

**Date: April 25, 2018**

**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: Submission of Full Valuation Report of India Grid Trust as on March 31, 2018**

Dear Sir/ Madam,

Pursuant to Regulation 21 and other applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 read with all the Schedules and Circulars issued thereunder and as amended from time to time, please find attached the Full Valuation Report for assets of India Grid Trust for the financial year ended on March 31, 2018.

You are requested to take the same on record.

Thanking you,

**For and on behalf of the Sterlite Investment Managers Limited**

(Formerly known as Sterlite Infraventures Limited)

Representing India Grid Trust as its Investment Manager



**Swapnil Patil**

Company Secretary & Compliance Officer

**Copy to:**

**Axis Trustee Services Limited**

Axis House, 2nd Floor, Bombay Dyeing  
Mills Compound, Pandurang Budhkar  
Marg, Worli, Mumbai, Maharashtra- 400025

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**HARIBHAKTI & CO. LLP**

Chartered Accountants

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

**SPV: Bhopal Dhule Transmission Company Limited ("BDTCL")**

**Valuation Date: 31<sup>st</sup> March 2018**



**Date: 23<sup>rd</sup> April 2018**

CFAS-2/R-002/0423/A

**Sterlite Investment Managers Limited**

F-1, Mira Corporate Suits,  
1&2, Mathura Road, Ishwar Nagar,  
New Delhi – 110065

**India Grid Trust**

**(Axis Trustee Services Limited acting on behalf of the Trust)**

F-1, Mira Corporate Suits,  
1&2, Mathura Road, Ishwar Nagar,  
New Delhi – 110065

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

Dear Sirs,

We, Haribhakti & Co. LLP, Chartered Accountants ("H&Co."), have been appointed vide letter dated 23<sup>rd</sup> March 2018, 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 mentioned above, for the purpose of the financial valuation of Bhopal Dhule Transmission Company Limited ("BDTCL" or "the SPV"). The SPV was acquired by the Trust on 30<sup>th</sup> May 2017 and is to be valued as per regulation 21 contained in the Chapter V of the SEBI InvIT Regulations.

We have relied on explanations and information provided by the Investment Manager. Although we have reviewed such data for consistency, we have not independently investigated or otherwise verified the data provided. We have no present or planned future interest in the Trust, the SPV or the Investment Manager except to the extent of our appointment as an independent valuer and the fee for our Valuation Report ("Report") which is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

We enclose our Report providing our opinion on the fair enterprise value of the SPV on a going concern basis as at 31<sup>st</sup> March 2018 ("Valuation Date"). Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies, calculations and conclusion with respect to this valuation



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**HARIBHAKTI & CO. LLP**

Chartered Accountants

We believe that our analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, 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.

Our valuation and our valuation conclusion are included herein and our Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by SEBI there under.

Please note that all comments in our Report must be read in conjunction with the caveats to the Report, which are contained in Section 2 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 Securities and Exchange Board of India, the stock exchanges and any other regulatory and supervisory authority, as may be required.

We draw your attention to the limitation of liability clauses in Section 2 of the Report.

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

Yours faithfully,

For **Haribhakti & Co. LLP**,

*Chartered Accountants*

Firm Registration Number: 103523W / W100048



**Manoj Daga**

*Partner*

Membership No. 048523

Place: Mumbai

Encl: As above



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**Definition, abbreviation & glossary of terms**

<b>Abbreviations</b>	<b>Meaning</b>
BDTCL	Bhopal Dhule Transmission Company Limited ("BDTCL")
BOOM	Build-Own-Operate-Maintain
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Ckms	Circuit Kilometers
COD	Commercial Operation Date
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EHV	Extra High Voltage
EV	Enterprise Value
FY	Financial Year Ended 31st March
FYP	Five year Plan
H&Co.	Haribhakti & Co. LLP, Chartered Accountants
INR	Indian Rupees
KV	Kilo Volts
LTTC	Long Term Transmission Customer
Mn	Million
MU	Million Units
MVA	Mega Volt Ampere
MW	Mega Watts
NAV	Net Asset Value Method
NCA	Net Current Assets Excluding Cash and Bank Balances
SEBI InvT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SGL1	Sterlite Grid 1 Limited
SIML or Investment Manager the SPV	Sterlite Investment Managers Limited
the Trust or InvT	Special Purpose Vehicle
the Trustee	India Grid Trust
TSA	Axis Trustee Services Limited
VDR	Transmission Service Agreement
WACC	Virtual Data Room
WOS	Weighted Average Cost of Capital
	Wholly Owned Subsidiary

**1. Purpose of Valuation**

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- 1.1. The Trust is registered with SEBI pursuant to the SEBI InvIT Regulations. The Trust was established on 21<sup>st</sup> October 2016 by Sterlite Power Grid Ventures Limited ("SPGVL" or "the Sponsor"). It is established to own inter-state power transmission assets in India. The units of the Trust are listed on the National Stock Exchange Limited and BSE Limited since 6<sup>th</sup> June 2017.
- 1.2. We understand that as per chapter V and regulation 21 of the SEBI InvIT Regulations a yearly valuation of the assets of the Trust shall be conducted by an independent valuer for the period ended 31<sup>st</sup> March 2018 for a publicly offered InvIT. In this regard, the Investment Manager intends to undertake the fair valuation of the SPV.
- 1.3. The details of the SPV to be valued is as follows:
- 1.3.1. Bhopal Dhule Transmission Company Limited ("BDTCL") operates six EHV 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 comprises of 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 2 sub-stations of 3,000 MVA, one each in Bhopal and Dhule.
- 1.4. In this regard, the Investment Manager and the Trustee have appointed us, Haribhakti & Co. LLP, Chartered Accountants ("H&Co.") to undertake the fair valuation at the enterprise level of the SPV as per the SEBI InvIT Regulations as at 31<sup>st</sup> March 2018. Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 1.5. H&Co. declares that:
- 1.5.1. It is competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
- 1.5.2. It is independent and has prepared the Report on a fair and unbiased basis;
- 1.5.3. It has valued the SPV based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI InvIT Regulations.
- 1.6. This Valuation Report ("Report") covers all the disclosures required as per the SEBI InvIT Regulations and the valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

**Scope of Valuation**

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- 1.7. We have undertaken the fair valuation at the enterprise level of the SPV. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 1.8. The Valuation Date considered for the fair enterprise valuation of the SPV is 31<sup>st</sup> March 2018. Valuation analysis and results are specific to the date of the Report. A valuation of this nature involves consideration of various factors including the financial position of the SPV as at the Valuation Date, trends in the equity stock market, government securities and other industry trends.
- 1.9. We have been mandated by the Investment Manager to arrive only at the Enterprise Value of the SPV.



- 1.10. For the amount pertaining to the operating working capital, the Investment Manager has acknowledged to consider the provisional financial statements as on 31<sup>st</sup> March 2018 to carry out the valuation of the SPV.

## **2. Exclusions and Limitations**

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- 2.1. Our Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 2.2. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPV or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPV in their regulatory filings or in submissions, oral or written, made to us.
- 2.3. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out herein which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 2.4. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of SPV or any other entity mentioned in the Report. Nothing has come to our knowledge to indicate that the material provided to us was misstated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 2.5. 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, we will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without our written consent.
- 2.6. 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.
- 2.7. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, revise or reaffirm this Report if information provided to us changes.
- 2.8. This Report is based on the information received from the sources mentioned in para 3 and discussions with the Investment Manager. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 2.9. 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. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on this business.





- 2.10. 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.
- 2.11. We do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.
- 2.12. We have arrived at an indicative enterprise value based on our analysis.
- 2.13. Our conclusion assumes that the assets and liabilities of the SPV, reflected in their respective latest balance sheets remain intact as of the Report date.
- 2.14. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither ourselves, nor any of our partners, directors, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. We are not liable to any third party in relation to the issue of this Report.
- 2.15. The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we 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.
- 2.16. For the present valuation exercise, we have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by us.
- 2.17. In the particular circumstances of this case, our liability (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by us from the Investment Manager, as laid out in the engagement letter, for such valuation work.
- 2.18. In rendering this Report, we have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 2.19. 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.
- 2.20. We are not advisors with respect to legal tax and regulatory matters for the proposed transaction. No investigation of the SPV's claim to title of assets has been made for the purpose of this Report and the SPV's 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.
- 2.21. We have no present or planned future interest in the Trustee, Investment Manager or the SPV and the fee for this Report is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice; specifically, we 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.



**2.22. Limitation of Liabilities**

- 2.22.1. It is agreed that, having regard to the H&Co.'s interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of the H&Co's personnel personally.
- 2.22.2. In no circumstances H&Co. 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 H&Co. the likelihood of such damages. Any decision to act upon the deliverables is to be made by the Investment Manager and no communication by H&Co. should be treated as an invitation or inducement to engage the Investment Manager to act upon the Deliverable.
- 2.22.3. It is clarified that the SIML and Trustee will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
- 2.22.4. H&Co. 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.

**3. Sources of Information**

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

- 3.1. Audited financial statements of BDTCL for the financial year ("FY") ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016;
- 3.2. Provisional Profit & Loss Account and Balance Sheet for the period ended 31<sup>st</sup> March 2018.
- 3.3. Projected Profit & Loss Account and Working Capital requirements of BDTCL from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2049.
- 3.4. Details of brought forward losses (as per Income Tax Act) as at 31<sup>st</sup> March 2017.
- 3.5. Details of Written Down Value (as per Income Tax Act) of assets as at 31<sup>st</sup> March 2017.
- 3.6. Details of projected repairs and capital expenditure as represented by the management.
- 3.7. As on 31<sup>st</sup> March 2018, India Grid Trust holds 100% equity stake in BDTCL (through Sterlite Grid Limited 1). As represented to us by the Investment Manager, there are no changes in the shareholding pattern from 31<sup>st</sup> March 2018 to the date of issuance of this Report.
- 3.8. TSA of BDTCL with Central Transmission Utility dated 12<sup>th</sup> November 2013.
- 3.9. Management Representation Letter dated 20<sup>th</sup> April 2018 received from Investment Manager.



**4. Overview of the InvIT and SPV****The Trust**

- 4.1. The Trust is registered with SEBI pursuant to the SEBI InvIT Regulations. The Trust was established on 21<sup>st</sup> October 2016 by Sterlite Power Grid Venture Limited ("SPGVL" or "the Sponsor"). It is established to own inter-state power transmission assets in India. The units of the trust are listed on the National Stock Exchange of India and BSE Limited since 6<sup>th</sup> June 2017.
- 4.2. The Trust had acquired two revenue generating projects, Bhopal Dhule Transmission Company Limited ("BDTCL") and Jabalpur Transmission Company Limited ("JTCL") from its Sponsor on 30<sup>th</sup> May 2017. On 15<sup>th</sup> February 2018, the Trust further acquired three other revenue generating projects from its Sponsor, namely, Maheshwaram Transmission Limited ("MTL"), Purulia Kharagpur Transmission Company Limited ("PKTCL") and RAPP Transmission Limited ("RTCL").
- 4.3. The Trust, pursuant to the 'Right of First Offer' deed has a 'right of first offer' to acquire five other projects of the Sponsor.
- 4.4. Following is the financial summary of the projects which the Trust had acquired from the Sponsor:

**BDTCL and JTCL**

Asset Name	Enterprise Value (INR Mn)				Acquisition Value
	30-Sep-17	31-Mar-17	31-Mar-16	31-Mar-15	
BDTCL	21,431	21,541	21,812	20,113	37,020*
JTCL	15,988	16,125	19,407**	14,295	
Total	37,419	37,666	41,219	34,408	37,020

\*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.

**MTL, RTCL and PKTCL**

Asset Name	Enterprise Value (INR Mn)	
	30-Jun-17	Acquisition Value
MTL	5,218	4,697
RTCL	3,935	3,542
PKTCL	6,512	5,861
Total	15,666	14,100



**BDTCL or the SPV**

Summary of details of the Project are as follows:

Parameters	Details
Project Cost	INR 21,634 Mn
Total Length	944 ckms
TSA Agreement Date	12 <sup>th</sup> November 2013
Scheduled COD	31 <sup>st</sup> March, 2014
Expiry Date	35 years from the scheduled COD
Project COD	9 <sup>th</sup> June, 2015
IndiGrid's stake (through SGL 1)	100%

- 4.5. The BDTCL project was awarded to SGL1 by the Ministry of Power on 31<sup>st</sup> January 2011 for a 35 year period from the scheduled commercial operation date on a BOOM basis.

4.5.1. BDTCL operates six EHV 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.

4.5.2. 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

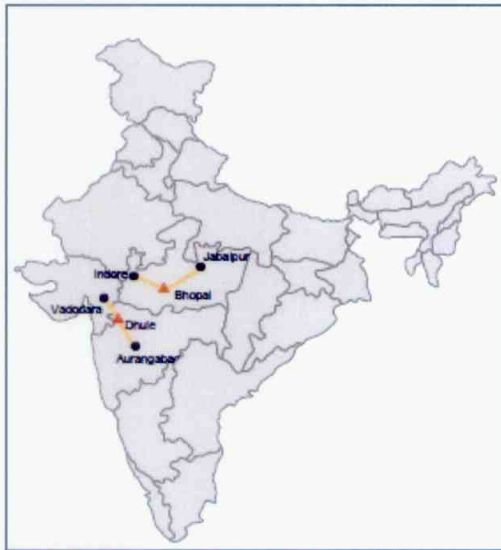
- 4.6. The project consists of the following transmission lines and is being implemented on contract basis:

Transmission line / Sub-Station	Location	Route length (ckms)	Specifications	Commission date	Contribution to total tariff
Jabalpur - Bhopal	Madhya Pradesh	260	765 kV S/C	9 <sup>th</sup> June 2015	22%
Bhopal - Indore	Madhya Pradesh	176	765 kV S/C	19 <sup>th</sup> November 2014	12%
Bhopal - Bhopal (MPPTCL)	Madhya Pradesh	17	400 kV D/C	12 <sup>th</sup> August 2014	2%
Aurangabad - Dhule (IPTC)	Maharashtra	192	765 kV S/C	5 <sup>th</sup> December 2014	10%
Dhule (IPTC) - Vadodara	Maharashtra, Gujarat	263	765 kV S/C	13 <sup>th</sup> June 2015	16%
Dhule (IPTC) - Dhule	Maharashtra	36	400 kV D/C	6 <sup>th</sup> December 2014	4%
Bhopal Sub-station	Madhya Pradesh	-	2 x 1,500 MVA 765/400 kV	30 <sup>th</sup> September 2014	17%
Dhule Sub-station	Maharashtra	-	2 x 1,500 MVA 765/400 kV	6 <sup>th</sup> December 2014	17%

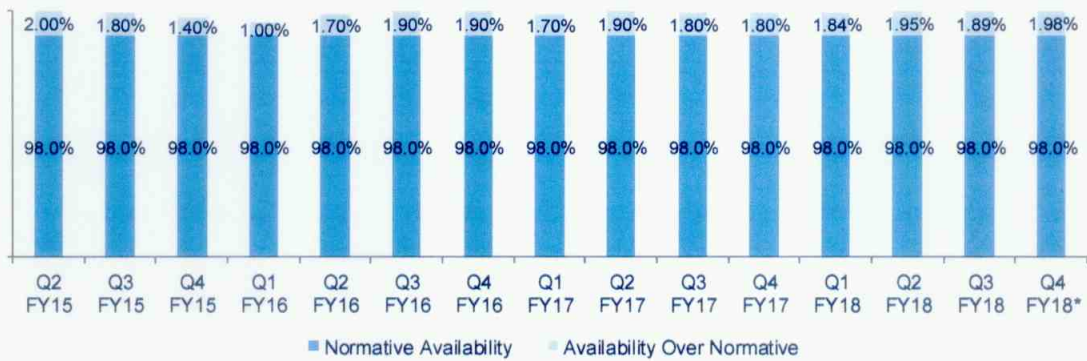
4.6.1. BDTCL entered into transmission services agreement dated 12<sup>th</sup> November 2013 with Power Grid Corporation of India Limited. The expiry date of TSA shall be the date which is 35 years from the scheduled Commercial Operation Date ("COD") of the project.



4.7. Following is the map showing area covered by BDTCL(not drawn to scale):



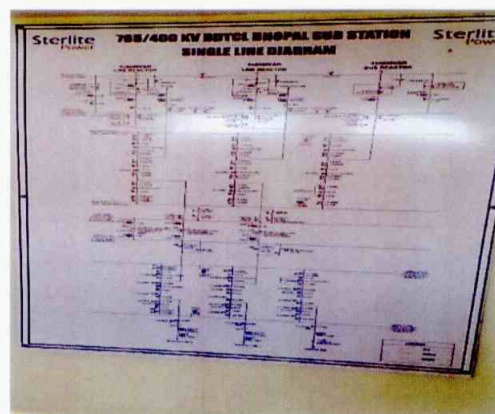
4.8. Operating Efficiency history of BDTCL:



\*Q4 FY18 –Data comprises of data from availability certificate for the months of January and February 2018.

4.9. Pictures of the site visit as on 27<sup>th</sup> September 2016.





## 5. Overview of the Industry

### 5.1. Introduction:

- 5.1.1. India is the third largest producer and fourth largest consumer of electricity in the world, with the installed power capacity reaching 334.40 GW as of January 2018. The country also has the fifth largest installed capacity in the world.
- 5.1.2. Per capita electricity consumption in the country grew at a CAGR of 9.63 per cent, during FY06-FY16 reaching 1075 KWh in FY16.

### 5.2. Demand and Supply

- 5.2.1. Demand: India continues to be a power deficient country even after an increasing trend in demand in the past. It is expected that energy requirement will continue to grow at healthy CAGR of 7.5% to 8% over FY 17 to FY 21. The primary growth drivers for rapid expansion in India's energy demand include investments in industrial and infrastructure development, rising per capita energy consumption levels etc.
- 5.2.2. Supply: India has seen a robust growth in the installed power generation capacity in the past four years. The installed power generation capacity has grown at a CAGR of ~9% from ~243 GW in FY 14 to ~ 334.40 GW as of January 2018 (source: CEA).

### 5.3. India's economic outlook

- 5.3.1. According to World Bank, India has retained its position as the fastest-growing economy in the world in 2015, after overtaking China in the previous year. Based on its estimates, India will continue to occupy the top slot among major economies with a growth rate of 7.6% to 7.9% until 2018. India's growth rate is significantly higher than the world average of around 3% and is also higher than other developing economies, such as China, Brazil, Indonesia and sub-Saharan African nations.
- 5.3.2. Power is one of the key sectors attracting FDI inflows into India.
- 5.3.3. From April 2000 to June 2017, India recorded FDI of US\$ 5.85 billion in non-conventional energy sector. New and renewable energy sector witnessed maximum power generation capacity addition, since 2000.
- 5.3.4. Cumulative FDI inflows into the sector from April 2000–June 2017 were US\$ 11.77 billion.
- 5.3.5. The ongoing liberalization of India's FDI regime has also led to a surge in investments, especially after the launch of the 'Make in India' campaign in October 2014. The FDI inflow has doubled to INR 2.6 trillion in 2015-16 from INR 1.3 trillion in 2012-13. Reduced

macroeconomic vulnerability, coupled with improved government spending in infrastructure sectors, has enhanced India's Global Competitive Index (GCI) ranking to 55 in 2015-16 from 71 in 2014-15. Also, compared with other large emerging economies, India's purchasing-manager index for 2016, published by World Bank, has been reflecting more buoyant sentiment. In essence, India is in a sweet spot compared with other major global economies.

#### 5.4. Power transmission network in India

- 5.4.1. The transmission segment plays a key role in transmitting power continuously from the generation plants to various distribution entities. Transmission and sub-transmission systems supply power to the distribution system, which, in turn, supplies power to end consumers. In India, the Transmission and Distribution (T&D) system is a three-tier structure comprising distribution networks, state grids and regional grids.
- 5.4.2. The distribution networks and state grids are primarily owned and operated by the respective State Transmission utilities or state governments (through state electricity departments). Most inter-state and inter-regional transmission links are owned and operated by PGCIL, which facilitates the transfer of power from a surplus region to the ones with deficit.
- 5.4.3. The government's focus on providing electricity to rural areas has led to the T&D system being extended to remote villages. The total length of transmission lines in the country has grown at a slow rate of 6% CAGR during FY 11 and FY 17. The total transmission network has increased from 254,536 ckm in FY 11 to around 367,851 ckm in FY 17.
- 5.4.4. As on 31st March, 2017 approx. 7% of total transmission network is owned by private players which showcases the need of more private sector participation in this space. India has been underinvested as far as transmission is concerned, however; recently government has been encouraging investments in transmission with approximately projects worth INR 30,000 crores being awarded in last 2 years.
- 5.4.5. PGCIL has remained the single largest player in these additions, contributing to 45-50% of the total investment in the sector. With a planned capital expenditure outlay of INR 1.1 trillion for the 12th five year plan, PGCIL has spent around INR 0.9 trillion over 2013-16.
- 5.4.6. Of the total capacity-addition projects in transmission during the 12th five year plan, about 42% can be attributed to the state sector. The share of private sector in transmission line and substation additions since the beginning of 12th FYP is 14% and 7%, respectively, as the majority of high-capacity, long-distance transmission projects were executed by PGCIL and state transmission utilities during this period.
- 5.4.7. In order to strengthen the power system and ensure free flow of power, significant investments would be required in the T&D segment. Moreover, commissioning of additional generation capacity, rising penetration of renewable energy, regional demand-supply mismatches, upgradation of existing lines, rising cross border power trading would necessitate huge investments in transmission sector in India.
- 5.4.8. Thus, going forward, the share of power sector investments are expected to veer towards the T&D segment. Moreover, strong government focus on the T&D segment will also support investments. CRISIL Research expects the transmission segment share in total power sector investments to rise sharply to 33% over 2017-21 from only 20% over 2012-16. Thus, we expect transmission segments investments to increase 1.5 times to INR 3.1 trillion over 2017-21 as compared to the previous 5 year period.



Source: Crisil Power Transmission Report – November 2016 and IBEF report on Power sector in India- February 2018 and CEA Data as mentioned in Adani Transmission Limited Annual Report 2017.

## 6. Valuation Approach

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- 6.1. The present valuation exercise is being undertaken in order to derive the Enterprise Value of the SPV.
- 6.2. 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.
- 6.3. There are three generally accepted approaches to valuation:
  - (a) "Cost" approach
  - (b) "Market" approach
  - (c) "Income" approach

### 6.4. 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, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

#### Net Asset Value ("NAV")

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

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

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

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

### 6.5. Market Approach

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

#### Comparable Companies Multiples ("CCM") Method

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





Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are Enterprise Value ("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.

6.6. **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 (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow ("DCF") Method

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

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

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The Business/Enterprise Value (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.

6.7. **Conclusion on Valuation Approach**

It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPV. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPV, and other factors which generally influence the valuation of companies and their assets.



Accordingly, we have summarized the application of valuation method for the current valuation exercise as under:

**Cost Approach**

In the present case, since the SPV has entered into TSA, the revenue of SPV is pre-determined for the life of the project. 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 Net Asset value does not capture the future earning potential of the businesses, we have not considered the cost approach for the current valuation exercise.

**Market Approach**

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

**Income Approach**

This is a Build Own Operate and Maintain (BOOM) model based project. The cash inflows of the projects are defined for 35 years under the TSA. Hence, the growth potential of the SPV and the true worth of its business would be reflected in its future earnings potential and therefore DCF Method under the income approach has been considered as an appropriate method for the present valuation exercise.

**7. Valuation of the SPV**

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

**Valuation**

- 7.1. The key assumptions of the projections provided to us by the Investment Manager can be divided into two parts:

**Part A: Base Case**

This refers to the revenue estimated for the SPV as per the existing provisions of TSA, and

**Part B: Incremental Revenue**

This refers to incremental transmission revenue based on the petition filed with commission as provided by the Investment Manager. As represented to us by the Investment Manager, the SPV has filed a revised petition with CERC on 1<sup>st</sup> December 2017, whereby it has claimed an additional increase of 2.58% of non escalable revenue for the concession period. The SPV, by virtue of this revised petition, has decreased its claim for the additional increase of non escalable revenue of 7.00%(as per the old petition filed by the SPV) to 2.58% as per the revised petition.



**7.2. Key Assumption under Part A: Base Case**

7.2.1. **Transmission Revenue:** The transmission revenue of the SPV comprises of non escalable transmission revenue and escalable transmission revenue as provided in the TSA for the life of the project.

- **Non Escalable Transmission Revenue:** The Non Escalable Transmission revenue remains fixed for the entire life of the project. We have corroborated the revenue considered in the financial projections of the respective TSA and documents provided to us by the Investment Manager.
- **Escalable Transmission Revenue:** Escalable Transmission revenue is the revenue component where the revenue is duly escalated based on the rationale as provided in the respective TSA and documents provided to us by the Investment Manager. The escalation is to mainly compensate for inflation.

7.2.2. **Incentives:** As provided in the respective TSA, if the annual availability exceeds 98%, the TSP shall be entitled to an annual incentive as provided in TSA. Provided no incentives shall be payable above the availability of 99.75%. Based on the past track record of the SPV and the general industry standard, the annual availability shall be above 98% where the SPV shall be entitled to the incentives as provided in the TSA.

7.2.3. **Penalty:** If the annual availability in a contract year falls below 95%, the SPV shall be liable for an annual penalty as provided in the TSA. Based on our analysis in Para 7.2.2 in the present case it is assumed that the annual availability will not fall below 95% and hence penalty is not considered in the financial projections.

7.2.4. **Operations & Maintenance ("O&M"):** O&M expenditure are estimated by the Investment Manager for the projected period based on the escalation rate as determined for the SPV. We have relied on the projections on the O&M expenses for the projected period.

7.2.5. **Depreciation:** The book depreciation has been calculated using straight line method over the life of the project. For calculating depreciation for the projected period, we have considered depreciation rate as specified in the Income Tax Act and WDV as per Income Tax Return filed by the SPV.

7.2.6. **Capex:** As represented by the Investment Manager, the SPV is not expected to incur any capital expenditure in the projected period.

7.2.7. **Tax Incentive:** the SPV is eligible for tax holiday under section 80IA of Income Tax Act. Such tax holiday shall be available for any 10 consecutive years out of 15 years beginning from the date of COD.

7.2.8. **Working Capital:** The Investment Manager has envisaged the working capital requirement of the SPV for the projected period. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of trade receivables and trade payables for O&M Expenses.

**7.3. Key Assumption under Part B: Incremental Revenue Case**

**Incremental Transmission Revenue:** As provided in the TSA, "every party shall be entitled to claim relief for a Force Majeure Event affecting its performance in relation to its obligation under this agreement". In the present case, BDTCL has claimed relief by filing petition with the Central Electricity Regulatory Commission for the force majeure seeking an increase in transmission revenue to offset the additional cost incurred. The final verdict of the Commission has not been received and is currently under litigation. We have considered this incremental transmission revenue as provided by the Investment Manager for arriving at the Enterprise Value of the SPV. As represented to us by the Investment Manager, the SPV has filed a revised petition with CERC



on 1<sup>st</sup> December 2017, whereby it has claimed an additional increase of 2.58% of non escalable revenue for the concession period.

**Operations & Maintenance (“O&M”):** No Operations & Maintenance (“O&M”) expenditure needs to be considered for Incremental Revenue.

7.3.1. **Depreciation:** No depreciation needs to be considered for incremental revenue. Further, the SPV is not expected to incur any capital expenditure in the projected period.

7.3.2. **Tax:** We have considered income tax rate based on the aggregate of transmission revenue and incremental transmission revenue.

7.3.3. **Working Capital:** The Investment Manager has envisaged the working capital requirement of the SPV for the projected period. The working capital assumptions for the projections as provided by the management comprises of trade receivables only.

#### 7.4. **Impact of Ongoing Material Litigation on Valuation**

As represented by Investment manager, there is no ongoing litigation that will affect the valuation exercise

### **Valuation of SPV under Part A: Base Case**

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#### 7.5. **Calculation of Weighted Average Cost of Capital for the SPV under Part A: Base Case**

##### 7.5.1. **Cost of Equity:**

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

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

$$K(e) = R_f + (R_p * \text{Beta}) + \text{CSRP}$$

Wherein:

K(e) = cost of equity

R<sub>f</sub> = risk free rate

R<sub>p</sub> = risk premium i.e. market risk premium over and above risk free rate

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

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

##### 7.5.2. **Risk Free Rate:**

We have applied a risk free rate of return of 7.64% on the basis of the relevant zero coupon yield curve as on 28<sup>th</sup> March 2018 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited.

##### 7.5.3. **Risk Premium:**

Risk premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. A risk premium is calculated as follows:

$$\text{Risk premium} = \text{Equity market return} - \text{Risk free rate}$$

Wherein:

Equity market return = the average historical market return is estimated at 15.00%.

Risk free rate = 7.64% as explained in para 7.5.2.



**7.5.4. Beta:**

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. Normally we would take a relevant number from a quoted stock and the market on which it trades. However, since shares of Comparable Companies are not publicly quoted, we have sought to estimate the relevant Beta with respect to benchmark numbers. It is impossible to identify a company with exactly same characteristics as the SPV. Therefore we have sought to use the beta of Power Grid Corporation Limited since its business operations is similar to those of the SPV.

We have further unlevered that beta based on debt-equity of the respective company using the following formula:

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

Further we have re-levered it based on debt-equity of the industry standard using the following formula:

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

**7.5.5. Company Specific Risk Premium (CSRP):**

We have not considered any company specific risk premium to the Ke for discounting the cash flows.

**7.5.6. Cost of Debt:**

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

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

Wherein:

K(d) = Cost of debt

T = tax rate as applicable

In present valuation exercise, we have considered debt:equity at 70:30 based on industry standard.

**7.5.7. Weighted Average Cost of Capital (WACC):**

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

Formula for calculation of WACC:

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

7.5.8. Accordingly, as per above, we have arrived the WACC of 8.06% for BDTCL for valuation under Base Case (Refer Appendix I)

7.6. We understand from the representation of the Investment Manager that the SPV will generate cash flow even after the expiry of concession period of 35 years as the project is on BOOM model and the ownership will remain with the SPV even after the expiry of 35 years.

**7.7. Valuation of BDTCL**

7.7.1. We have relied on the projected financials of BDTCL as provided by its management and representatives for the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2049.

7.7.2. WACC arrived at for the purpose of valuation is 8.06% for cash flows as per the Base Case (Refer Appendix I).

7.7.3. For the terminal period, we have considered 0% constant growth rate for FCFF.



7.7.4. As on Valuation Date, we have discounted the free cash flows of BDTCL using the WACC of 8.06% to arrive at the Enterprise Value ("EV") by aggregating the present value of cash flows for explicit period and terminal period at INR 19,791 Mn (Refer Appendix II)

#### **Valuation of SPV under Part B: Incremental Revenue Case**

#### **7.8. Calculation of WACC for SPV under Part B: Incremental Revenue Case**

7.8.1. The Risk free rate, risk premium and beta component for Cost of Equity applied for incremental revenue are same as described under Part A: Base Case.

7.8.2. The calculation of CoE as per CAPM can be defined as follows:

$$K(e) = R_f + (R_p * \text{Beta}) + \text{CSRP}$$

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

7.8.3. We have considered 2% company specific risk premium to the cost of equity for discounting the incremental free cash flows arrived after considering the risk associated with incremental transmission revenue as mentioned in para 7.3 (Refer Appendix I).

7.8.4. Cost of debt remains same as under Part A: Base Case

7.8.5. Accordingly, as per above, we have arrived the WACC of 8.26% for BDTCL for valuation under Incremental Revenue Case (Refer Appendix I)

#### **7.9. Valuation of SPV under Part B: Incremental Revenue Case**

##### **7.9.1. Valuation of BDTCL**

- We have relied on the projected financials of BDTCL as provided by its management and representatives for the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2049.
- WACC arrived at for the purpose of valuation is 8.26% for incremental free cash flows arrived after considering incremental revenue (Refer Appendix I).
- We have not considered valuation for the terminal period.
- As on Valuation Date, we have discounted the free cash flows after considering incremental transmission revenue of BDTCL using the WACC of 8.26% to arrive at the Enterprise Value ("EV") by aggregating the present value of cash flows for explicit period and terminal period at INR 528 Mn (Refer Appendix III).

#### **8. Valuation Conclusion**

8.1. 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.

8.2. We have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at enterprise value of the SPV.

8.3. Based on the above analysis the Enterprise Value as on the Valuation Date of the SPV is INR 20,319 Mn (Refer Appendix II).

EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.



**9. Additional Procedures to be complied with in accordance with InvIT regulations**

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**Scope of Work**

The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of BDTCL are as follows:

- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets included;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going and closed material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

**Limitations**

This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to us. We have not verified the information independently with any other external source.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as original, and the conformity of the copies or extracts submitted to us with that of the original documents.

We have assumed that the documents submitted to us by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.

We have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and we do not express any opinion as to the legal or technical implications of the same.

**9.1. Analysis of Additional Set of Disclosures for Bhopal Dhule Transmission Company Limited ("BDTCL")****A. List of one-time sanctions/approvals which are obtained or pending;**

As informed by the Investment Manager, there are no additional approval obtained by BDTCL during the 6 months period ended 31<sup>st</sup> March 2018. Refer Appendix IV for the complete list of sanctions and approvals. Further, we were informed that there are no applications applied for of which the approval is pending.

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

We have included the periodic clearances obtained in the Appendix IV.



C. Statement of assets included;

As at 31<sup>st</sup> March 2018, BDTCL has Transmission lines gross block of INR 14,473.62 million (net block of INR 13,009.35 million), substations of INR 6,662.39 million (net block of INR 5,858.10 million), Building Substations of INR 63.25 million (net block of INR 55.14 million), Leasehold Land and Freehold land of INR 119.48 million (net block of INR 101.04 million), and other assets including furniture, office equipment, etc. gross block of INR 10.88 million (net block of INR 6.58 million).

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

We noted in the financial statements that BDTCL has incurred INR 84.57 million during the year ended 31<sup>st</sup> March 2018 and INR 69.06 million during the year ended 31<sup>st</sup> March 2017 for the maintenance charges of Transmission Lines. Based on confirmation provided by the Investment manager, we expect the increase of 5.05% per annum in the cost of operation and maintenance expenses incurred.

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

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

Investment manager has informed us that there are no dues including local authority taxes pending to be payable to the government authorities with respect to InvIT assets.

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

The summary of on-going and closed litigation including tax liabilities is given in Appendix V. We were informed by the Investment manager that there has been no change in the same as provided in the previous report.

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

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

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## Appendix I – Weighted Average Cost of Capital of the SPV

## A: Base Case

Particulars	%	Remarks
Market Return	15.00%	Market Return has been considered based on the long term average returns earned by an equity investor in India.
Risk Free Rate	7.64%	Risk Free Rate has been considered based on zero coupon yield curve as at 28 <sup>th</sup> March 2018 of Government Securities having maturity period of 10 years, as quoted on CCIL's website.
Market Risk Premium	7.36%	Market Premium = Market Return – Risk Free Rate
Beta (relevered)	0.66	Beta has been considered based on the beta of the companies operating in the similar kind of business in India.
Cost of Equity	12.47%	$Ke = Rf + \beta \times (Rm - Rf) + CSRP$
Pre-tax Cost of Debt	8.00%	As represented by the Investment Manager
Effective tax rate of SPV	22.90%	Average tax rate for the life of the project has been considered
Post-tax Cost of Debt	6.17%	Effective cost of debt. $Kd = \text{Pre tax } Kd \times (1 - \text{Effective Tax Rate})$
Debt/(Debt+Equity)	70.00%	The debt – equity ratio computed as $[D/(D+E)]$ is considered as 70% as per industry standard.
<b>WACC</b>	<b>8.06%</b>	<b><math>WACC = [Ke \times (1 - D/(D+E))] + [Kd \times (1 - t) \times (D/(D+E))]</math></b>

## B: Incremental Case

Particulars	%	Remarks
Market Return	15.00%	Market Return has been considered based on the long term average returns earned by an equity investor in India.
Risk Free Rate	7.64%	Risk Free Rate has been considered based on zero coupon yield curve as at 28 <sup>th</sup> March 2018 of Government Securities having maturity period of 10 years, as quoted on CCIL's website.
Market Risk Premium	7.36%	Market Premium = Market Return – Risk Free Rate
Beta (relevered)	0.62	Beta has been considered based on the betas of the companies operating in the similar kind of business in India.
Risk Premium	2.00%	Company Specific Risk Premium
Cost of Equity	14.18%	$Ke = Rf + \beta \times (Rm - Rf) + CSRP$
Pre-tax Cost of Debt	8.00%	As represented by the Investment Manager
Effective tax rate of SPV	28.77%	Average tax rate for the life of the project has been considered
Post-tax Cost of Debt	5.70%	Effective cost of debt. $Kd = \text{Pre tax } Kd \times (1 - \text{Effective Tax Rate})$
Debt/(Debt+Equity)	70.00%	The debt – equity ratio computed as $[D/(D+E)]$ is considered as 70% as per industry standard.
<b>WACC</b>	<b>8.26%</b>	<b><math>WACC = [Ke \times (1 - D/(D+E))] + [Kd \times (1 - t) \times (D/(D+E))]</math></b>



## Appendix II – Valuation of BDTCL as on 31<sup>st</sup> March 2018 – Part A: Base Case

FY	Revenue	EBITDA	EBITDA Margin	Capex	NCA	Taxation	FCFF	CAF	Discounting Factor	INR Mn PV of Cash Flows
FY19	2,590	2,413	93%	-	73	366	1,974	0.50	0.96	1,899
FY20	2,593	2,407	93%	-	0	365	2,042	1.50	0.89	1,818
FY21	2,596	2,401	92%	-	(0)	363	2,037	2.50	0.82	1,679
FY22	2,599	2,394	92%	-	(0)	362	2,032	3.50	0.76	1,549
FY23	2,602	2,387	92%	-	(0)	360	2,027	4.50	0.71	1,430
FY24	1,849	1,623	88%	-	(187)	196	1,614	5.50	0.65	1,054
FY25	1,853	1,616	87%	-	0	194	1,422	6.50	0.60	859
FY26	1,858	1,608	87%	-	0	193	1,416	7.50	0.56	792
FY27	1,862	1,600	86%	-	0	191	1,409	8.50	0.52	729
FY28	1,868	1,593	85%	-	0	189	1,403	9.50	0.48	672
FY29	1,873	1,584	85%	-	0	187	1,397	10.50	0.44	619
FY30	1,879	1,575	84%	-	0	186	1,390	11.50	0.41	570
FY31	1,885	1,566	83%	-	0	184	1,382	12.50	0.38	525
FY32	1,892	1,557	82%	-	0	182	1,375	13.50	0.35	483
FY33	1,900	1,548	81%	-	0	180	1,368	14.50	0.33	445
FY34	1,907	1,538	81%	-	0	177	1,360	15.50	0.30	409
FY35	1,915	1,527	80%	-	1	175	1,352	16.50	0.28	376
FY36	1,925	1,517	79%	-	1	173	1,343	17.50	0.26	346
FY37	1,934	1,506	78%	-	1	171	1,335	18.50	0.24	318
FY38	1,945	1,495	77%	-	1	168	1,326	19.50	0.22	293
FY39	1,956	1,483	76%	-	1	166	1,316	20.50	0.20	269
FY40	1,968	1,471	75%	-	1	163	1,307	21.50	0.19	247
FY41	1,981	1,459	74%	-	1	160	1,297	22.50	0.17	227
FY42	1,994	1,446	73%	-	1	158	1,287	23.50	0.16	208
FY43	2,008	1,433	71%	-	1	249	1,182	24.50	0.15	177
FY44	2,025	1,420	70%	-	2	404	1,014	25.50	0.14	141
FY45	2,041	1,406	69%	-	2	402	1,003	26.50	0.13	129
FY46	2,059	1,391	68%	-	2	398	991	27.50	0.12	118
FY47	2,077	1,376	66%	-	2	395	979	28.50	0.11	108
FY48	2,099	1,362	65%	-	2	392	968	29.50	0.10	98
FY49	2,120	1,347	64%	-	2	388	956	30.50	0.09	90
TV	2,120	1,347	64%	-	-	392	954	30.50	0.09	90
Present Value of Explicit Period Cash Flows										18,677
Present Value of Terminal Year Cash Flow										1,115
Enterprise Value										19,791



## Appendix III – Valuation of BDTCL as on 31<sup>st</sup> March 2018 – Part B: Incremental Case

WACC											INR Mn
8.26%											PV of Cash
FY	Revenue	EBITDA	EBITDA Margin	Capex	NCA	Taxation	FCFF	CAF	Discounting Factor	Flows	
FY19	280	280		-	67	98	116	0.50	0.96	111	
FY20	64	64	100%	-	(52)	21	94	1.50	0.89	84	
FY21	64	64	100%	-	0	21	43	2.50	0.82	35	
FY22	64	64	100%	-	(0)	21	43	3.50	0.76	32	
FY23	64	64	100%	-	(0)	21	43	4.50	0.70	30	
FY24	45	45	100%	-	(5)	12	37	5.50	0.65	24	
FY25	44	44	100%	-	0	12	32	6.50	0.60	19	
FY26	44	44	100%	-	(0)	12	32	7.50	0.55	18	
FY27	44	44	100%	-	(0)	12	32	8.50	0.51	16	
FY28	44	44	100%	-	(0)	12	32	9.50	0.47	15	
FY29	44	44	100%	-	0	12	32	10.50	0.43	14	
FY30	44	44	100%	-	(0)	12	32	11.50	0.40	13	
FY31	44	44	100%	-	(0)	12	32	12.50	0.37	12	
FY32	44	44	100%	-	(0)	12	32	13.50	0.34	11	
FY33	44	44	100%	-	(0)	12	31	14.50	0.32	10	
FY34	43	43	100%	-	(0)	12	31	15.50	0.29	9	
FY35	43	43	100%	-	(0)	12	31	16.50	0.27	8	
FY36	43	43	100%	-	(0)	12	31	17.50	0.25	8	
FY37	43	43	100%	-	(0)	12	31	18.50	0.23	7	
FY38	43	43	100%	-	(0)	12	31	19.50	0.21	7	
FY39	43	43	100%	-	(0)	12	31	20.50	0.20	6	
FY40	43	43	100%	-	(0)	12	31	21.50	0.18	6	
FY41	42	42	100%	-	(0)	12	31	22.50	0.17	5	
FY42	42	42	100%	-	(0)	12	31	23.50	0.15	5	
FY43	42	42	100%	-	(0)	12	30	24.50	0.14	4	
FY44	42	42	100%	-	(0)	12	30	25.50	0.13	4	
FY45	42	42	100%	-	(0)	12	30	26.50	0.12	4	
FY46	41	41	100%	-	(0)	12	30	27.50	0.11	3	
FY47	41	41	100%	-	(0)	11	30	28.50	0.10	3	
FY48	41	41	100%	-	(0)	11	30	29.50	0.10	3	
FY49	41	41	100%	-	(0)	11	29	30.50	0.09	3	
Present Value of Explicit Period Cash Flows										528	
Enterprise Value										528	



## Appendix IV – Summary of approval and licences (1/2)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
1	Company Registration	8-Sep-09	Valid	Ministry of Corporate Affairs
2	Transmission License	12-Oct-11	25	Central Electricity Regulatory Commission
3	Forest Clearance			
	Dhule-Dhule Transmission Line in District of Dhule District - Stage I	15-May-14	Valid	Ministry of Environment and Forests
	Dhule-Dhule Transmission Line in District of Dhule District - Stage II	25-Jan-17	Valid	Ministry of Environment and Forests
	Dhule- Aurangabad Transmission Line in Aurangabad District - Stage I	30-May-14	Valid	Ministry of Environment and Forests
	Dhule- Aurangabad Transmission Line in Aurangabad District - Stage II	25-Jan-17	Valid	Ministry of Environment and Forests
	Bhopal- Indore Transmission Line in Bhopal District - Stage I	24-Jun-14	Valid	Ministry of Environment and Forests
	Bhopal- Indore Transmission Line in Bhopal District - Stage II	21-Sep-15	Valid	Ministry of Environment, Forests & Climate Changes
	Bhopal- Bhopal Transmission Line in Bhopal District - Stage I	20-Jun-14	Valid	Ministry of Environment and Forests
	Bhopal- Bhopal Transmission Line in Bhopal District - Stage II	16-Sep-15	Valid	Ministry of Environment, Forests & Climate Changes
	Dhule - Vadodara Transmission Line in Bharuch & Vadodara Districts (General Manager) -Stage I	27-Aug-14	Valid	Ministry of Environment, Forests & Climate Changes
	Dhule - Vadodara Transmission Line in Bharuch & Vadodara Districts (Assistant General Manager) - Stage I	27-Aug-14	Valid	Ministry of Environment, Forests & Climate Changes
	Dhule - Vadodara Transmission Line in Bharuch & Vadodara Districts - Stage II	4-Mar-15	Valid	Ministry of Environment, Forests & Climate Changes
	Dhule - Vadodara Transmission Line in Dhule District - Stage II	19-Nov-15	Valid	Ministry of Environment, Forests & Climate Changes
	Jabalpur-Bhopal Transmission Line in Bhopal & Raichur Districts - Stage I	31-Dec-14	Valid	Ministry of Environment, Forests & Climate Changes
	Jabalpur-Bhopal Transmission Line in Bhopal & Raichur Districts - Stage II	25-Mar-15	Valid	Ministry of Environment, Forests & Climate Changes
4	Approval under section 68 of Electricity Act, 2003	25-Nov-10	Valid	Ministry of Power
5	Approval from GOI under section 164 of Electricity Act, 2003- Under Gazette of India	29-Jan-13	25	Ministry of Power
6	Approval from CERC under section 17(3)	6-Apr-16	Valid	
7	Environmental Clearance	Not Applicable		
8	Power & Telecommunication Coordination Committee ("PTCC") Clearance			
	Bhopal- Bhopal Transmission Line	31-Aug-13	Valid	PTCC, Government of India
	Jabalpur-Bhopal Transmission Line	13-Sep-13	Valid	PTCC, Government of India
	Dhule-Dhule Transmission Line	22-Jul-13	Valid	PTCC, Government of India
	Dhule- Vadodara Transmission Line	7-Mar-14	Valid	PTCC, Government of India
9	Railway Crossing			
	765 KV at KM 1957-10 - Ratlam	13-Mar-14	Valid	Western Railway
	765 KV at KM 371-4 - Ratlam	9-May-13	Valid	Western Railway
	Between Diwananj - Salamatpur at KM 865/2-4	18-Jun-13	35	West Central Railway
	KM 953/4-5 ET- JBP Section	18-Oct-13	Valid	West Central Railway
	Near Galan Railway Station at KM 359/27-28 & 360/1-2	25-Apr-14	Valid	Central Railway
	Between Ranala & Dondicha at KM 172/11 & 172/12 and tower LOC No. 22/0 & 23/0	7-Aug-14	Valid	Western Railway
10	Road Crossing			
	KM 569/1 & 569/2 on Dewas City Portion on NH-3	11-Sep-13	Valid	National Highway Authority of India
	KM 333-830 on Bhopal-Bhojpur NH-12	6-Jul-12	Valid	Madhya Pradesh Road Development Corporation Ltd.
	NH - 86	12-Aug-13	Valid	National Highway Authority of India
	NH-26 (Sagar Narsinghpur Section and Milestone 302-303 respectively)	5-Feb-14	Valid	National Highway Authority of India
	Between KM 148-149 NH-12 Deora- Udaipura Section	21-Jan-13	Valid	Madhya Pradesh Road Development Corporation Ltd.
	Dhule- Aurangabad at KM 240-241 of NH-3	8-May-14	Valid	National Highway Authority of India
	Dhule- Aurangabad at KM 500-501 of NH-6	16-May-14	Valid	National Highway Authority of India
	Dhule-Dhule at 241-242 of NH-3	15-May-14	Valid	National Highway Authority of India

Source: Investment manager



## Appendix IV – Summary of approval and licences (2/2)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
11	River Crossing	No River Crossing		
12	Power Line Crossing	3-Aug-13	Valid	Madhya Pradesh Power Transmission Co. Ltd.
	Bhopal - Bhopal	10-Dec-12	Valid	Madhya Pradesh Power Transmission Co. Ltd.
	Indore Bhopal (Jaitura-Ashta Line)	15-Jan-13	Valid	Madhya Pradesh Power Transmission Co. Ltd.
	Bhopal Indore (Bairagarh- Shyampur Line, Sawania- Ashta Line, Sawania- Suajipur Line, Bairagarh- Kurawar Line, Ashta-Polai Line, Ashta-Armiyakal Line & Ashta-Bercha Line)	5-Apr-13	Valid	Madhya Pradesh Power Transmission Co. Ltd.
	Bhopal Jabalpur line (Shahpura Line & Sukhanarsinghpur line)	15-Jan-13	Valid	Madhya Pradesh Power Transmission Co. Ltd.
	Bhopal Jabalpur line (Barasia-Vidhisha line, Vidhisha-Raisen Line, Barasia-Vishisha Line, Bhopal - Bina Line & Bhopal-Vidhisha Line)	19-Oct-13	Valid	Maharashtra Electricity Transmission Co. Ltd.
	Bhopal- Dhule Transmission Line	30-Oct-14	Valid	Public Works Department - Mumbai
	Dhule- Dhule Transmission Line (Provisional Permission)	30-May-13	Valid	Gujarat Energy Transmission Corporation Ltd.
	Dhule Vadodara - I	28-Feb-13	Valid	Gujarat Energy Transmission Corporation Ltd.
	Dhule Vadodara - II	25-Jul-13	Valid	Gujarat Energy Transmission Corporation Ltd.
	Dhule Vadodara - III			
13	Aviation Clearance			
	NOC for Height Clearance - Bhopal	12-Feb-13	7	Airport Authority of India
	NOC for Height Clearance between Bhopal & Indore	20-Feb-13	7	Airport Authority of India
	NOC for Height Clearance between Jabalpur & Bhopal	20-Feb-13	7	Airport Authority of India
	NOC for Height Clearance between Dhule to Aurangabad	1-Feb-14	7	Airport Authority of India
	NOC for Height Clearance between Dhule to Vadodara	13-Mar-14	7	Airport Authority of India
14	Defence Clearance			
	NOC for Construction of Dhule Aurangabad Line	19-Sep-13	Valid	Ministry of Defence
	NOC for Construction of Dhule Dhule Line	19-Sep-13	Valid	Ministry of Defence
	NOC for Construction of Dhule Vododara Line	19-Sep-13	Valid	Ministry of Defence
15	Transmission Service Agreement	7-Dec-10	Valid	
16	Approval for adoption of Tariff	28-Oct-11	35	Central Electricity Regulatory Commission
17	Approval for Energisation	17-May-17	Expired	Central Electricity Authority, Chief Electrical Inspectorate Division

Source: Investment manager

Note: Investment manager confirmed that there are no applications applied of which approval is pending



## Appendix V – BDTCL: Summary of Ongoing Litigations (1/3)

Matter	Against	Pending Before	Details of the Case	Amount Involved (INR Million)	Amount Deposited (INR Million)#
<b>I. OPEN MATERIAL LITIGATION</b>					
Indirect Tax Matters	BDTCL	High Court of Madhya Pradesh CERC	<b>Background of the case:</b> Demand for payment of Entry Tax	165.80**	58.37**
Regulatory Matter	Petition Relief filed by BDTCL		<b>Background of the case:</b> a) BDTCL has filed an compensatory and declaratory relief under the Transmission Services Agreement in relation to six transmission lines and two sub stations (collectively the "Project"). Since the delay in commissioning the project was due to change in law and force majeure event. b) Additionally, BDTCL prayed for extension of scheduled commercial operation date and grant of increase of INR 212.3 million per annum in leveled transmission charges payable with effect from commercial operation date of each element of the project.	Not provided*	Not provided*
Other Matter	BDTCL	Labour Commissioner, Indore District Court, Dhule	<b>Background of the case:</b> Deputy Director of Industrial Health and Safety, Dewas seek the directions for initiating criminal proceedings against BDTCL due to the fatal accident leading to the death of one labourer. <b>Background of the case:</b> Pleading that the order of the counter claim and application for interim injunction passed by Joint Civil Judge (Senior Division), Dhule should be stayed since it is bad in law and fact.	Not provided*	Not provided*
BDTCL	Bhagawan Devman Bhilla		<b>Current status:</b> Condonation application is pending at admission stage. Satya Narayan Mishra filed petition for the losses which he allegedly suffered due to construction of the overhead lines by BDTCL over his land whereas BDTCL claimed that it has already provided the compensation through cheques. Currently, BDTCL has filed the reply and the witness of applicant has been cross examined by BDTCL.	Not provided*	Not provided*
Satya Mishra	BDTCL	District Judge, Narsinghpur	<b>Current status:</b> Case is pending for final arguments. Affidavit has been submitted by applicant & cross examination for the same will be done in next date.	Not provided*	Not provided*
Shikha Neekhra	BDTCL	District Judge (DJ), Raisen	<b>Background of the case:</b> The Petitioner filed petition against the decision of collector for granting compensation against the loss of destruction of mango tree and tube well on land and alleging that the insufficient compensation of INR 0.05 million had been granted and demanded compensation of INR 0.92 million towards loss caused to her along with interest at 9% on such amount from the date of damage. The case is still pending and the court has decided the points on which adjudication will be done.	0.92**	Not provided*
Manish Neekhra	BDTCL	District Magistrate, Narsinghpur	<b>Current status :</b> Reply submitted by BDTCL & issues is framed & affidavit is submitted by applicant & 2 Witness/Applicant appeared & both have been cross examined by our Counsel & 1 witness is left for cross examination. Case is currently pending. <b>Background of the case:</b> The Petitioner filed petition against the decision of collector for granting compensation against the loss of destruction of crops and damage to the boundary wall of pond and alleging that the insufficient compensation of INR 0.5 million had been granted and demanded compensation of INR 2.63 million towards loss caused to her along with interest at 9% on such amount from the date of damage. The case is still pending and the court has decided the points on which adjudication will be done.	2.63**	Not provided*
			<b>Current status:</b> Reply submitted by BDTCL & issues is framed & affidavit is submitted by applicant & 2 Witness/Applicant appeared & both have been cross examined by our Counsel & 1 witness is left for cross examination. Case is currently pending.		

Source: Investment Manager



## Appendix V – BDTCL: Summary of Ongoing Litigations (2/3)

Matter	Against	Pending Before	Details of the Case	Amount Involved (INR Million)	Amount Deposited (INR Million)*
Shailendra Champaksinh Gohil, Pravinsinh Jaswantsinh Gohil and Janaksinh Jaswantsinh Gohil	BDTCL	High Court of Gujarat, Ahmedabad	<b>Background of the case:</b> Challenging the notification issued under section 164 of Electricity Act by the Director, Minister of Power, Government of India claiming that the notification was without jurisdiction and beyond the scope of Director for the laying of overhead transmission lines of BDTCL. <b>Current status:</b> Reply submitted. Case is pending for final argument.	Not provided*	Not provided*
Pravinsinh Jaswantsinh Gohil and Janaksinh Jaswantsinh Gohil	BDTCL	High Court of Gujarat, Ahmedabad	<b>Background of the case:</b> Alleging that the name of their village 'Moriana' was not mentioned in the name of the notification dated 24 January 2013. BDTCL appealed against the interim order before High Court.	Not provided*	Not provided*
Bhikhari Govinda Sasundre & 5 others	BDTCL	Bombay High Court, Aurangabad	<b>Background of the case:</b> Claimed compensation for the damage caused to their field by laying high tension power transmission lines. <b>Current status:</b> Amount has been submitted before the court by BDTCL. Case is still pending.	Not provided*	Not provided*
BDTCL	Dhyaneshwar Managate	Bombay High Court, Aurangabad	<b>Background of the case:</b> BDTCL filed petition against the payment of compensation required to be paid in accordance with the order passed by the District Court, Aurangabad. <b>Current status:</b> Amount has been submitted before the court by BDTCL. Case is still pending.	Not provided*	0.64**
Navneet Manchibhai Vasava and others	BDTCL	Civil Judge, Dediapada	<b>Background of the case:</b> Filed petition to claim compensation against the violation of right of way on account of laying of transmission lines over the petitioner's land.	Not provided*	Not provided*
Kusumben Arjun Mali and others	BDTCL	Sub divisional Magistrate (SDM), Dhule	<b>Current status:</b> Reply to be submitted. Matter is currently pending.	Not provided*	Not provided*
Various Complaints (32 in number)	BDTCL	District Collector (DC), Aurangabad	<b>Background of the case:</b> Aggrieved by the order passed by the District Collector allowing BDTCL to erect the transmission towers in the petitioner's land, Kusumben has filed an appeal against the same in the High Court.	Not provided*	Not provided*
Sharp Corporation Limited	BDTCL	High Court of Madhya Pradesh, Indore	<b>Current status:</b> BDTCL has submitted the reply. Case is pending for final approval.	Not provided*	Not provided*
Bhagvan Devman Bhilla	BDTCL	Jt. Civil Judge (S. D), Dhule	<b>Background of the case:</b> Petitioner has filed civil application against BDTCL disputing the compensation paid for their land.	Not provided*	Not provided*
Approx. 60 land owners	BDTCL	DC & DJ Aurangabad	<b>Current status:</b> BDTCL has to file its reply. <b>Background of the case:</b> Demanding compensation for allegedly violating the right of way by constructing high tension power transmission lines over their agricultural land without obtaining the requisite permissions. <b>Background of the case:</b> Petition filed to restrain the BDTCL from starting and continuing the construction over the Petitioner's land.	Not provided*	Not provided*
			<b>Background of the case:</b> The petitioner claims that he has been forcefully evicted from the Govt. Land which was encroached by his forefathers. He claims that his eviction is not proper. Interim order to maintain status quo on the land in possession was granted by the Jt. Civil Judge. <b>Current status:</b> Interim order to maintain status quo on the land in possession was granted by the Jt. Civil Judge.	Not provided*	Not provided*
			<b>Background of the case:</b> Right of Way Compensation (ROW) Payment of land is demanded as per Maharashtra Government circular, which are pending for adjudication. On the similar lines SDM, Aurangabad has also sent some queries to BDTCL. <b>Current status:</b> Preliminary objections filed on the ground of Jurisdiction and factual grounds. Matter is pending for final arguments.	Not provided*	Not provided*

Source: Investment Manager



Strictly Private and Confidential

## Appendix V – BDTCL: Summary of Ongoing Litigations (3/3)

Matter	Against	Pending Before	Details of the Case	Amount Involved (INR Million)	Amount Deposited (INR Million)*
II. CLOSED MATERIAL LITIGATION Other Matter	BDTCL	Sehore Police Station. M.P	<b>Background of the case:</b> Matter Closed as per the order of Chief Justice of Magistrate, Sehore as the main accused i.e. the sub contractor had expired. Investigation is closed. Compensation of INR 5 lacs each have been deposited by Simplex and all statutory intimation has been done by Simplex.	-	-
Ashok Kumar Mishra	BDTCL		<b>Background of the case:</b> Filed review petition for vacating the order passed by the High Court and alleging that the employee of the BDTCL has entered into the premises and destroyed his crops. However, the District Collector ordered that the petitioner is entitled to receive compensation for the damage caused by the laying of transmission lines over his land and property. Further, we were informed by the Management that as per the Collector, Narsinghpur order, Concerned Revenue Officer was to value the damage caused and communicate to us and post that within the given time lines BDTCL were to comply the same. But till date BDTCL have not received any communication from any Revenue authority regarding this matter, as such there is nothing for BDTCL to comply with.	-	-
Pahup Singh	BDTCL	District Magistrate, Narsinghpur	<b>Background of the case:</b> Insufficient compensation for damage to his house over the land on which a tower was constructed by BDTCL. The witness has been cross examined by BDTCL. Case has been dismissed in favour of BDTCL.	-	-
Indirect Matters	Tax BDTCL	VAT Act, 2002	<b>Background of the case:</b> BDTCL has received certain notices under Madhya Pradesh VAT Act, 2002	-	-
Direct Matters	Tax BDTCL	Assistant Commissioner of Income Tax, TDS, Delhi	<b>Background of the case:</b> Mismatch in the calculation of tax payable on the return.	-	-

Source: Investment Manager

\* We were not provided with the data and hence we are unable to comment on the same.

\*\* We were provided with the amount however the relevant supporting documents has not been provided to us hence we were unable to corroborate the same.

#The amount paid under protest to the government authorities are grouped under Current assets.

