Services Limited
ATV	All-Terrain Vehicle
AUM	Asset Under Management
Availability	The percentage amount of time for which the asset is available for power flow
BDTCL	Bhopal Dhule Transmission Company Limited
BM	Board Meeting
BOOM	Build Own Operate & Maintain
BRICS	Brazil Russia India China & South Africa
BSE	BSE Limited
BU	Billion Units
CAGR	Compounded Annual Growth Rate
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CFA	Chartered Financial Analyst
C.G.	Chhattisgarh
CIA	Central Intelligence Agency
CIN	Corporate Identification Number
ckms	circuit kilometers
COD/CoD	Commercial Operation Date
CTU	Central Transmission Utility
CY	Calendar Year
D/C	Double Circuit
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
DII	Domestic Institutional Investor
DIN	Director Identification Number
Discom	Distribution Company
DPU	Distribution Per Unit
DRHP	Draft Red Herring Prospectus
DSRA	Debt Service Reserve Account
EBITDA	Earnings before interest, taxes, depreciation and amortization



ECB	External Commercial Borrowing
EGM	Extraordinary General Meeting
EHS	Environment Health & Safety
EHV	Extra High Voltage
EMDEs	Emerging Markets & Development Economies
ENICL	East North Interconnection Company Limited
EPC	Engineering Procurement & Construction
EPM	Environmental Protection Measures
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce & Industry
FII	Foreign Institutional Investor
F/W	Forward
FY	Financial Year
FYP	Five Year Plan
GIS	Gas Insulated Substation
GTTPPL	Goa Tamnar Transmission Project Limited
GoI	Government of India
GPTL	Gurgaon Palwal Transmission Limited
G-Sec	Government securities
GST	Goods & Services Tax
GW	Giga Watt
HVDC	High Voltage Direct Current
IAS	Indian Administrative Service
IBEF	India Brand Equity Foundation
ICDR	Issue of Capital & Disclosure Requirements
ICM	Investment Committee Meeting
ICT	Information and Communication Technologies
IDC	Interest During Construction
IGL	IndiGrid Limited (Erstwhile SGL-1)
IGL 1	IndiGrid 1 Limited (Erstwhile SGL-2)
IGL 2	IndiGrid 2 Limited (Erstwhile SGL-3)
IMF	International Monetary Fund
IMS	Integrated Management System
IndiGrid	India Grid Trust
INR	Indian National Rupee
InvIT	Infrastructure Investment Trust
IPAs	Initial Portfolio Assets i.e. BDTCL and JTCL

IPDS	Integrated Power Development Scheme
IPO	Initial Public Offering
IPTC	Independent Private Transmission Company
IRR	Internal rate of return
ISTS	Inter State Transmission System
J-B line	Jabalpur Bina line (an element of JTCL)
J-D line	Jabalpur Dharamjaygarh line (an element of JTCL)
JTCL	Jabalpur Transmission Company Limited
KTL	Khargone Transmission Limited
kV	kilo Volt
kWh	kilo Watt hour
LiDAR	Light Detection and Ranging, a surveying method that measures distance to a target by illuminating the target with pulsed laser light
LILO	Loop-In-Loop-Out
LTTC	Long Term Transmission Customer
MAT	Minimum Alternate Tax
MF	Mutual Fund
MMRDA	Mumbai Metropolitan Region Development Authority
Mn	Million
MP	Madhya Pradesh
MPPTCL	Madhya Pradesh Power Transmission Company Limited
MSETCL	Maharashtra State Electricity Transmission Company Limited
MTL	Maheshwaram Transmission Limited
MTM	Mark to Market
MVA	Mega Volt Ampere
MW	Mega Watt
NAV	Net Asset Value
NBFC	Non Banking Financial Company
NCDs	Non Convertible Debentures
NCLT	National Company Law Tribunal
NDCF	Net Distributable Cash flow (is the net cash flow that the trust has at its disposal for distribution to IndiGrid during a particular period in accordance with the formula defined in the Offer Document)
NER-II	North Eastern Region - II NRSS Northern Region System Strengthening
NRC	Nomination & Remuneration Committee
NSE	National Stock Exchange of India Limited
NTL	NRSS XXIX Transmission Limited
O&M	Operation & Maintenance



Offer Document	Final offer document of India Grid Trust units, filed with SEBI on May 15, 2017 OFTO Offshore Transmission Owner
OGPTL	Odisha Generation Phase II Transmission Limited
PAT	Profit After Tax
PGCIL	Power Grid Corporation of India Limited
PIMA	Project Implementation and Management Agreement
PKTCL	Purulia & Kharagpur Transmission Company Limited
PoC	Point of Connection
PPA	Power Purchase Agreement
PPE	Personal Protective Equipment
QHSE	Quality, Health, Safety, Environment
RBI	Reserve Bank of India
REC	Rural Electrification Corporation
ROCE	Return on Capital Employed
ROE	Return on Equity
ROFO	Right of First Offer
ROW	Right of Way
RTA	Registrar and Share Transfer Agent
RTCL	RAPP Transmission Company Limited
S/C	Single Circuit
SCADA	Supervisory Control and Data Acquisition
SCOD/Scheduled	COD Scheduled Commercial Operation Date defined as per Schedule 3 of TSA
SEBI	Securities & Exchange Board of India
SECI	Solar Energy Corporation of India
SGL-1	Sterlite Grid 1 Limited (renamed to IGL)
SGL-2	Sterlite Grid 2 Limited (renamed to IGL-1)
SGL-3	Sterlite Grid 3 Limited (renamed to IGL-2)
SGL-4	Sterlite Grid 4 Limited
SGL-5	Sterlite Grid 5 Limited
SIML	Sterlite Investment Managers Limited
SOP	Standard Operating Procedure
SPGVL	Sterlite Power Grid Ventures Limited
SPTL	Sterlite Power Transmission Limited
SPV	Special Purpose Vehicle
SRC	Stakeholder Relationship Committee
STL	Sterlite Technologies Limited
Tariff	Composed of non-escalable, escalable and incentive component. The incentive component is based on the availability of the asset = $2 * (\text{Average Annual Availability} - 98\%) * (\text{Non-Escalable and Escalable Tariff})$

T&D	Transmission & Distribution
TBCB	Tariff Based Competitive Bidding
TDS	Tax Deducted at Source
TEECL	Techno Electric & Engineering Co. Ltd.
TERI	The Energy and Resources Institute
TPGCL	Techno Power Grid Company Limited
TSA	Transmission Services Agreement
TSTRANSCO	Transmission Corporation of Telangana Limited
UAV	Unmanned Aerial Vehicle
UDAY	Ujwal DISCOM Assurance Yojana
UJALA	Unnat Jyoti by Affordable LEDs and Appliances for All
UP	Uttar Pradesh
UPSI	Unpublished Price Sensitive Information
US/USA	United States of America
US\$/USD	US Dollar
VAT	Value-Added Tax
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
YoY	Year on Year
YTD	Year Till Date



## Disclaimer

This report is prepared and issued by Sterlite Investment Managers Limited (the "Investment Manager") on behalf of and in its capacity as the investment manager of India Grid Trust ("IndiGrid") for general information purposes only without regards to specific objectives, financial situations or needs of any particular person and should not be construed as legal, tax, investment or other advice.

This report is not a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or an offer document under the Companies Act, 2013, the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, or any other applicable law in India. This report does not constitute or form part of and should not be construed as, directly or indirectly, any offer or invitation or inducement to sell or issue or an offer, or any solicitation of any offer, to purchase or sell any securities.

This report should not be considered as a recommendation that any person should subscribe for or purchase any securities of: (i) IndiGrid or its portfolio assets (being, IndiGrid Limited, IndiGrid 1 Limited, IndiGrid 2 Limited, Bhopal Dhule Transmission Company Limited, East-North Interconnection Company Limited, Jabalpur Transmission Company Limited, Maheshwaram Transmission Limited, RAPP Transmission Company Limited, Purulia Kharagpur Transmission Company Limited, Patran Transmission Company Limited, NRSS XXIX Transmission Limited, Odisha Generation Phase II Transmission Limited, Jhajjar KT Transco Private Limited\*\*) (collectively, the "IndiGrid Group"), or (ii) its Sponsor (being Sterlite Power Grid Ventures Limited) or subsidiaries of the Sponsor (collectively, the "Sponsor Entities"), and should not be used as a basis for any investment decision.

Unless otherwise stated in this report, the information contained herein is based on management information and estimates. The information contained in this report is only current as of its date, unless specified otherwise, and has not been independently verified. Please note that, you will not be updated in the event the information in the report becomes stale. This report comprises information given in summary form and does not purport to be complete and it cannot be guaranteed that such information is true and accurate. You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this report and must make such independent investigation as you may consider necessary or appropriate for such purpose. Moreover, no express or implied representation or warranty is made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this report. Further, past performance is not necessarily indicative of future results. Any opinions expressed in this report or the contents of this report are subject to change without notice.

None of the IndiGrid Group or the Sponsor Entities or the Investment Manager or the Axis Trustee Company Limited or any of their respective affiliates, advisers or representatives accept any liability whatsoever for any loss howsoever arising from any information presented or contained in this report. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this report. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the IndiGrid Group or the Sponsor Entities.

The distribution of this report in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this report should inform themselves about and observe any such restrictions.

This report contains certain statements of future expectations and other forward-looking statements, including those relating to IndiGrid Group's general business plans and strategy, its future financial condition and growth prospects, and future developments in its sectors and its competitive and regulatory environment. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance including those relating to general business plans and strategy, future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. No representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts, if any, are correct or that the any objectives specified herein will be achieved. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results, performances or events to differ materially from the results contemplated by the relevant forward looking statement. The factors which may affect the results contemplated by the forward-looking statements could include, among others, future changes or developments in (i) the IndiGrid Group's business, (ii) the IndiGrid Group's regulatory and competitive environment, (iii) the power transmission sector, and (iv) political, economic, legal and social conditions. Given the risks, uncertainties and other factors, viewers of this report are cautioned not to place any reliance on these forward looking statements for making any investment decisions or any other purpose.

\*\* Pending closure of transaction

# Corporate Information

## Board of Directors

**Mr. Tarun Kataria** - Independent Director  
**Mr. Rahul Asthana** - Independent Director  
**Mr. Ashok Sethi** - Independent Director  
**Mr. Sanjay Nayar** - Non-Executive Director  
**Mr. Pratik Agarwal** - Non-Executive Director  
**Mr. Harsh Shah** - Chief Executive Officer & Wholetime Director

## Management Team

**Mr. Harsh Shah** - Chief Executive Officer  
**Mr. Jyoti Kumar Agarwal** - Chief Financial Officer  
**Ms. Meghana Pandit** - Head - M&A and Investor Relations  
**Mr. Satish Talmale** - Chief Operating Officer  
**Mr. Bigyan Parija** - Chief Design Officer  
**Ms. Divya Bedi Verma** - Deputy CFO  
**Mr. Swapnil Patil** - Company Secretary & Compliance Officer  
**Mr. Kundan Kishore** - Head – Human Resources

## Investment Committee

**Mr. Tarun Kataria** - Chairperson  
**Mr. Rahul Asthana** - Member  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Audit Committee

**Mr. Tarun Kataria** - Chairperson  
**Mr. Rahul Asthana** - Member  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Stakeholders' Relationship Committee

**Mr. Rahul Asthana** - Chairperson  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Nomination and Remuneration Committee

**Mr. Rahul Asthana** - Chairperson  
**Mr. Tarun Kataria** - Member  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Allotment Committee

**Mr. Rahul Asthana** - Chairperson  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member  
**Mr. Harsh Shah** - Member

## Risk Management Committee

**Mr. Rahul Asthana** - Chairperson  
**Mr. Tarun Kataria** - Member  
**Mr. Ashok Sethi** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Pratik Agarwal** - Member

## Bidding Committee

**Mr. Tarun Kataria** - Chairperson  
**Mr. Rahul Asthana** - Member  
**Mr. Sanjay Nayar** - Member  
**Mr. Harsh Shah** - Member

## Registered Office

**Sterlite Investment Managers Limited**  
Maker Maxity, 5 North Avenue, Level 5,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400 051, Maharashtra, India  
Tel: +91 22 4996 2200 | Fax: +91 22 4996 2288  
Corporate Identity Number: U28113MH2010PLC308857

## Corporate Office

**India Grid Trust**  
F-1, The Mira Corporate Suites, 1&2, Ishwar Nagar,  
Mathura Road, New Delhi - 110065, Delhi.  
Tel: +91 22 4996 2200 | Fax: +91 22 4996 2288  
E-mail: [complianceofficer@indigrid.co.in](mailto:complianceofficer@indigrid.co.in)  
Website: <http://www.indigrid.co.in>

## Registrar and Transfer Agent

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

## Investor Relations

**Ms. Meghana Pandit**  
E-mail Id: [investor.relations@indigrid.co.in](mailto:investor.relations@indigrid.co.in)

## Valuer

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

## Auditor

**S R B C & Co LLP**  
C Wing, Ground Floor, Panchshil Tech Park  
(Near Don Bosco School), Pune - 411 006, Maharashtra, India

## List of Bankers / Financial Institutions

**Axis Bank Limited**  
**Indusind Bank Limited**  
**Federal Bank Limited**  
**Kotak Mahindra Bank Limited**  
**India Infrastructure Finance Company (UK) Limited**  
**ICICI Bank Limited**  
**HDFC Bank Limited**  
**Central Bank of India**



## India Grid Trust

F-1, The Mira Corporate Suites, 1 & 2, Ishwar Nagar, Mathura Road, New Delhi - 110 065.  
Tel: +91 22 4996 2200 | Fax: +91 22 4996 2288 | Email: [complianceofficer@indigrid.co.in](mailto:complianceofficer@indigrid.co.in)

Compliance Officer: Mr. Swapnil Patil

<http://www.indigrid.co.in>

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

**Fair Enterprise Valuation:**

**Valuation Date: 30<sup>th</sup> September 2020**

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

**Strictly Private and Confidential**

RV/SSR/R/2021/03

Date: 29<sup>th</sup> October 2020

**The Board of Directors,  
Sterlite Investment Managers Limited  
(Investment Manager of India Grid Trust)**  
12<sup>th</sup> Floor, we work, 247 Park,  
247 embassy, Hindustan C. Bus Stop,  
Lal Bahadur Shastri Road, Gandhi Nagar,  
Vikhroli (W), Mumbai - 400 079,  
Maharashtra, India.

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

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

**Sub: Updated 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 6<sup>th</sup> October 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 vehicles (defined hereinafter below) as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations").

The Trust operates and maintains the following special purpose vehicles:

<b>Sr. No.</b>	<b>Name of the SPVs</b>
1	Bhopal Dhule Transmission Company Limited ("BDTCL")
2	Jabalpur Transmission Company Limited ("JTCL")
3	Maheshwaram Transmission Limited ("MTL")
4	RAPP Transmission Company Limited ("RTCL")
5	Purulia & Kharagpur Transmission Company Limited ("PKTCL")
6	Patran Transmission Company Limited ("PTCL")
7	NRSS XXIX Transmission Limited ("NRSS")
8	Odisha Generation Phase - II Transmission Limited ("OGPTL")
9	East-North Interconnection Company Limited ("ENICL")
10	Gurgaon Palwal Transmission Limited ("GPTL")
11	Jhajjar KT Transco Private Limited ("JKTPL")

(Together referred to as "the SPVs")

## Strictly Private and Confidential

The SPVs were acquired by the Trust and are to be valued as per Regulation 21(5) contained in the Chapter V of the SEBI InvIT Regulations.

As per Regulation 21(5) of Chapter V of the SEBI InvIT Regulations:

*"A half yearly valuation of the assets of the InvIT shall be conducted by the valuer for the half-year ending September 30<sup>th</sup> for a publicly offered InvIT for incorporating any key changes in the previous six months and such half yearly valuation report shall be prepared within one month from the date of end of such half year.*

*Provided that in case the consolidated borrowings and deferred payments of an InvIT, in terms of Regulation 20, is above forty nine per cent, the valuation of the assets of such InvIT shall be conducted by the valuer for quarter ending June, September and December, for incorporating any key changes in the previous quarter and such quarterly report shall be prepared within one month from the date of the end of such quarter."*

In this regard, the Investment Manager and the Trustee intends to undertake the fair enterprise valuation of the SPVs as on 30<sup>th</sup> September 2020 for incorporating any key changes from the period ended 30<sup>th</sup> June 2020 till 30<sup>th</sup> September 2020. Accordingly, this report should be read in continuation to my reports dated 30<sup>th</sup> July 2020 and 27<sup>th</sup> May 2020 in relation to the valuation of all the SPVs as at 30<sup>th</sup> June 2020 and 31<sup>st</sup> March 2020 respectively.

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 SPVs or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report ("Report") which is not contingent upon the values reported herein. 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.

The Investment Manager have represented that there is no material change in the contingent liabilities from 30<sup>th</sup> June 2020 till the date of this report.

I am enclosing the Report providing opinion on the fair enterprise value of the SPVs on a going concern basis as at 30<sup>th</sup> September 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 and 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 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 have been 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 occur.

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, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

## Strictly Private and Confidential

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 period of cash flow forecast.

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 conclusions 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") thereunder.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 7 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 7 of the Report including the clause on Limitation on account of COVID-19 and Significant Uncertainty in Valuation.

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

Yours faithfully,

Swaminathan  
Sundararaman

Digitally signed by  
Swaminathan  
Sundararaman  
Date: 2020.10.29  
16:42:24 +05'30'

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### **S. Sundararaman**

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Place: Chennai

UDIN: 20028423AAAANG8648

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**Definition, abbreviation & glossary of terms**

<b>Abbreviations</b>	<b>Meaning</b>
BDTCL	Bhopal Dhule Transmission Company Limited
BOOM	Build-Own-Operate-Maintain
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CCM	Comparable Companies Multiple
CERC	Central Electricity Regulatory Commission
Ckms	Circuit Kilometres
COD	Commercial Operation Date
CSRP	Company Specific Risk Premium
CTM	Comparable Transactions Multiple
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ENICL	East-North Interconnection Company Limited
Esoteric	Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc.
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FY	Financial Year Ended 31 <sup>st</sup> March
GPTL	Gurgaon Palwal Transmission Limited
INR	Indian Rupees
IVS	ICAI Valuation Standards, 2018
JKTPL	Jhajjar KT Transco Private Limited
JTCL	Jabalpur Transmission Company Limited
KPTL	Kalpataru Power Transmission Ltd
kV	Kilo Volts
Mn	Million
MTL	Maheshwaram Transmission Limited
NAV	Net Asset Value
NRSS	NRSS XXIX Transmission Limited
OGPTL	Odisha Generation Phase - II Transmission Limited
PGCIL	Power Grid Corporation of India Limited
PKTCL	Purulia & Kharagpur Transmission Company Limited
PTCL	Patran Transmission Company Limited
RTCL	RAPP Transmission Company 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	Sterlite Power Grid Ventures Limited
the Sponsors	SPGVL and Esoteric
TAO	Tariff Adoption Order
TARP	Temporary Additional Risk Premium
TEECL	Techno Electric & Engineering Company Limited
the SPV	Special Purpose Vehicle
the Trust or InvIT	India Grid Trust
the Trustee	Axis Trustee Services Limited
TSA	Transmission Service Agreement
WACC	Weighted Average Cost of Capital

## 1. Executive Summary

### 1.1. Background

#### The Trust

1.1.1. India Grid Trust (“the Trust”) was established on 21<sup>st</sup> October 2016 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882 by Sterlite Power Grid Ventures Limited (“SPGVL”) and is registered with the Securities and Exchange Board of India (“SEBI”) as an InvIT on November 28, 2016, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time (“the SEBI InvIT Regulations”). It is established to own power transmission assets in India. Pursuant to approval of unitholders obtained on May 9, 2020 and subsequent amendment to Trust Deed, the Investment Strategy of the Trust is to own and operate power transmission and renewable power generation assets in India. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6<sup>th</sup> June 2017. The unitholders of the Trust approved the induction of Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc (“Esoteric”) as a Sponsor (as defined under the InvIT Regulations) in the Annual General Meeting of the Trust for FY 2019-20 held on 28<sup>th</sup> September 2020. SPVGL and Esoteric are hereinafter together referred to as “the Sponsors”.

1.1.2. Shareholding of the Trust as on 30<sup>th</sup> September 2020 is as under:

Sr. No.	Particulars	No. of Units	%
1	Sponsors	13,80,76,231	23.7%
2	Insurance Companies	4,53,16,341	7.8%
3	Mutual Fund	44,26,002	0.8%
4	Provident or pension funds	29,10,411	0.5%
5	Foreign Portfolio Investors	20,31,28,317	34.8%
6	Non-institutional investors	18,96,25,779	32.5%
<b>Total</b>		<b>58,34,83,081</b>	<b>100.0%</b>

Source: BSE Limited

#### The Sponsors

1.1.3. Sterlite Power Grid Ventures Limited (“SPGVL”) is mainly engaged into the business of installation and operation of electricity transmission projects in India and Brazil.

1.1.4. Esoteric II Pte. Ltd. (“Esoteric”) is an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”). Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with approximately US\$ 222 billion of assets under management as of 30<sup>th</sup> June 2020, that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds.

1.1.5. Shareholding of the Sponsors as on 30<sup>th</sup> September 2020 is as under:

#### **Esoteric**

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

Source: Investment Manager

#### **SPGVL**

Sr. No.	Particulars	%
1	Sterlite Power Transmission Limited	100.0%

Source: Investment Manager

**Investment Manager**

- 1.1.6. 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.
- 1.1.7. Shareholding of the Investment Manager as on 30<sup>th</sup> September 2020 is as under:

Sr. No.	Particulars	%
1	Electron IM PTE. Ltd. (KKR affiliate entity)	60%
2	Sterlite Power Grid Ventures Limited	40%
<b>Total</b>		<b>100%</b>

Source: Investment Manager

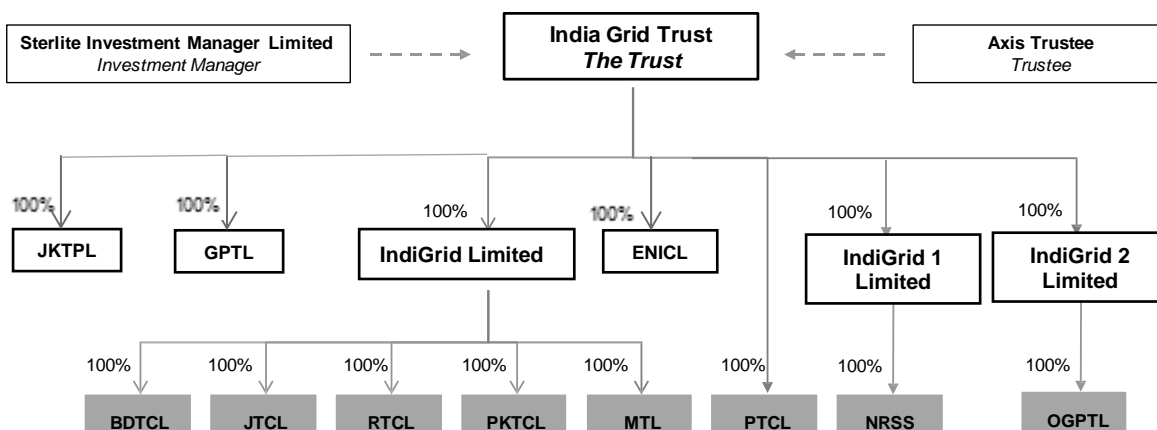
**Assets to be Valued:**

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 and cash equivalents to meet those liabilities. The below mentioned financial assets are valued at Enterprise Value.

Sr. No.	Name of the SPV
1	Bhopal Dhule Transmission Company Limited ("BDTCL")
2	Jabalpur Transmission Company Limited ("JTCL")
3	Maheshwaram Transmission Limited ("MTL")
4	RAPP Transmission Company Limited ("RTCL")
5	Purulia & Kharagpur Transmission Company Limited ("PKTCL")
6	Patran Transmission Company Limited ("PTCL")
7	NRSS XXIX Transmission Limited ("NRSS")
8	Odisha Generation Phase - II Transmission Limited ("OGPTL")
9	East-North Interconnection Company Limited ("ENICL")
10	Gurgaon Palwal Transmission Limited ("GPTL")
11	Jhajjar KT Transco Private Limited ("JKTPL")

(Together referred to as “the SPVs”)

**Group Structure of the Trust as at 30<sup>th</sup> September 2020**



■ Scope of work includes enterprise valuation of the highlighted SPVs  
 % Represents Economic Ownership

Source: Investment Manager

## 1.2. Purpose and Scope of Valuation

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### Purpose of Valuation

#### 1.2.1. As per Regulation 21(5) of Chapter V of the SEBI InvIT Regulations:

*"A half yearly valuation of the assets of the InvIT shall be conducted by the valuer for the half-year ending September 30<sup>th</sup> for a publicly offered InvIT for incorporating any key changes in the previous six months and such half yearly valuation report shall be prepared within one month from the date of end of such half year.*

*Provided that in case the consolidated borrowings and deferred payments of an InvIT, in terms of Regulation 20, is above forty nine per cent, the valuation of the assets of such InvIT shall be conducted by the valuer for quarter ending June, September and December, for incorporating any key changes in the previous quarter and such quarterly report shall be prepared within one month from the date of the end of such quarter."*

In this regard, the Investment Manager and the Trustee intends to undertake the fair enterprise valuation of the SPVs as on 30<sup>th</sup> September 2020.

#### 1.2.2. 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 the enterprise level of the SPVs as per the SEBI InvIT Regulations as at 30<sup>th</sup> September 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 and cash equivalents to meet those liabilities.

#### 1.2.3. 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 SPVs based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI InvIT Regulations.

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

### Scope of Valuation

#### 1.2.5. Nature of the Asset to be Valued

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value of the SPVs. 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 and cash equivalents to meet those liabilities.

#### 1.2.6. 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 the SPVs 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.

**1.2.7. Valuation Date**

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

The valuation date considered for the fair enterprise valuation of the SPVs is 30<sup>th</sup> September 2020 (“Valuation Date”). The attached Report is drawn up by reference to accounting and financial information as on 30<sup>th</sup> September 2020. The RV is not aware of any other events having occurred since 30<sup>th</sup> September 2020 till date of this Report which he deems to be significant for his valuation analysis.

**1.2.8. 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 SPVs 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.

1.2.9. For the amount pertaining to the operating working capital, the Investment Manager has acknowledged to consider the provisional financial statements as on 30<sup>th</sup> September 2020 to carry out the valuation of the SPVs.

**1.3. Summary of Valuation**

I have assessed the fair enterprise value of each of the SPVs on a stand-alone basis by 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 a certain period of years under TSA, known as “Concession Period”. All the SPVs except ENICL have Concession Period of 35 years and in case of ENICL, the Concession Period is 25 years. Hence, the growth potential of the SPVs 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 SPVs are not listed on any recognized stock exchange in India. Hence, I was unable to apply market price method.
	Comparable Companies Multiples	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I have not considered CCM method in the present case.
	Comparable Transactions Multiples	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

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Under the DCF method, the Free Cash Flow to Firm (FCFF) has been used for the purpose of valuation of each of the SPVs. In order to arrive at the fair EV of the individual SPVs under the DCF method, I have relied on unaudited financial statements as at 30<sup>th</sup> September 2020 prepared in accordance with the Indian Accounting Standards (IndAS) and the financial projections of the respective SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgement. The discount rate considered for the respective SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("WACC") for each of the SPVs. As all the SPVs under consideration have executed projects under the BOOM model except JKTP which I executed under on Design-Build-Finance-Operate-Transfer ("DBFOT") basis. The ownership of the underlying assets shall remain with the SPVs even after the expiry of the concession period. Accordingly, terminal period value i.e. value on account of cash flows to be generated even after the expiry of concession period has been considered in the current valuation exercise.

Based on the methodology and assumptions discussed further, RV has arrived at the fair Enterprise Value of the SPVs as on the Valuation Date:

Sr. No.	SPVs	Projection Period (Balance TSA Period)	WACC	Fair EV (INR Mn)
1	BDTCL	~ 28 Years 6 Months	8.39%	19,124
2	JTCL	~ 28 Years 5 Months	8.61%	15,063
3	MTL	~ 32 Years 3 Months	8.13%	5,760
4	RTCL	~ 30 Years 5 Months	8.04%	4,157
5	PKTCL	~ 30 Years 6 Months	8.04%	6,701
6	PTCL	~ 31 Years 2 Months	8.09%	2,461
7	NRSS	~ 32 Years 11 Months	7.97%	45,362
8	OGPTL	~ 33 Years 6 Months	8.12%	14,644
9	ENICL*	~ 15 Years 1 Month	8.37% to 11.17%	11,439
10	GPTL	~ 34 Years 6 Months	8.01%	11,413
11	JKTP	~ 25 Years 1 Month	8.43%	2,884
<b>Total</b>				<b>1,39,009</b>

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

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 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 WACC by increasing/ decreasing it by 1.00%

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Fair Enterprise Valuation Range based on WACC parameter (1.00%)

Sr No.	SPVs	Base WACC	EV	INR Mn			
				WACC +1.00%	EV	WACC -1.00%	EV
1	BDTCL	8.39%	19,124	9.39%	17,584	7.39%	21,036
2	JTCL	8.61%	15,063	9.61%	13,750	7.61%	16,687
3	MTL	8.13%	5,760	9.13%	5,219	7.13%	6,445
4	RTCL	8.04%	4,157	9.04%	3,813	7.04%	4,578
5	PKTCL	8.04%	6,701	9.04%	6,155	7.04%	7,377
6	PTCL	8.09%	2,461	9.09%	2,258	7.09%	2,714
7	NRSS	7.97%	45,362	8.97%	41,550	6.97%	50,117
8	OGPTL	8.12%	14,644	9.12%	13,385	7.12%	16,227
9	ENICL	8.37% to 11.17%	11,439	9.37% to 12.17%	10,706	7.37% to 10.17%	12,286
10	GPTL	8.01%	11,413	9.01%	10,519	7.01%	12,515
11	JKTPL	8.43%	2,884	9.43%	2,725	7.43%	3,063
<b>Total of all SPVs</b>			<b>1,39,009</b>		<b>1,27,664</b>		<b>1,53,046</b>

The above represents reasonable range of fair enterprise valuation of the SPVs.

**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 the SPVs;
  - 2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;
  - 2.2.3. Discussions with the Investment Manager on the key updates in the businesses of the SPVs – 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 for key updates, if any;
  - 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 SPVs.

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### 3. Overview of the InvIT and the SPVs

#### The Trust

- 3.1. The Trust is registered with SEBI pursuant to the SEBI InvIT Regulations. The Trust was established on 21<sup>st</sup> October 2016 by SPGVL as the Sponsor. The investment strategy of the Trust is to own and operate power transmission and renewable power generation assets in India. The unitholders of the Trust approved the induction of “Esoteric” as a Sponsor in the Annual General Meeting of the Trust for FY 2019-20 held on 28<sup>th</sup> September 2020. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6<sup>th</sup> June 2017.
- 3.2. The Trust has acquired from the SPGVL the SPVs namely, BDTCL, JTCL, MTL, RTCL, PKTCL, NRSS, OGPTL, GPTL; PTCL from Techno Electric & Engineering Company Limited (“TEECL”); ENICL from Sterlite Power Transmission Limited (“SPTL”) and SPGVL and JKTPPL from Kalpataru Power Transmission Ltd (“KPTL”) and TEECL. Following is the summary of the past EVs and the date of acquisition of the SPVs:

Valuation (INR Mn)	BDTCL	JTCL	MTL	RTCL	PKTCL	PTCL	NRSS	OGPTL	ENICL	GPTL	JKTPPL
Acquisition Date	30 May 2017	30 May 2017	14 Feb 2018	14 Feb 2018	14 Feb 2018	31 Aug 2018	3 June 2019	27 Jun 2019	24 Mar 2020	28 Aug 2020	28 Sep 2020
Acquisition Value	37,020*		4,697	3,542	5,861	2,320	40,465	11,980	10,200	10,850	3,100
31 March 2015	20,113	14,295	-	-	-	-	-	-	-	-	-
31 March 2016	21,182	19,407**	-	-	-	-	-	-	-	-	-
31 March 2017	21,541	16,125	-	-	-	-	-	-	-	-	-
31 Sep 2017	21,431	15,988	5,218	3,935	6,512	-	-	-	-	-	-
31 March 2018	20,319	15,431	5,564	4,054	6,618	-	-	-	-	-	-
30 Sep 2018	19,694	14,937	5,423	4,084	6,481	2,401	-	-	-	-	-
31 Mar 2019	19,470	14,608	5,268	4,035	6,390	2,423	-	-	-	-	-
30 Sep 2019	19,091	14,774	5,383	4,173	6,477	2,442	44,349	13,878	-	-	-
31 March 2020	18,565	14,426	5,437	4,008	6,439	2,370	43,911	14,105	10,949	-	-
30 June 2020	19,013	14,526	5,595	4,082	6,595	2,417	43,857	14,375	11,244	-	-

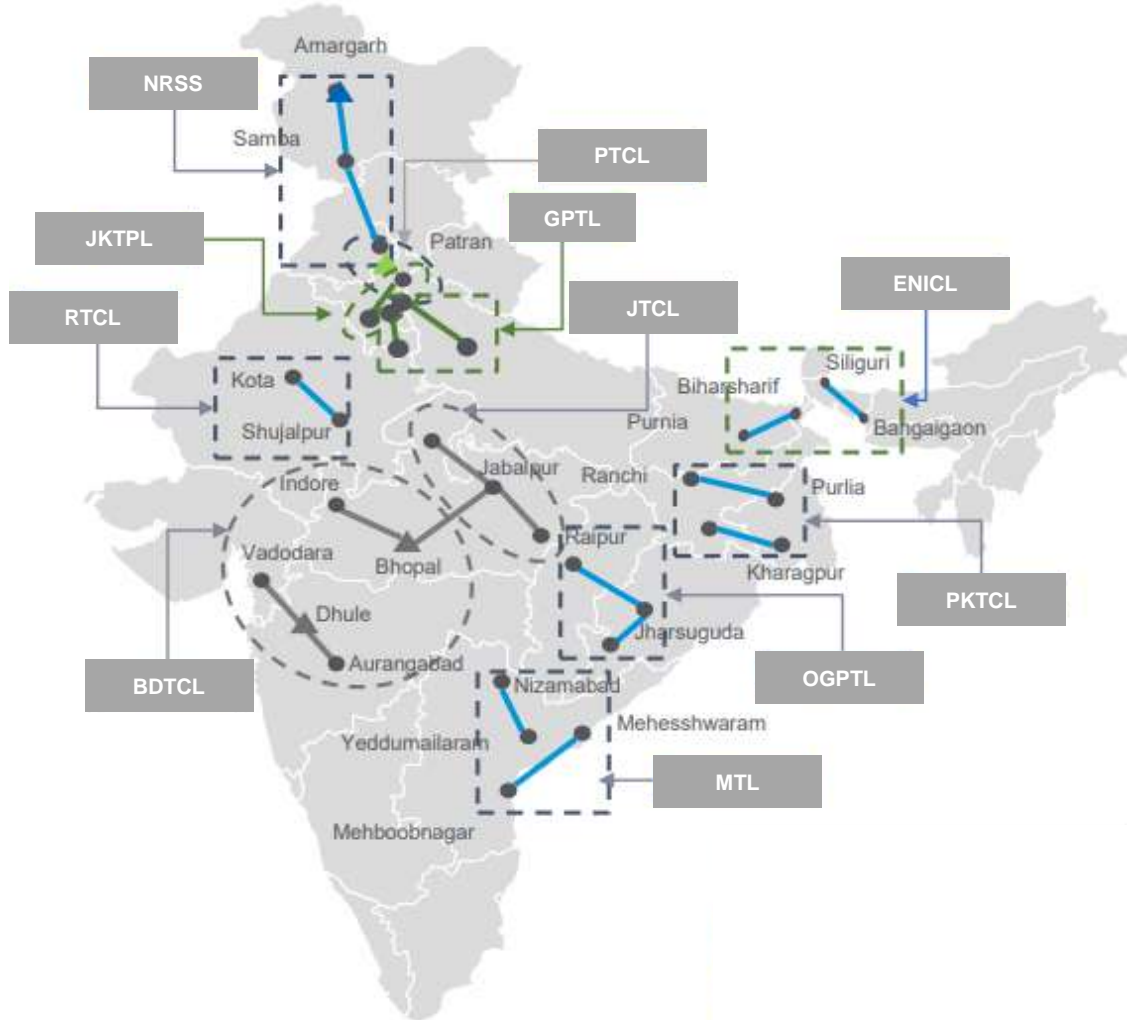
\*Consolidated Purchase Price paid by the Trust for the acquisition at the time of Initial Public Offer

\*\*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 31<sup>st</sup> March 2016, however the same was subsequently reduced to 9.8903% of non escalable charges during the valuation exercise of 31<sup>st</sup> March 2017 as per the CERC order dated 8<sup>th</sup> May 2017.

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Following is a map of India showing the area covered by the SPVs of the Trust:



Source: Investment Presentation Q1FY21

3.3. **Bhopal Dhule Transmission Company Limited (BDTCL)**

3.3.1. Summary of details of BDTCL are as follows:

Parameters	Details
Project Cost	INR 21,634 Mn
Total Length	944 ckms
Scheduled COD	31 <sup>st</sup> March, 2014
Expiry Date	35 years from COD
Trust's stake	100% economic ownership

Source: Investment Manager

3.3.2. The BDTCL project was awarded to IndiGrid Limited (formerly known as Sterlite Grid 1 Limited) by the Ministry of Power on 31<sup>st</sup> January 2011 for a 35 year period from the scheduled commercial

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operation date on a Build-Own-Operate-Maintain (“BOOM”) basis. The expiry date of TSA shall be the date which is 35 years from the scheduled Commercial Operation Date (“COD”) of the project.

- 3.3.3. BDTCL operates six extra high voltage overhead transmission lines of 944 Ckms comprising four 765 kV single circuit lines of 891 Ckms and two 400 kV dual circuit lines of 53 Ckms. The single circuit lines comprise a 260 ckms line from Jabalpur to Bhopal in Madhya Pradesh, a 176 Ckms line from Bhopal to Indore in Madhya Pradesh, a 192 Ckms line from Aurangabad to Dhule in Maharashtra and a 263 Ckms line from Dhule (Maharashtra) to Vadodara (Gujarat). The double circuit lines consist of a 36 Ckms line within Dhule and a 17 Ckms line within Bhopal. In addition, the project includes two 3,000 MVA sub-stations, one each in Bhopal and Dhule.
- 3.3.4. BDTCL facilitates the transfer of electricity from coal-fired power generation sources from the states of Odisha and Chhattisgarh to power load centres in India’s western and northern regions.

### 3.4. **Jabalpur Transmission Company Limited (JTCL)**

- 3.4.1. Summary of details of JTCL are as follows:

Parameters	Details
Project Cost	INR 19,183 Mn
Total Length	992 ckms
Scheduled COD	1 <sup>st</sup> March, 2014
Expiry Date	35 years from COD
Trust's stake	100% economic ownership

Source: Investment Manager

- 3.4.2. The JTCL project was awarded to IndiGrid Limited (formerly known as Sterlite Grid 1 Limited) by the Ministry of Power on 19<sup>th</sup> January 2011 for a 35 year period from the scheduled commercial operation date on a BOOM basis. The expiry date of TSA shall be the date which is 35 years from the scheduled COD of the project.
- 3.4.3. JTCL operates two extra high voltage overhead transmission lines of 992 Ckms in the states of Chhattisgarh and Madhya Pradesh comprising one 765 kV dual circuit line of 757 Ckms from Dharamjaygarh (Chhattisgarh) to Jabalpur (Madhya Pradesh) and one 765 kV single circuit Line of 235 Ckms from Jabalpur to Bina in Madhya Pradesh.
- 3.4.4. JTCL alleviates transmission capacity bottlenecks and expands the reliability and stability of the power grid in western and northern India by providing open access to transmit power from the independent power projects in the east of India.

### 3.5. **Maheshwaram Transmission Limited (MTL)**

- 3.5.1. Summary of details of MTL are as follows:

Parameters	Details
Project Cost	INR 3,841 Mn
Total Length	477 ckms
Scheduled COD	1 <sup>st</sup> June, 2018
Expiry Date	35 years from COD
Trust's stake	100% economic ownership

Source: Investment Manager

- 3.5.2. The MTL project was awarded to IndiGrid 2 Limited (formerly known as Sterlite Grid 3 Limited) by the Ministry of Power on 10th June 2015 for a 35 year period from the scheduled commercial operation date on BOOM basis. The expiry date of TSA shall be the date which is 35 years from the COD of the project.
- 3.5.3. MTL will create a key component to enable Southern region to draw more power from North-East-West Grid and address the issue of power stability in Telangana region. The improved grid

connectivity shall facilitate power procurement from the ISTS network to the beneficiary states Telangana, Tamil Nadu, Seemandhra and Karnataka to meet their electricity demands. The project is envisaged to provide grid connectivity for Maheshwaram 765/400 kV Pooling Substation and Nizamabad 765/400 kV Substation.

**3.6. RAPP Transmission Company Limited (RTCL)**

3.6.1. Summary of details of RTCL are as follows:

<b>Parameters</b>	<b>Details</b>
Project Cost	INR 2,601 Mn
Total Length	403 ckms
Scheduled COD	1 <sup>st</sup> March, 2016
Expiry Date	35 years from COD
Trust's stake	100% economic ownership

*Source: Investment Manager*

3.6.2. The RTCL project was awarded to IndiGrid 1 Limited (formerly known as Sterlite Grid 2 Limited) by the Ministry of Power on 24<sup>th</sup> July 2013 for a 35 year period from the scheduled commercial operation date on a BOOM basis. The expiry date of TSA shall be the date which is 35 years from the scheduled COD of the project.

3.6.3. The RTCL project transfers power from the atomic power plant near Kota in Rajasthan to Shujalpur in Madhya Pradesh to provide the path for the evacuation of electricity generated at RAPP-7 and 8. Its route length is 201 Kms. The network will act as an interregional link between the Northern and the Western region.

3.6.4. RTCL alleviates transmission capacity bottlenecks and expands the reliability and stability of the power grid in western and northern India by providing open access to transmit power from the independent power projects in the west of India.

**3.7. Purulia & Kharagpur Transmission Company Limited (PKTCL)**

3.7.1. Summary of details of PKTCL are as follows:

<b>Parameters</b>	<b>Details</b>
Project Cost	INR 4,405 Mn
Total Length	545 ckms
Scheduled COD	11 <sup>th</sup> March 2016
Expiry Date	35 years from COD
Trust's stake	100% economic ownership

*Source: Investment Manager*

3.7.2. The PKTCL project was awarded to Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited) by the Ministry of Power on 6<sup>th</sup> August 2013 for a 35 year period from the scheduled commercial operation date on BOOM basis. The expiry date of TSA shall be the date which is 35 years from the scheduled COD of the project.

3.7.3. PKTCL project has been brought into existence, keeping in view the growing generation capacity in the eastern region. It was much needed to strengthen the interconnection of the state grids with regional grids to facilitate exchange of additional power between them. Its route length is 545 Ckms.

3.8. **Patran Transmission Company Limited (PTCL)**

3.8.1. Summary of details of the PTCL are as follows:

Parameters	Details
Project Cost	INR 2,250 Mn
Total Length	10 ckms
Scheduled COD	11 <sup>th</sup> November, 2016
Expiry Date	35 years from COD
Trust's stake	100% economic ownership

Source: Investment Manager

3.8.2. The PTCL project located in Patran Village Nihal, Punjab was awarded to TEECL by the Ministry of Power for a 35 year period from the scheduled commercial operation date on BOOM basis. The expiry date of TSA shall be the date which is 35 years from the scheduled COD of the project.

3.8.3. The PTCL project's need arose because of the partial grid disturbance in the Patial – Sangrur district of Punjab in July 2011. There were 5 substations of 220 kV in the vicinity and a need for 400 / 220 kV substation was felt to avoid the unbalanced loading. The 400/220 kV S/s at Patran would be connected to the grid by LILO of Patial-Kaithal 400 kV D/C

3.9. **NRSS XXIX Transmission Limited (NRSS)**

3.9.1. Summary of details of NRSS are as follows:

Parameters	Details
Project Cost	INR 28,082 Mn
Total Length	830 ckms/ 415 kms
Scheduled COD	5 <sup>th</sup> August 2018
Expiry Date	35 years from COD
Trust's stake	100% economic ownership

Source: Investment Manager

3.9.2. The NRSS project was awarded by the Ministry of Power on 2<sup>nd</sup> January 2014 for a 35 years period from the commercial operation date on a BOOM basis.

3.9.3. The NRSS XXIX Transmission Limited project is expected to deliver over 2,000 MW of electricity from Punjab to the Kashmir Valley by strengthening the transmission system in these two states. The Jalandar-Samba 400 kV D/C transmission line was commissioned in June 2016. NRSS XXIX Transmission Limited commissioned the other two 400 kV double circuit transmission lines and one 400/220 kV GIS sub-station in September 2018. The SPV would operate and maintain these for a minimum tenure of 35 years.

3.10. **Odisha Generation Phase - II Transmission Limited (OGPTL)**

3.10.1. Summary of details of OGPTL are as follows:

Parameters	Details
Project Cost	INR 12,200 Mn
Total Length	710 ckms/355 kms
Scheduled COD	08 <sup>th</sup> August 2019
Expiry Date	35 years from COD
Trust's stake	100% economic ownership

Source: Investment Manager

3.10.2. The OGPTL project was awarded to Indigrd 2 Limited (formerly known as Sterlite Grid 3 Limited) by the Ministry of Power on 19<sup>th</sup> January 2011 for a 35 years period from the commercial operation date on a BOOM basis.

3.10.3. The OGPTL project is a part of Common Transmission System for Phase – II Generation Projects and Immediate Evacuation System for OPGC Projects in Odisha. The transmission lines will be part of the interstate transmission network providing additional evacuation up to 5,000 MW of electricity from Odisha-based plants that are seeking better access to power-consuming centers. The OPGC – Jharsuguda 400 kV D/C transmission line was commissioned in August 2017 and Jharsuguda – Raipur 765 kV D/C transmission line in April 2019. The SPV would operate and maintain these for a minimum tenure of 35 years.

**3.11. East-North Interconnection Company Limited (ENICL)**

3.11.1. Summary of details of ENICL are as follows:

Parameters	Details
Project Cost	INR 12,519 Mn
Total Length	909 ckms/452 kms
Issue of Transmission License	28 <sup>th</sup> October 2010
Scheduled COD	07 <sup>th</sup> January 2013
Expiry Date	25 years from issue of Transmission License
Trust's stake	100% economic ownership

*Source: Investment Manager*

3.11.2. The ENICL project was awarded to Sterlite Technologies Limited, by the Ministry of Power on 7<sup>th</sup> January 2010 for a period of 25 years from the date of issue of Transmission Licence by Central Electricity Regulatory Commission (“CERC”) on a BOOM basis.

3.11.3. ENICL is engaged in the establishment of two 400 KV Double Circuit transmission lines (with a total line length of 452 Km) that passes through the Indian states at Assam, West Bengal, and Bihar. Bongaigaon Silliguri Line, having the length of 220 kms passing through the states of Assam and West Bengal. Purnea Biharsharif Line with the length of 232 kms passes through the state of Bihar. As per the terms of TSA, ENICL would construct, operate and maintain these for a minimum tenure of 25 years.

3.11.4. On 23<sup>rd</sup> August, 2016, the Purnea -Biharsharif transmission line (“PB Line”) of ENICL was rendered inoperable due to flooding in the Ganga river which damaged certain towers of the transmission line. The restoration work for the same is completed on 23<sup>rd</sup> June, 2017. ENICL had claimed this event as a force majeure event under the TSA. The Eastern Regional Power Committee (“ERPC”) accepted the event as force majeure and accordingly company received availability certificates considering deemed availability of PB Line which recognize the incident as force majeure. Further, ENICL received transmission charges post the incident based on the availability certificates considering deemed availability of PB Line.

3.11.5. On 10<sup>th</sup> August, 2018, a tower of PB Line collapsed due to change of course of river Ganges and water flow with very high velocity. ENICL has claimed this event as a force majeure event under the TSA. The ERPC through 148<sup>th</sup> operation co-ordination committee meeting held on 03<sup>rd</sup> September 2018 accepted the event as force majeure event. The Investment Manager has confirmed that PB line is restored in December 2019. ENICL has incurred INR 972 million for strengthening of the pile foundation showers in Ganga River and does not expect such incident to recur.

**3.12. Gurgaon Palwal Transmission Limited (GPTL)**

3.12.1. Summary of details of GPTL are as follows:

Parameters	Details
Project Cost	INR 10,520 Mn
Total Length	270 ckms
TSA Signing Date	4 <sup>th</sup> March 2016
Scheduled SCOD	Sep-19
Expiry Date of License	35 years from issue of Transmission License

*Source: Investment Manager*

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- 3.12.2. GPTL project was awarded to Sterlite Grid 4 Limited, a 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.
- 3.12.3. GPTL consists of three GIS substations, five transmission lines and two bays to meet the rising power demand in Gurgaon and Palwal.
- 3.12.4. GPTL Project will span over ~ 270 ckms while delivering over 3000MVA to enhance power transmission in the region.

**3.13. Jhajjar KT Transco Private Limited (JKTPL)**

- 3.13.1. Summary of details of JKTPL are as follows:

Parameters	Details
Total Length	204 ckms
TSA Signing Date	28 <sup>th</sup> May 2010
TL Signing Date	26 <sup>th</sup> Oct 2010
Scheduled Commercial Operation Date ("SCOD")	12 <sup>th</sup> March 2012
Expiry Date of License	25 years from the issue of Transmission License, extendable for 10 years.

*Source: Investment Manager*

- 3.13.2. The JKTPL project was awarded to a 28<sup>th</sup> May 2010 joint venture between Kalpataru Power Transmission Ltd (“KPTL”) and Techno Electric & Engineering Co Ltd (“TEECL”), by the Haryana Vidyut Prasaran Nigam Limited (“HVPNL”) for a period of 25 years from the date of effective from the appointed date on a DBFOT basis. JKTPL was granted Transmission Licence by CERC on 28<sup>th</sup> May 2010. As per the terms of TSA, the SCOD of the SPV was 12<sup>th</sup> March 2012.
- 3.13.3. JKTTPL is promoted to undertake the construction and operation of transmission line and two substations in Haryana on Design-Build-Finance-Operate-Transfer (“DBFOT”) basis.
- 3.13.4. JKTPL consists of ~100 kms 400 KV Jhajjar – Kabalpur - Dipalpur transmission line and two substations in the state of Haryana, India.
- 3.13.5. JKTPL Project will span over 204 ckms while delivering over 1,320 MW to enhance power transmission in the region.
- 3.13.6. It consists of three 400 KV transmission lines spread across 103 kms in Haryana with 2 substations with a transformation capacity of 830 MVA.

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#### 4. Valuation Methodology and Approach

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- 4.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPVs.
- 4.2. 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.
- 4.3. There are three generally accepted approaches to valuation:
- (a) "Cost" approach
  - (b) "Market" approach
  - (c) "Income" approach

#### 4.4. **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 NAV 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.

#### 4.5. **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 Multiple ("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 Multiple ("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.

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.

**4.6. 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 ("FCFF") or Free Cash Flow to Equity ("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 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 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**

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



**Cost approach**

The existing book value of EV of the SPVs comprising of the value of its net fixed assets and working capital based on the provisional financial statement as at 30<sup>th</sup> September 2020 and based on audited financial statement as at 31<sup>st</sup> March 2020 and of the respective SPVs prepared as per the Indian Accounting Standards (Ind AS) are as under:

*INR Mn*

Sr No.	SPVs	Book EV	
		Unaudited 30 <sup>th</sup> Sep 20	Audited 31 <sup>st</sup> Mar 20
1	BDTCL	18,005	18,321
2	JTCL	14,183	14,526
3	MTL	3,692	3,710
4	RTCL	2,339	2,376
5	PKTCL	4,050	4,098
6	PTCL	1,603	1,669
7	NRSS	26,650	27,825
8	OGPTL	12,250	12,403
9	ENICL	9,570	9,736
10	GPTL	10,722	10,681
11	JKTPL	2,634	2,690

In the present case, since the SPVs have entered into TSA, the revenue of SPVs 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 SPVs engaged in the power transmission business for a specific tenure. Further, the tariff revenue expenses are very specific to the SPVs 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 SPVs, 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 SPVs are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

**Income approach**

The SPVs are operating as BOOM model based projects. The revenue of the projects are defined for 35 years under the TSA except for ENICL which is defined for 25 years under the TSA. Hence, the growth potential of the SPVs 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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**5. Valuation Conclusion**

- 5.1. 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.
- 5.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact of the same has been factored in to arrive at EV of the SPVs.
- 5.3. The Investment Manager have also represented that there is no material change in the contingent liabilities from 31<sup>st</sup> March 2020 till the date of this report.
- 5.4. Based on the above analysis, the EV as on the Valuation Date of the SPVs is as mentioned below:

SPVs	Explicit Projection period		Enterprise Value (INR Mn)		
	End Date	Balance Period	Explicit Period (A)	Terminal Value (B)	Fair EV (A+B)
BDTCL	30 <sup>th</sup> Mar 2049	~ 28 Years 6 Months	17,847	1,277	<b>19,124</b>
JTCL	28 <sup>th</sup> Feb 2049	~ 28 Years 5 Months	14,015	1,049	<b>15,063</b>
MTL	13 <sup>th</sup> Dec 2052	~ 32 Years 3 Months	5,380	380	<b>5,760</b>
RTCL	28 <sup>th</sup> Feb 2051	~ 30 Years 5 Months	3,967	189	<b>4,157</b>
PKTCL	10 <sup>th</sup> Mar 2051	~ 30 Years 6 Months	6,345	357	<b>6,701</b>
PTCL	10 <sup>th</sup> Nov 2051	~ 31 Years 2 Months	2,332	129	<b>2,461</b>
NRSS	1 <sup>st</sup> Sep 2053	~ 32 Years 11 Months	43,160	2,201	<b>45,362</b>
OGPTL	5 <sup>th</sup> April 2054	~ 33 Years 6 Months	13,898	746	<b>14,644</b>
ENICL	27 <sup>th</sup> Oct 2035	~ 15 Years 1 Months	10,354	1,086	<b>11,439</b>
GPTL	31 <sup>st</sup> March 2055	~ 34 Years 6 Moths	11,009	404	<b>11,413</b>
JKTPL*	25 <sup>th</sup> October 2045**	~ 25 Years 1 Months	2,884	-	<b>2,884</b>

\* JKTPL is awarded on DBFOT basis, hence no terminal value is considered

\*\* The end date for JKTPL is considered after extension of 10 years as per TSA.

- 5.5. The fair EV of the SPVs are has been arrived 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.

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. Accordingly, I have conducted sensitivity analysis on Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.00%

I understand that there are various other unobservable valuation inputs like regulatory changes, tax changes, capital expenditure etc. which are difficult to estimate and run sensitivity on the same and based on which there can be an impact on fair enterprise valuation.

Fair Enterprise Valuation Range based on WACC parameter (1.00%)

Sr No.	SPVs	Base WACC	EV	INR Mn			
				WACC +1.00%	EV	WACC -1.00%	EV
1	BDTCL	8.39%	19,124	9.39%	17,584	7.39%	21,036
2	JTCL	8.61%	15,063	9.61%	13,750	7.61%	16,687
3	MTL	8.13%	5,760	9.13%	5,219	7.13%	6,445
4	RTCL	8.04%	4,157	9.04%	3,813	7.04%	4,578
5	PKTCL	8.04%	6,701	9.04%	6,155	7.04%	7,377
6	PTCL	8.09%	2,461	9.09%	2,258	7.09%	2,714
7	NRSS	7.97%	45,362	8.97%	41,550	6.97%	50,117
8	OGPTL	8.12%	14,644	9.12%	13,385	7.12%	16,227
9	ENICL	8.37% to 11.17%	11,439	9.37% to 12.17%	10,706	7.37% to 10.17%	12,286
10	GPTL	8.01%	11,413	9.01%	10,519	7.01%	12,515
11	JKTPL	8.43%	2,884	9.43%	2,725	7.43%	3,063
<b>Total of all SPVs</b>			<b>1,39,009</b>		<b>1,27,664</b>		<b>1,53,046</b>

The above represents reasonable range of fair enterprise valuation of the SPVs.

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## 6. Sources of Information

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

- 6.1. Audited financial statements of the SPVs for the Financial Year ("FY") ended 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2020;
- 6.2. Provisional profit & loss account and balance sheet of the SPVs for the period ended 30<sup>th</sup> September 2020;
- 6.3. Projected incremental revenue due to change in law in MTL, NRSS, OGPTL, BDTCL, JTCL and ENICL;
- 6.4. Details of brought forward losses (as per Income Tax Act) as at 31<sup>st</sup> March 2020;
- 6.5. Details of written down value (as per Income Tax Act) of assets as at 31<sup>st</sup> March 2020;
- 6.6. Details of projected Repairs and Capital Expenditure ("Capex") as represented by the Investment Manager;
- 6.7. As on 30<sup>th</sup> September 2020, India Grid Trust holds equity stake in the SPVs as mentioned in the Section 3. As represented to us by the Investment Manager, there are no changes in the shareholding pattern from 30<sup>th</sup> September 2020 to the date of issuance of this Report;
- 6.8. Transmission Service Agreement of the SPVs with Long Term Transmission Customers and Tariff Adoption Order by Central Electricity Regulatory Commission ("CERC");
- 6.9. Management Representation Letter by Investment Manager dated 28<sup>th</sup> October 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 occur.

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 myself that such information has been prepared on a reasonable basis. Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

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

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## **7. Exclusions and Limitations**

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- 7.1. The 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.
- 7.2. 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 30<sup>th</sup> September 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.
- 7.3. 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 SPVs till 30<sup>th</sup> September 2020. The Investment Manager has represented that the business activities of SPVs have been carried out in normal and ordinary course between 30<sup>th</sup> September 2020 and the Report Date and that no material changes have occurred in the operations and financial position between 30<sup>th</sup> September 2020 and the Report date.
- 7.4. In my previous valuation reports in relation to the fair enterprise valuation of the SPVs as at 31<sup>st</sup> March 2020 and as at 30<sup>th</sup> June 2020, I had considered Temporary Risk Premiums consisting of Temporary Additional Risk Premium (“TARP”) of 1% to the Equity Risk Premium (“ERP” i.e. the measure of premium that investors require for investing in equity markets rather than risk free bond or debt markets appropriately adjusted for Beta adopted) and an additional Temporary Company Specific Risk Premium (“TCSR”) of 1%. The additional TARP of 1% was on account of the uncertainty surrounding the likely impact of COVID-19 impact on the macro-economic factors of the economy and its impact on expected overall equity risk premium. The TCSR was considered in order to address the possible risk of uncertainty in relation to the likely future impact COVID-19 pandemic on the SPVs’ results of operations, financial position, and liquidity. Considering the facts that various policy actions taken by the Indian government and other major economies to counter the pandemic, that there are signs of stabilization of the markets and further taking into account the actual performance of the sector and the entity in the last quarter, I find it appropriate to adopt the TCSR at 0% as on the Valuation Date while continuing with TARP at 1% (appropriately adjusted for Beta) in view of the continuing uncertainties surrounding the pandemic which pose threats to capital markets and the overall economy.
- 7.5. The scope of the assignment did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPVs or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPVs in their regulatory filings or in submissions, oral or written, made to me.
- 7.6. In addition, I do not take any responsibility for any changes in the information used by me to arrive at the conclusion as set out herein which may occur subsequent to the date of Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 7.7. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of SPVs or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base this Report.
- 7.8. 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

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to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.

- 7.9. 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.
- 7.10. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.
- 7.11. This Report is based on the information received from the sources mentioned in Section 6 and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of Report.
- 7.12. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of engagement, others may place a different value on this business.
- 7.13. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 7.14. 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.
- 7.15. 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 myself to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 7.16. My conclusion assumes that the assets and liabilities of the SPVs, reflected in their respective latest balance sheets remain intact as of the Report date.
- 7.17. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my 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.
- 7.18. 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.
- 7.19. 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.
- 7.20. In the particular circumstances of this case, my liability (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter, for such valuation work.

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- 7.21. 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.
- 7.22. 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.
- 7.23. I am not advisor with respect to legal tax and regulatory matters for the proposed transaction. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' 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.
- 7.24. I have no present or planned future interest in the Trustee, Investment Manager or the SPVs and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or the SPV.
- 7.25. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of factual data used in my analysis and to prevent any error or inaccuracy in the final valuation report.

### **Limitation of Liabilities**

- 7.26. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsors, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of the RV's personnel personally.
- 7.27. In no circumstance, 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.
- 7.28. It is clarified that the SIML and the 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.
- 7.29. 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.

### **Limitation on account of COVID-19 and Significant Uncertainty in Valuation**

- 7.30. The global spread of the coronavirus pandemic (COVID-19) has created significant volatility, uncertainty and economic disruption. The extent to which the coronavirus pandemic impacts businesses of the SPVs, its operations and financial results will depend on numerous evolving factors that one may not be able to accurately predict as of now. The COVID-19 pandemic has already had several significant effects, direct and indirect, short/long term impact, on the business of SPVs, including the ability of its customers to pay for the SPVs services, higher credit cost, higher operating cost, etc. as a result of the slowdown in the Indian economy driven by the responses to the pandemic.
- 7.31. The impact of the outbreak has been rapidly evolving in India and India has already reacted by instituting quarantine measures, mandating business and school closure and restricting travel, all of

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which have had an adverse effect on the India's economic performance. To cushion the economic and financial market impacts, the Government of India has committed to fiscal stimulus, liquidity provisions and financial support. Accordingly, the COVID-19 pandemic might have a significant impact on the risk-free rate of India in the future.

- 7.32. In the present case, I have valued the SPVs' Enterprise Value considering the DCF method of valuation, which is based on the principle that the fair market value of an entity may be measured by the present value of its future cash flows. The present value is calculated through the use of a discount rate. A discount rate is the way an investor reflects the risks of an investment. In simple terms, the higher the risk, the higher the rate of return required. One element of the discount rate that has been directly impacted by COVID-19 is the equity risk premium ("ERP"). An ERP reflects the additional return that investors demand for investing in equity securities, as a group, relative to risk-free investments. Accordingly, I found it appropriate to consider a Temporary Additional Risk Premium ("TARP") in the current valuation exercise. Given the current uncertain times and the unknown impact of COVID-19 on the macro-economic factors like the risk free rate, market liquidity, etc., I have considered a TARP of 1.00% to the ERP.
- 7.33. It is important to highlight that the current pandemic has created significant uncertainty in valuation and accordingly, I would recommend a degree of caution to the values arrived under current circumstances as the same may change rapidly depending on the changing market scenario. For avoidance of doubt, the existence of significant uncertainty does not mean that valuation cannot be undertaken but it means existence of significant assumptions within the valuation approach and methodology which are based on factors whose outcome are uncertain and hence, results in lower certainty of the value determined in the valuation, than would otherwise be in this case.
- 7.34. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

Swaminathan  
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### **S. Sundaraman**

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Place: Chennai

UDIN: 20028423AAAANG8648