

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

Fair Enterprise Valuation:

Valuation Date: 30th September 2021

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

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RV/SSR/R/2022/10

Date: 27th October 2021

The Board of Directors

IndiGrid Investment Managers Limited
(Formerly known as Sterlite Investment Managers Ltd.)
(Investment Manager of India Grid Trust)

Unit No. 101, 1st Floor,
Windsor Village, Kole Kalyan Off CST Road,
Vidyanagari Marg, Santacruz (E),
Mumbai - 400 098,
Maharashtra, India.

The Axis Trustee Services Limited
(Trustee of India Grid Trust)

The Ruby, 2nd Floor, SW, 29,
Senapati Bapat Marg,
Dadar (W), Mumbai - 400 028,
Maharashtra, India.

Sub: 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 28th September 2021 as an independent valuer, as defined under the SEBI InvIT Regulations, by **IndiGrid Investment Managers Limited** (formerly known as Sterlite Investment Managers Limited) ("**the Investment Manager**" or "**IIML**"), acting as the investment manager for **India Grid Trust** ("**the Trust**") and **Axis Trustee Services Limited** ("**the Trustee**") acting as the trustee for the Trust, for the purpose of the financial valuation of the Special Purpose 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:

Sr. No.	Name of the SPVs	Group
1	Bhopal Dhule Transmission Company Limited ("BDTCL")	Transmission Assets
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")	
12	Parbati Koldam Transmission Company Limited ("PrKTCL")	
13	NER II Transmission Limited ("NERTL")	
14	IndiGrid Solar-I (AP) Private Limited ("ISPL 1")	Solar Assets
	IndiGrid Solar-II (AP) Private Limited ("ISPL 2")	

(Together referred to as "the SPVs")



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

5B, 4th Floor, 5th Floor, Mena Kampala Arcade, New #18 & 20, Thiagaraya Road, T.Nagar, Chennai - 600 017, India | Tel: +91 44 2815 4192 | Fax: +91 44 4213 2024

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The SPVs were acquired by the Trust and are to be valued as per Regulation 21(4) 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 30th 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 30th September 2021 for incorporating any key changes from the period ended 30th June 2021 till 30th September 2021. Accordingly, this report should be read in continuation to my reports dated 30th July 2021 and 27th May 2021 in relation to the valuation of all the SPVs as at 30th June 2021 and 31st March 2021 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.

I am enclosing the Report providing opinion on the fair enterprise value of the SPVs on a going concern basis as at **30th September 2021 ("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.

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.



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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.

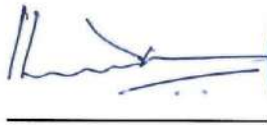
The valuation provided by RV and the valuation conclusions are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the **Securities and Exchange Board of India ("SEBI")** thereunder.

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

RV draws your attention to the limitation of liability clauses in Section 7 of the Report including the clause on "Limitation on account of COVID-19 and Uncertainty in Valuation".

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

Yours faithfully,



S. Sundararaman

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Place: Chennai

UDIN: 21028423AAAANY2752

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Definition, abbreviation & glossary of terms

Abbreviations	Meaning
BDTCL	Bhopal Dhule Transmission Company Limited
BOO	Build-Own-Operate
BOOM	Build-Own-Operate-Maintain
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CCM	Comparable Companies Multiples
CERC Tariff Regulations, 2019	Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019
Ckms	Circuit Kilometres
COD	Commercial Operation Date
CTM	Comparable Transactions Multiples
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
ISPL 1	IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited)
FCFF	Free Cash Flow to the Firm
ISPL 2	IndiGrid Solar-II (AP) Private Limited (formerly known as FRV India Solar Park-II Private Limited)
FY	Financial Year Ended 31 st March
GAAP	Generally Accepted Accounting Principles
GPTL	Gurgaon Palwal Transmission Limited
GW	Giga Watts
IIML or Investment Manager	IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)
INR	Indian Rupee
IVS	ICAI Valuation Standards, 2018
JKTPL	Jhajjar KT Transco Private Limited
JTCL	Jabalpur Transmission Company Limited
kV	Kilo Volts
kWh	Kilo Watt Hour
Mn	Million
MTL	Maheshwaram Transmission Limited
MW	Mega Watts
NAV	Net Asset Value
NCA	Net Current Assets Excluding Cash and Bank Balances
NERTL	NER II Transmission Limited
NRSS	NRSS XXIX Transmission Limited
O&M	Operation & Maintenance
OGPTL	Odisha Generation Phase - II Transmission Limited
PGCIL	Power Grid Corporation of India Limited
PKTCL	Purulia & Kharagpur Transmission Company Limited
PPA	Power Purchase Agreement
P-KTCL	Parbati Koldam Transmission Company Limited
P-TCL	Patran Transmission Company Limited
R-TCL	RAPP Transmission Company Limited



Abbreviations	Meaning
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SECI	Solar Energy Corporation of India Limited
SPGVL	Sterlite Power Grid Ventures Limited (now merged with SPTL)
SPTL	Sterlite Power Transmission Limited
SPV	Special Purpose Vehicle
TAO	Tariff Adoption Order
the Trust or InvIT	India Grid Trust
the Trustee	Axis Trustee Services Limited
TSA	Transmission Service Agreement
TV	Terminal Period Value
WACC	Weighted Average Cost of Capital



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1. Executive Summary

1.1. Background

The Trust

- 1.1.1. India Grid Trust ("the **Trust**") was established on 21st October 2016 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is sponsored by Esoteric I Pte. Ltd., an affiliate of KKR & Co. Inc ("**Esoteric**") and Sterlite Power Transmission Limited¹ ("**SPTL**"). The Trust 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**").
- 1.1.2. It is established to own and operate 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.
- 1.1.3. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6th June 2017. The unitholders of the Trust approved the induction of Esoteric as a Sponsor (as defined under the InvIT Regulations) in the Annual General Meeting of the Trust held on 28th September 2020. SPTL and Esoteric are hereinafter together referred to as "**the Sponsors**".
- 1.1.4. Unit holding pattern of the Trust as on 30th September 2021 is as under:

Sr. No.	Particulars	No. of Units	%
1	Sponsors	16,59,01,932	23.69%
2	Insurance Companies	5,34,10,559	7.63%
3	Mutual Fund	17,31,014	0.25%
4	Provident or pension funds	37,08,180	0.53%
5	Foreign Portfolio Investors	21,28,70,514	30.40%
6	Non-institutional investors	26,25,56,286	37.50%
	Total	70,01,78,485	100.00%

Source: BSE

The Sponsors

- 1.1.5. 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\$ 252 billion of assets under management as of 31st December 2020. KKR sponsors investment funds that invest in multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds.
- 1.1.6. SPTL is mainly engaged into the business of installation and operation of electricity transmission projects in India and Brazil. SPTL has experience in bidding, designing, financing, constructing and maintaining power transmission projects across India and Brazil.
- 1.1.7. Shareholding of the Sponsors:

Esoteric (as on 31st March 2021)

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

Source: Investment Manager

¹The National Company Law Tribunal at Mumbai, by its order dated May 22, 2020, approved the scheme of amalgamation between SPGVL, SPTL and their respective shareholders and the effective date of such scheme is November 15, 2020.



SPTL (as on 20th August 2021)

Sr No.	Particulars	No of shares	%
1	Total Promoter and Promoter Group	4,55,33,851	74.43%
2	Total Public Shareholders	1,56,48,051	25.57%
	Institutional Investors	51,186	0.08%
	Non-institutional Investors	1,55,96,865	25.49%
	Total	6,11,81,902	100.00%

Source: Annual Report 2020-21 of SPTL

Investment Manager

- 1.1.8. IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited) ("the **Investment Manager**" or "IIML") has been appointed as the investment manager to the Trust by Axis Trustee Services Limited ("the **Trustee**") and is responsible to carry out the duties of such a person as mentioned under SEBI InvIT Regulations.
- 1.1.9. Shareholding of the Investment Manager as on 30th September 2021 is as under:

Sr. No.	Name of Shareholder	%
1	Electron IM Pte. Ltd. (KKR affiliate entity)	74%
2	Sterlite Power Transmission Limited	26%
	Total	100%

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.

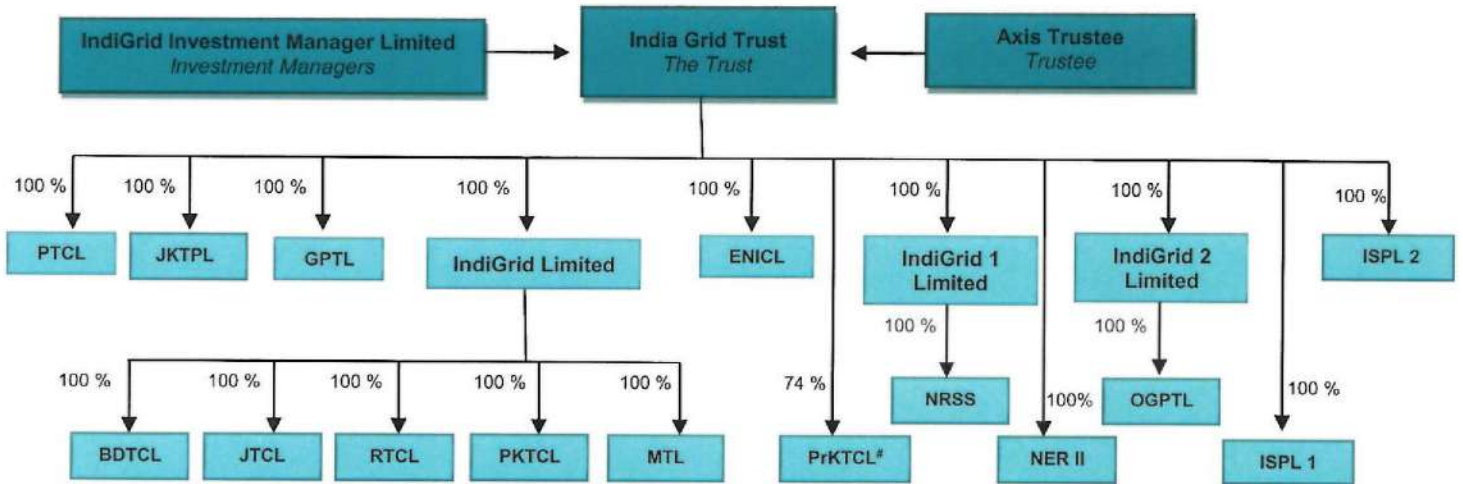
Sr. No.	Name of the SPVs	Group
1	Bhopal Dhule Transmission Company Limited ("BDTCL")	Transmission Assets
2	Jabalpur Transmission Company Limited ("JTCL")	
3	Maheshwaram Transmission Limited ("MTL")	
4	RAPP Transmission Company Limited ("RTCL")	
5	Purulia & Kharagpur Transmission Company Limited ("PKTCL")	
6	Patran Transmission Company Limited ("PTCL")	
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8	Odisha Generation Phase - II Transmission Limited ("OGPTL")	
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12	Parbati Koldam Transmission Company Limited ("PrKTCL")	
13	NER II Transmission Limited ("NERTL")	
14	IndiGrid Solar-I (AP) Private Limited ("ISPL 1")	
15	IndiGrid Solar-II (AP) Private Limited ("ISPL 2")	

(Together referred to as "the SPVs")



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Group Structure of the Trust as at 30th September 2021



% Represents Economic Ownership
 # PrKTCL- 26% stake held by PowerGrid (PGCIL)
 Source: Investment Manager



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1.2. Purpose and Scope of Valuation

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 30th 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 30th September 2021 for incorporating any key changes from the period ended 30th June 2021 till 30th September 2021. Accordingly, this report should be read in continuation to my reports dated 30th July 2021 and 27th May 2021 in relation to the valuation of all the SPVs as at 30th June 2021 and 31st March 2021 respectively.

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 30th September 2021. 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.

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 30th September 2021 ("**Valuation Date**"). The attached Report is drawn up by reference to accounting and financial information as on 30th September 2021. The RV is not aware of any other events having occurred since 30th September 2021 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 30th September 2021 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	<p>For Transmission Assets: The revenues of the projects are defined for a certain period of years under TSA, known as "Concession Period". All the Transmission Assets except ENICL have Concession Period of 35 years and in case of ENICL, the Concession Period is 25 years.</p> <p>For Solar Assets: The Solar Assets have entered into PPA's with SECI for a period of 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.</p>
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.



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Comparable Companies Multiples ("CCM")	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 ("CTM")	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF method, the Free Cash Flow to Firm ("FCFF") has been used for the purpose of valuation of 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 30th September 2021 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the respective SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgment. 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 either under the Build-Own-Operate and Maintain ("BOOM") or Build-Own-Operate ("BOO") model except JKTPL which has executed project under Design-Build-Finance-Operate-Transfer ("DBFOT") basis and, 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 / PPA Period)	WACC	Fair EV (INR Mn)
1	BDTCL	~ 27 Years and 6 Months	7.92%	20,213
2	JTCL	~ 27 Years and 5 Months	8.16%	16,284
3	MTL	~ 31 Years and 3 Months	7.70%	5,952
4	RTCL	~ 29 Years and 5 Months	7.61%	4,211
5	PKTCL	~ 29 Years and 6 Months	7.61%	6,816
6	PTCL	~ 30 Years and 2 Months	7.65%	2,375
7	NRSS	~ 31 Years and 11 Months	7.54%	46,603
8	OGPTL	~ 32 Years and 6 Months	7.68%	14,898
9	ENICL*	~ 14 Years and 1 Months	8.05% to 11.18%	12,114
10	GPTL	~ 33 Years and 6 Months	7.58%	12,124
11	JKTPL	~ 24 Years and 1 Months	7.52%	2,978
12	PrKTCL**	~ 28 Years and 0 Months	7.82%	8,146
13	NERTL	~ 34 Years and 6 Months	7.53%	53,725
14	ISPL 1	~21 Years and 10 Months	7.77%	3,598
15	ISPL 2	~22 Years and 4 Months	7.79%	3,793
Total				213,832

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

**PrKTCL operates under Cost Plus Mechanism where the period of services is not mentioned in TSA. I have considered a total period of 35 years of useful life based on CERC Tariff Regulations, 2019 and based on discussions with the Investment Manager.



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

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	7.92%	20,213	8.92%	18,411	6.92%	22,496
2	JTCL	8.16%	16,284	9.16%	14,775	7.16%	18,180
3	MTL	7.70%	5,952	8.70%	5,370	6.70%	6,699
4	RTCL	7.61%	4,211	8.61%	3,853	6.61%	4,654
5	PKTCL	7.61%	6,816	8.61%	6,230	6.61%	7,551
6	PTCL	7.65%	2,375	8.65%	2,180	6.65%	2,618
7	NRSS	7.54%	46,603	8.54%	42,445	6.54%	51,878
8	OGPTL	7.68%	14,898	8.68%	13,530	6.68%	16,642
9	ENICL	8.05% to 11.18%	12,114	9.05% to 12.18%	11,359	7.05% to 10.18%	12,982
10	GPTL	7.58%	12,124	8.58%	11,089	6.58%	13,424
11	JKTPL	7.52%	2,978	8.52%	2,807	6.52%	3,170
12	PrKTCL	7.82%	8,146	8.82%	7,475	6.82%	8,988
13	NERTL	7.53%	53,725	8.53%	47,757	6.53%	61,502
14	ISPL 1	7.77%	3,598	8.77%	3,375	6.77%	3,849
15	ISPL 2	7.79%	3,793	8.79%	3,552	6.79%	4,065
Total of all SPVs			213,832		194,207		238,697

The above represents reasonable range of fair enterprise valuation of the SPVs.



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2. Procedures adopted for current valuation exercise

- 2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 ("IVS") issued by the Institute of Chartered Accountants of India.
- 2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:
- 2.2.1. Requested and received financial and qualitative information relating to 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:
 - Understanding of 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:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation
 - Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by us.
 - 2.2.5. Analysis of other publicly available information
 - 2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by us.
 - 2.2.7. Determination of fair EV of the 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 21st October 2016 by SPGVL (now merged with SPTL) 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 28th September 2020. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6th June 2017.
- 3.2. The Trust, pursuant to the 'Framework Agreement' entered with the Sponsor SPGVL (now merged with SPTL) in 2019 has a right to acquire three projects of the Sponsor SPGVL (now merged with SPTL), out of which two projects have been acquired by the Trust and one can still be acquired pursuant to the Framework Agreement.



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3.3. The Trust has acquired from the Sponsor SPGVL/ SPTL (or their subsidiaries) certain SPVs, viz. BDTCL, JTCL, MTL, RTCL, PKTCL, NRSS, OGPTL, ENICL, GPTL and NERTL; PTCL from Techno Electric & Engineering Company Limited ("TEECL"); JKTPPL from Kalpataru Power Transmission Ltd & TEECL and PrKTCL from Reliance Infrastructure Limited. Following is the summary of the past EVs and the date of acquisition of the SPVs:

EV (INR Mn)	BDTCL	JTCL	MTL	RTCL	PKTCL	PTCL	NRSS	OGPTL	ENICL	GPTL	JKTPPL	PrKTCL	NERTL	ISPL 1	ISPL 2
Acquisition Date	30 May 2017	30 May 2017	14 Feb 2018	14 Feb 2018	14 Feb 2018	31 Aug 2018	3 Jun 2019	27 Jun 2019	24 Mar 2020	28 Aug 2020	28 Sep 2020	8 Jan 2021	26 Mar 2021	13 Jul 2021	13 Jul 2021
31 Mar 2015	20,113	14,295	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 2016	21,182	19,407	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 2017	21,541	16,125	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Sep 2017	21,431	15,988	5,218	3,935	6,512	-	-	-	-	-	-	-	-	-	-
31 Mar 2018	20,319	15,431	5,564	4,054	6,618	-	-	-	-	-	-	-	-	-	-
30 Sep 2018	19,694	14,937	5,423	4,084	6,481	2,401	-	-	-	-	-	-	-	-	-
31 Mar 2019	19,470	14,608	5,268	4,035	6,390	2,423	-	-	-	-	-	-	-	-	-
30 Sep 2019	19,091	14,774	5,383	4,173	6,477	2,442	44,349	13,878	-	-	-	-	-	-	-
31 Mar 2020	18,565	14,426	5,437	4,008	6,439	2,370	43,911	14,105	10,949	-	-	-	-	-	-
30 Jun 2020	19,013	14,526	5,595	4,082	6,595	2,417	43,857	14,375	11,244	-	-	-	-	-	-
30 Sep 2020	19,124	15,063	5,760	4,157	6,701	2,461	45,362	14,644	11,439	11,413	2,884	-	-	-	-
31 Dec 2020	20,200	15,439	5,810	4,208	6,731	2,453	46,109	14,785	11,482	11,807	3,020	-	-	-	-
31 Mar 2021	20,396	16,022	5,902	4,202	6,826	2,374	46,808	14,791	11,962	12,223	3,032	8,561	52,361	-	-
30 Jun 2021	20,276	16,026	5,897	4,176	6,815	2,363	46,193	14,789	11,908	12,152	3,030	8,391	52,473	-	-

Note: I have conducted valuation from the period 31 Mar 2020 onwards.



Following is a map of India showing the area covered by the SPVs of the Trust :



Source: Investment Manager



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3.4. **Bhopal Dhule Transmission Company Limited (BDTCL)**

3.4.1. Summary of details of BDTCL are as follows:

Parameters	Details
Project Cost	INR 21,634 Mn
Total Length	944 ckms
Scheduled COD	31 st March 2014
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Source: Investment Manager

3.4.2. The BDTCL project was awarded to IndiGrid Limited (formerly known as Sterlite Grid 1 Limited) by the Ministry of Power on 31st 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 Commercial Operation Date (“SCOD”) of the project.

3.4.3. 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.

3.4.4. 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.

3.4.5. BDTCL consists of the following transmission lines and implemented on contract basis:

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

Source: Investment Manager

3.4.6. Due to various Force Majeure and Change in Law events during the construction period which adversely affected and delayed the commissioning, BDTCL has been granted an increase in Non Escalable Transmission charges by Appellate Tribunal for Electricity through order dated 20th October 2020 at the rate of 2.987%.



3.5. **Jabalpur Transmission Company Limited (JTCL)**

3.5.1. Summary of details of JTCL are as follows:

Parameters	Details
Project Cost	INR 19,183 Mn
Total Length	992 ckms
Scheduled COD	1 st March, 2014
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Source: Investment Manager

3.5.2. The JTCL project was awarded to IndiGrid Limited (formerly known as Sterlite Grid 1 Limited) by the Ministry of Power on 19th 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.

3.5.3. 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.

3.5.4. 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.

3.5.5. JTCL consists of the following transmission lines and is being implemented on contract basis:

Transmission line / Sub-Station	Location	Route length (ckms)	Specifications	Actual COD	Contribution to total tariff
Jabalpur-Dharamjaygarh	Chhattisgarh, Madhya Pradesh	757	765 kV D/C	14 th September 2015	72%
Jabalpur-Bina	Madhya Pradesh	235	765 kV S/C	1 st July 2015	28%

Source: Investment Manager

3.6. **Maheshwaram Transmission Limited (MTL)**

3.6.1. Summary of details of MTL are as follows:

Parameters	Details
Project Cost	INR 3,841 Mn
Total Length	477 ckms
Scheduled COD	1 st June, 2018
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Source: Investment Manager

3.6.2. 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 SCOD of the project.

3.6.3. 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.



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3.6.4. MTL project consists of the following transmission lines and is being implemented on contract basis:

Transmission line / Sub-Station	Location	Route length (ckms)	Specifications	Actual COD	Contribution to total tariff
Maheshwaram (PG) – Mehboob Nagar	Telangana	197	400 kV D/C	14 th Dec 2017	35%
2 Nos. of 400 kV line bays at Mehboob Nagar S/S of TSTRANCO	Telangana	-		14 th Dec 2017	0%
Nizamabad – Yeddumailaram	Telangana	279	400 kV D/C	14 th Oct 2017	65%
2 Nos. of 400 kV line bays at Yeddumailaram (Shankarapali) S/S of TSTRANCO	Telangana	-	400 kV D/C	14 th Oct 2017	0%

Source: Investment Manager

3.7. RAPP Transmission Company Limited (RTCL)

3.7.1. Summary of details of RTCL are as follows:

Parameters	Details
Project Cost	INR 2,601 Mn
Total Length	403 ckms
Scheduled COD	1 st March, 2016
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Source: Investment Manager

3.7.2. The RTCL project was awarded to IndiGrid 1 Limited (formerly known as Sterlite Grid 2 Limited) by the Ministry of Power on 24th 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.

3.7.3. 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.

3.7.4. 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.

3.7.5. RTCL consists of the following transmission lines and is being implemented on contract basis:

Transmission line / Sub-Station	Location	Route length (ckms)	Specifications	Actual COD	Contribution to total tariff
RAPP-Shujalpur	Rajasthan and Madhya Pradesh	403	400 kV D/C	1 st March 2016	100%

Source: Investment Manager



3.8. **Purulia & Kharagpur Transmission Company Limited (PKTCL)**

3.8.1. Summary of details of PKTCL are as follows:

Parameters	Details
Project Cost	INR 4,405 Mn
Total Length	545 ckms
Scheduled COD	11 th March 2016
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Source: Investment Manager

3.8.2. The PKTCL project was awarded to IndiGrid 1 Limited (formerly known as Sterlite Grid 2 Limited) by the Ministry of Power on 6th 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.

3.8.3. 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.

3.8.4. PKTCL consists of the following transmission lines and is being implemented on contract basis:

Transmission line / Sub-Station	Location	Route length (ckms)	Specifications	Actual COD	Contribution to total tariff
Kharagpur - Chaibasa	West Bengal, Jharkhand	322	400 kV D/C	18 th June 2016	54%
Purulia - Ranchi	West Bengal, Jharkhand	223	400 kV D/C	7 th January 2017	46%

Source: Investment Manager

3.9. **Patran Transmission Company Limited (PTCL)**

3.9.1. Summary of details of the PTCL are as follows:

Parameters	Details
Project Cost	INR 2,250 Mn
Total Length	10 ckms
Scheduled COD	11 th November, 2016
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Source: Investment Manager

3.9.2. The PTCL project located in Patran Village Nihal, Punjab was awarded to Techno Electric & Engineering Co. Ltd. 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.

3.9.3. 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.



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

Transmission line / Sub-Station	Location	Route length (ckms)	Specifications	Actual COD	Contribution to total tariff
Patiala-Kaithal	Patran, Punjab	10	400 kV D/C	12 th November 2016	
Patran substation	Patran, Punjab		2*500MVA, 400/220kV Substation	12 th November 2016	100%

Source: Investment Manager

3.10. **NRSS XXIX Transmission Limited (NRSS)**

3.10.1. 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 th August 2018
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Source: Investment Manager

3.10.2. The NRSS project was awarded by the Ministry of Power on 2nd January 2014 for a 35 years period from the commercial operation date on a BOOM basis.

3.10.3. 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.

3.10.4. NRSS consists of the following transmission lines and line bays and is being implemented on contract basis:

Transmission line / Sub-Station	Location	Route length (ckms)	Specifications	Actual COD	Contribution to total tariff
Jalandar - Samba	Punjab, J&K	270	400 kV D/C line	24 th June 2016	22%
Samba-Amargarh	J&K	560	Two 400 kV D/C, One 400/220 kV GIS sub-station	2 nd September 2018	78%

Source: Investment Manager

3.11. **Odisha Generation Phase - II Transmission Limited (OGPTL)**

3.11.1. 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 th August 2019
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Source: Investment Manager



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- 3.11.2. The OGPTL project was awarded to IndiGrid 2 Limited (formerly known as Sterlite Grid 3 Limited) by the Ministry of Power on 19th January 2011 for a 35 years period from the SCOD date on a BOOM basis.
- 3.11.3. 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.
- 3.11.4. OGPTL consists of the following transmission lines and line bays and is being implemented on contract basis:

Transmission Line / Sub-Station	Location	Route Length (ckms)	Specifications	Actual COD	Contribution to Total Tariff
Jharsuguda - Raipur	Odisha	608	765 kV D/C	6 th April 2019	94%
OPGC – Raipur	Odisha	102	400 kV D/C	30 th August 2017	6%

Source: Investment Manager

3.12. East-North Interconnection Company Limited (ENICL)

- 3.12.1. 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 th October 2010
Scheduled COD	07 th January 2013
Concession Period	25 years from issue of Transmission License
Trust's stake	100% economic ownership

Source: Investment Manager

- 3.12.2. The ENICL project was awarded to Sterlite Technologies Limited, by the Ministry of Power on 7th 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.
- 3.12.3. 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.
- 3.12.4. ENICL consists of the following transmission lines and is being implemented on contract basis:

Transmission Line / Sub-Station	Location	Route Length (ckms)	Specifications	Actual COD	Contribution to Total Tariff
Bongaigaon Silliguri Line	Assam, West Bengal	443	400 kV D/C	12 th November 2014	52%
Purnea Biharsharif Line	Bihar	466	400 kV D/C	16 th September 2013	48%

Source: Investment Manager



3.13. **Gurgaon Palwal Transmission Limited (GPTL)**

3.13.1. Summary of details of GPTL are as follows:

Parameters	Details
Project Cost	INR 10,520 Mn
Total Length	270 ckms
TSA Signing Date	4 th March 2016
Scheduled COD	13 th September 2019
COD of last element of the SPV	13 th April 2020
Concession period	35 years from SCOD

Source: Investment Manager

- 3.13.2. GPTL project was awarded to Sterlite Grid 4 Limited, a wholly owned subsidiary of SPGVL (now merged with SPTL), by the Ministry of Power for a period of 35 years from the Scheduled COD on a BOOM basis. GPTL was granted Transmission Licence by CERC on 29th September 2016.
- 3.13.3. GPTL consists of three GIS substations, five transmission lines and two bays to meet the rising power demand in Gurgaon and Palwal.
- 3.13.4. GPTL Project will span over ~ 270 ckms while delivering over 3000MVA to enhance power transmission in the region.
- 3.13.5. Due to change in law during the construction period, GPTL has been claiming increase in Non Escalable Transmission charges at the rate of 1.52% from its Long Term Transmission Customers. I have considered such increase in Non Escalable Transmission charges based on representation by the Investment Manager.

3.14. **Jhajjar KT Transco Private Limited (JKTPL)**

3.14.1. Summary of details of JKTPL are as follows:

Parameters	Details
Total Length	204 ckms
TSA Signing Date	28 th May 2010
TL Signing Date	26 th October 2010
Scheduled COD	12 th March 2012
Expiry Date	25 years from the issue of Transmission License, extendable for 10 years as per TSA

Source: Investment Manager

- 3.14.2. The JKTPL project was awarded on 28th May 2010 to a 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 effective from the appointed date on a DBFOT basis. JKTPL was granted Transmission Licence by CERC on 26th October 2010. As per the terms of TSA, the SCOD of the SPV was 12th March 2012.
- 3.14.3. The project consists of the following transmission lines and substations and they are being implemented on contract basis:

Particulars	Ckms	Location
400 kV Transmission System Double Circuit	70	Jharli (Jhajjar) to Kabulpur (Rohtak)
400 kV Transmission System Double Circuit	134	Kabulpur (Rohtak) to Dipalpur (Sonepat)
Single Circuit (S/C) Loop-In-Loop-Out (LILO)	1	Loop-in-Loop-out of one circuit of Abdullapur - Bawana 400 kV D/C Line at Dipalpur (Sonepat)



2X315 MVA, 400kV / 220kV + 2X100 MVA 220kV / 132kV Air Insulated Substations (AIS)	Substation Kabulpur (Rohtak)
2X315 MVA, 400kV / 220kV + 2X100 MVA 220kV / 132kV Air Insulated Substations (AIS)	Substation Dipalpur (Sonepat)

Source: Investment Manager

- 3.14.4. JKTPL is promoted to undertake the construction and operation of transmission line and two substations in Haryana on Design-Build-Finance-Operate-Transfer (“DBFOT”) basis.
- 3.14.5. JKTPL consists of ~100 kms 400 KV Jhajjar – Kabalpur - Dipalpur transmission line and two substations in the state of Haryana, India.
- 3.14.6. JKTPL Project span over 204 ckms while delivering over 1,320 MW to enhance power transmission in the region.
- 3.14.7. It consists of three 400 KV transmission lines spread across 103 kms in Haryana with 2 substations with a transformation capacity of 830 MVA.

3.15. **Parbati Koldam Transmission Company Limited (PrKTCL)**

- 3.15.1. PrKTCL owns and operate 280 Km (458 circuit kms) of 400 kV transmission lines across Himachal Pradesh and Punjab.
- 3.15.2. PrKTCL evacuate power from power plants situated in Himachal Pradesh, viz. 800MW Parbati –II and 520MW Parbati – III Hydro Electric Plant (HEP) of NHPC, 800 MW Koldham HEP project of NTPC and 100 MW Sainj HEP of HPPCL.
- 3.15.3. PrKTCL was incorporated on 2nd September 2002 and promoted to undertake the construction and operation of transmission line in area of Punjab and Haryana on BOO basis.
- 3.15.4. PrKTCL has been granted transmission license under section 14 of the Act. PrKTCL operate 458 ckm of 400 kV lines in the area of Punjab and Himachal Pradesh. The tariff of PrKTCL is determined under section 62 of the Act read with Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019. The transmission assets have been developed under a cost-plus tariff model which includes construction, maintenance and operation of transmission lines and evacuating power from power plants situated in Himachal Pradesh and Punjab, with total line length of ~458 Ckms .
- 3.15.5. Summary of details of the project are as follows:

Parameters	Details
Total Length	458 Ckms
Location of Assets	Himachal Pradesh and Punjab
TSA signing Date	28 th May 2010
TL issuance Date	15 th September 2008
Expiry Date of License	25 years from the issue of Transmission License
Trust's stake	74% economic ownership (Balance 26% stake held by PGCIL)
COD of last element of the SPV	30 th June 2015

Source: Investment Manager

- 3.15.6. PrKTCL has filed petition with CERC on 30th September 2021 for Approval of Truing up of Transmission Tariff for 2014-19 Tariff Block and Determination of Transmission Tariff for 2019-24 Tariff Block for transmission line elements. The Investment Manager has informed me that the projections for PrKTCL are based on the abovementioned petition.



3.15.7. The project consists of the following transmission lines and substations:

Asset Name	COD as considered by CERC	Ckms	Capital Cost (INR Mn)		Petition No.
			Provisionally approved by CERC	As per petition filed on 30-Sep-21	
Asset 1 – Koldam Ludhiana CKT I	7 th August 2014	150.64	2,335	2,332	312/TT/2014 dated 19 Dec 2016 and review petition No. 8/RP/2017 and 9/RP/2017 dated 24 Jul 2019
Asset 2 – Koldam Ludhiana CKT II	14 th August 2014	150.64	2,339	2,339	
Asset 3 – Banala Koldam CKT I	10 th October 2014	66.38	1,947	1,878	384/TT/2014 dated 16 Jan 2017 and review petition no. 10/RP/2017 and 16/RP/2017 dated 19 Aug 2019
Asset 4 – Banala Koldam CKT II	4 th October 2014	62.63	1,837	1,776	
Asset 5 – Parbati-II HEP to LILO point of Banala Pooling Station (CKT-I)	3 rd November 2015	12.83	465	476	Review petition no. 4/RP/2017 dated Dec 2018
Asset 6 – Parbati II HEP to LILO point of Banala Pooling Station (CKT II)	3 rd November 2015	11.27	408	416	
Asset 7 – LILO point of Parbati III HEP to LILO point of Parbati Pooling Station	1 st August 2013	3.51	142	142	TT/297/2013 dated 15 Jan 2016, TT/71/2016 dated 23 Dec 2016
Total		457.93	9,473	9,354	

Source: Investment Manager

3.16. **NER-II Transmission Limited (NERTL)**

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

Parameters	Details
Project Cost	INR 30,649 Mn
Total Length	449 kms / 832 Ckms
Location of Assets	Assam, Arunachal Pradesh & Tripura
Total Capacity (MVA)	1,260
TSA Signing Date	27 th December 2016
SCOD as per TSA	31 st March 2020 to 30 th November 2020
Expiry Date of License	25 years from issue of Transmission License
Concession period	35 years from SCOD
SCOD of last element of the SPV	5 th April 2021
Trust's stake	100% economic ownership



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Source: Investment Manager

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

Sr No	Element	Location	Line (kVDC)	Length (kms)	Actual COD
1	Biswanath Chariyalli – Itanagar	Assam, Arunachal Pradesh	132kV D/C	68	05-Mar-21
2	LILO of Biswanath Chariali (PG) – Itanagar	Arunachal Pradesh	132kV DC	9	05-Mar-21
3	2 Nos of 132 kV line bays at Itanagar substation	Arunachal Pradesh	132kV		05-Apr-21
4	Silchar – Misa	Assam	400kV D/C	193	01-Feb-21
5	2*315 MVA substation at Surajmaninagar	Tripura	400/132 kV, 2x315 MVA		27-Jan-21
6	2 Nos of 132 kV line bays at PK Bari substation	Tripura	400/132 kV, 2x315 MVA		27-Jan-21
7	Surajmaninagar – P. K. Bari	Tripura	400kV D/C	96	27-Jan-21
8	2 Nos of 400 kV line bays at Palatana GBPP switchyard	Tripura	400 kV		27-Jan-21
9	AGTPP (NEEPCO) – P.K. Bari	Tripura	132kV D/C	83	23-Feb-21
10	2 Nos of 132 kV line bays at NEEPCO substation	Tripura	132kV		23-Feb-21
11	2*315 MVA substation at P.K. Bari	Tripura	132kV		23-Feb-21

Source: Investment Manager

- 3.16.6. Due to change in law during the construction period, NERTL has been claiming increase in Non Escalable Transmission charges at the rate of 3.93% from its Long Term Transmission Customers. I have considered such increase in Non Escalable Transmission charges based on representation by the Investment Manager.

3.17. IndiGrid Solar-I (AP) Private Limited (“ISPL 1”) and IndiGrid Solar-II (AP) Private Limited (“ISPL 2”) (together referred to as the “Solar Assets”)

- 3.17.1. ISPL 1 was incorporated on 14th July 2016 and ISPL 2 was incorporated on 9th July 2016. These Solar Assets have each set up and commissioned a 50 MW (AC) solar photo voltaic power generation system at Annanthapuramu Solar Park in the state of Andhra Pradesh. Power generated from these Solar Assets is sold under long term Power Purchase Agreement (“PPA”) between the Solar Assets and Solar Energy Corporation of India Limited (“SECI”).
- 3.17.2. The Solar Assets were selected through competitive reverse bidding under JNNM Phase – II Batch-III, Tranche-IV. SECI is the nodal agency for implementation of Ministry of New & Renewable Energy (“MNRE”) schemes for developing grid connected solar power capacity through Viability Gap Funding (“VGF”) mode.



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- 3.17.3. The Solar Assets have entered into long term power purchase agreements with SECI for continuous supply of energy generated from power plant. I understand that SECI has further signed PPA with Eastern and Southern Power Distribution Companies of Andhra Pradesh - APEPDCL & APSPDCL for entire capacity and the PPA was signed on 27th October 2016.
- 3.17.4. Andhra Pradesh Solar Power Corporation Private Limited ("APSPCL") was incorporated in the year 2014 under the Companies Act, 2013 as a Joint Venture Company between SECI, Andhra Pradesh Power Generation Corporation Limited ("APGENCO") and New & Renewable Energy Development Corporation of Andhra Pradesh Limited ("NREDCAP") with an objective to plan, develop and operate solar parks in the state of Andhra Pradesh under MNRE scheme.
- 3.17.5. The Solar Assets have entered into a leasehold agreement for the land parcel from APSCPL for a period of 25 years from the COD, which can be extended through mutual agreement. As mentioned before, the Solar Assets have entered into PPAs with SECI, which acts an intermediary procurer and has entered into 400 MW PPA with Andhra Pradesh distribution utilities. The PPAs provides for fixed tariff of INR 4.43 per kWh.

The Key Specifications of projects are as follows:

Parameters	ISPL 1	ISPL 2
Project Cost	INR 3,130 Mn	INR 3,149 Mn
Capacity	50 MW (AC) / 68 MW (DC)	50 MW (AC) / 70 MW (DC)
State / Location	Ananthapuramu Solar Park, District Kadapa, Andhra Pradesh	Ananthapuramu Solar Park, District Kadapa, Andhra Pradesh
EPC Contractor	Sterling & Wilson Private Limited	Sterling & Wilson Private Limited
Counter Party (for PPA)	Solar Energy Corporation of India Ltd.	Solar Energy Corporation of India Ltd.
Scheduled commissioning date (revised)	26 th June 2018	13 th October 2018
Actual commissioning date	22 nd June 2018	08 th October 2018
Actual Commercial Operation Date ("COD")	22 nd July 2018	31 st January 2019
Period of PPA	25 years from COD	25 years from COD
Sale Model	Sale to DISCOM + VGF	Sale to DISCOM + VGF
Project Model	Build Own Operate (BOO)	Build Own Operate (BOO)
PPA Tariff Rate	INR 4.43 per kWh unit	INR 4.43 per kWh unit
Trust's Stake	100% economic ownership	100% economic ownership

Source: Investment Manager



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4. Valuation Methodology and Approach

- 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 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

- 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 unaudited financial statements as at 30th September 2021 and based on audited financial statements as at 31st March 2021 and of the respective SPVs prepared as per the Indian Accounting Standards (Ind AS) are as under:

Sr. No.	SPVs	Book EV	
		INR Mn	
		Unaudited 30 th Sept 21	Audited 31 st Mar 21
1	BDTCL	17,330	17,582
2	JTCL	15,811	16,038
3	MTL	3,530	3,571
4	RTCL	2,232	2,257
5	PKTCL	3,863	3,903
6	PTCL	1,431	1,481
7	NRSS	25,601	26,763
8	OGPTL	11,754	11,818
9	ENICL	8,912	9,150
10	GPTL	10,303	10,432
11	JKTPL	2,515	2,588
12	PrKTCL	6,347	6,948
13	NERTL	31,055	30,436
14	ISPL 1	2,738	2,831
15	ISPL 2	2,788	2,779
Total		146,210	148,577

In the present case, since the SPVs have entered into TSA / PPA, the revenue of the SPVs are either pre-determined or could be fairly estimated 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 generation / 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 either as BOOM or BOO model-based projects except JKTPL which operates under DBFOT basis. The revenues of the Transmission Assets are defined for 35 years under the TSA except for ENICL which is defined for 25 years under the TSA whereas for the Solar Assets, tariff rates are defined for 25 years under the PPA. 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.



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 since last valuation report date; hence no impact of the same has been factored in to arrive at EV of the SPVs.
- 5.3. 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 th Mar 2049	~ 27 Years and 6 Months	18,394	1,820	20,213
JTCL	28 th Feb 2049	~ 27 Years and 5 Months	14,832	1,452	16,284
MTL	13 th Dec 2052	~ 31 Years and 3 Months	5,487	465	5,952
RTCL	28 th Feb 2051	~ 29 Years and 5 Months	3,985	227	4,211
PKTCL	10 th Mar 2051	~ 29 Years and 6 Months	6,361	455	6,816
PTCL	10 th Nov 2051	~ 30 Years and 2 Months	2,246	129	2,375
NRSS	1 st Sep 2053	~ 31 Years and 11 Months	43,684	2,918	46,603
OGPTL	5 th April 2054	~ 32 Years and 6 Months	13,935	963	14,898
ENICL	27 th Oct 2035	~ 14 Years and 1 Months	10,908	1,206	12,114
GPTL	31 st Mar 2055	~ 33 Years and 6 Months	11,531	593	12,124
JKTPL*	25 th Oct 2045**	~ 24 Years and 1 Months	2,978	-	2,978
PrKTCL***	7 th Oct 2049	~ 28 Years and 0 Months	7,560	586	8,146
NERTL	30 th Mar 2056	~ 34 Years and 6 Months	49,543	4,182	53,725
ISPL 1	21 st Jul 2043	~21 Years and 10 Months	3,543	56	3,598
ISPL 2	30 th Jan 2044	~22 Years and 4 Months	3,738	55	3,793
Total of all SPVs			198,725	15,107	213,832

* 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.

***PrKTCL operates under Cost Plus Mechanism where the period of services is not mentioned in TSA. I have considered a total period of 35 years of useful life based on CERC Tariff Regulations, 2019 and based on discussions with the Investment Manager.

- 5.4. 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 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	7.92%	20,213	8.92%	18,411	6.92%	22,496
2	JTCL	8.16%	16,284	9.16%	14,775	7.16%	18,180
3	MTL	7.70%	5,952	8.70%	5,370	6.70%	6,699
4	RTCL	7.61%	4,211	8.61%	3,853	6.61%	4,654
5	PKTCL	7.61%	6,816	8.61%	6,230	6.61%	7,551
6	PTCL	7.65%	2,375	8.65%	2,180	6.65%	2,618
7	NRSS	7.54%	46,603	8.54%	42,445	6.54%	51,878
8	OGPTL	7.68%	14,898	8.68%	13,530	6.68%	16,642
9	ENICL	8.05% to 11.18%	12,114	9.05% to 12.18%	11,359	7.05% to 10.18%	12,982
10	GPTL	7.58%	12,124	8.58%	11,089	6.58%	13,424
11	JKTPL	7.52%	2,978	8.52%	2,807	6.52%	3,170
12	PrKTCL	7.82%	8,146	8.82%	7,475	6.82%	8,988
13	NERTL	7.53%	53,725	8.53%	47,757	6.53%	61,502
14	ISPL 1	7.77%	3,598	8.77%	3,375	6.77%	3,849
15	ISPL 2	7.79%	3,793	8.79%	3,552	6.79%	4,065
Total of all SPVs			213,832		194,207		238,697

The above represents reasonable range of fair enterprise valuation of the SPVs.



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6. Sources of Information

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

- 6.1. Audited financial statements of the SPVs for the Financial Year ("FY") ended 31st March 2017, 31st March 2018, 31st March 2019, 31st March 2020 and 31st March 2021;
- 6.2. Provisional profit & loss account and balance sheet of the SPVs for half year ended 30th September 2021;
- 6.3. Projected incremental revenue due to change in law in MTL, NRSS, OGPTL, BDTCL, JTCL, ENICL and GPTL;
- 6.4. Details of brought forward losses for all SPVs except PrKTCL (as per Income Tax Act) as at 30th September 2021;
- 6.5. Details of written down value (as per Income Tax Act) of assets for all SPVs except PrKTCL as at 31st March 2021;
- 6.6. Details of projected Repairs and Capital Expenditure ("Capex") as represented by the Investment Manager;
- 6.7. As on 30th September 2021, 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 30th September 2021 to the date of issuance of this Report;
- 6.8. Transmission Service Agreement (TSA) of the transmission SPVs with Long Term Transmission Customers and Tariff Adoption Order by CERC;
- 6.9. Power Purchase Agreements (PPA) entered into by the solar SPVs with their respective customers;
- 6.10. Management Representation Letter by Investment Manager dated 26th October 2021.

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

- 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 30th September 2021 (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 30th September 2021. The Investment Manager has represented that the business activities of SPVs have been carried out in normal and ordinary course between 30th September 2021 and the Report Date and that no material changes have occurred in the operations and financial position between 30th September 2021 and the Report date.
- 7.4. 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.
- 7.5. 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.
- 7.6. 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.
- 7.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 7.8. 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.
- 7.9. 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.
- 7.10. 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.



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- 7.11. 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.
- 7.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 7.13. 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.
- 7.14. 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.
- 7.15. 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.
- 7.16. 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.
- 7.17. 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.
- 7.18. 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.
- 7.19. 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.
- 7.20. 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.
- 7.21. 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.
- 7.22. 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.
- 7.23. 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.



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- 7.24. 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

- 7.25. 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.
- 7.26. 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.
- 7.27. It is clarified that the IIML 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.
- 7.28. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by IIML or the Trustee.

Limitation on account of COVID-19 and Uncertainty in Valuation

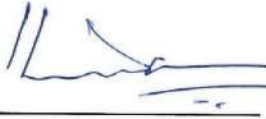
- 7.29. It is important to highlight that the COVID-19 pandemic has created uncertainty in valuation. The mitigation in the spread of COVID-19 and commencement of vaccination process has led to relaxation of restrictions and consequent opening up of the economy. However, the second wave and consequent lockdown in many parts of the country continues to impact the economy and consequent business recovery. Accordingly, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and durations.
- 7.30. 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 estimates and judgement made by the Investment Manager, could vary on future developments, including, among other things, any new information concerning the impact created by the COVID-19 pandemic on the economy and consequent effect on the business and on the customer's ability to make the payment. The Investment Manager continues to monitor any material changes to future economic conditions, which will be given effect, where relevant, in the respective future period.
- 7.31. As of 30th September 2021, I understand from the Investment Manager that there has been no material adverse impact to the SPVs' business operations and customer service due to remote work. The Investment Manager continues to review and modify plans as conditions change. Despite efforts to manage these impacts to the SPVs, the ultimate impact of COVID-19 also depends on factors beyond management's knowledge or control, including the duration and severity of this outbreak as well as actions taken to contain its spread and mitigate its public health effects.



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- 7.32. Accordingly, I would recommend a degree of caution to the values arrived under current circumstances. 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.

Yours faithfully,



S. Sundararaman

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Place: Chennai

UDIN: 21028423AAAANY2752

<<End of Report>>