

Pradhan Priya Dass

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2022/14558

India Grid Trust

Summary Fair Valuation Report

Fair Enterprise Valuation of the SPVs

**Valuation conducted as per extant provisions of SEBI
(Infrastructure Investment Trusts) Regulations, 2014
as amended**

Report Date: 25th January 2023

Valuation Date: 31st December 2022

Mr. Pradhan Priya Dass, Registered Valuer
IBBI Registration No.: IBBI/RV/06/2022/14558

PPD/R/VAL/2023/003

Date: 25th January 2023

The Board of Directors
IndiGrid Investment Managers Limited
(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: Independent Estimate of the Fair Enterprise Valuation of the Project SPVs of India Grid Trust as of 31st December 2022 in accordance with the SEBI InvIT Regulations (as amended)

Dear Sir(s)/ Madam(s),

In accordance with the engagement letter dated 28th December 2022 signed between myself, Pradhan Priya Dass ("Registered Valuer" or "RV"); IndiGrid 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, I enclose my valuation report regarding the fair enterprise value of the Project SPVs of the Trust as on 31st December 2022 ("Valuation Date") in accordance with the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("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 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 Project SPVs of the Trust as on 31st December 2022 for incorporating any key changes from the period ended 30th September 2022 till 31st December 2022. Accordingly, I am pleased to enclose the

Valuation Report ("Report") providing my opinion on the fair enterprise valuation of the Project SPVs as on 31st December 2022. Further, this report should be read in continuation to my reports dated 31st October 2022 and 26th July 2022 in relation to the valuation of the SPVs as at 30th September 2022 and 30th June 2022 respectively

The Trust owns the following special purpose vehicles:

Sr. No.	Name of the SPVs	Abbreviation	Category
1	Bhopal Dhule Transmission Company Limited	BDTCL	Inter State - Tariff Based Competitive Bidding Project ("TBCB")
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	NER II Transmission Limited	NERTL	
12	Raichur Sholapur Transmission Company Private Limited	RSTCPL	
13	Jhajjar KT Transco Private Limited	JKTPL	Intra State - TBCB
14	Parbati Koldam Transmission Company Limited	PrKTCL	Inter-state Regulated Tariff Based Project
15	IndiGrid Solar-I (AP) Private Limited	ISPL 1	Solar Power Generation Projects
16	IndiGrid Solar-II (AP) Private Limited	ISPL 2	
17	Kallam Transmission Limited	KLMTL	Under Construction Transmission Line

(Hereinafter together referred to as the "Project SPVs" or the "SPVs")

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, but have not carried out a due diligence or audit of such information.

In terms of the SEBI InvIT Regulation, I hereby confirm and declare that:

1. I am competent to undertake valuation;
2. My team and I are independent and have prepared this Report on a fair and unbiased basis;
3. This Report is prepared in compliance with regulation 13(1) and regulation 21 of the SEBI InvIT Regulations;
4. I have complied with the responsibility as stated in regulation 13(1) and regulation 21 of the SEBI InvIT Regulations.

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 Project SPVs on a going concern basis as at 31st December 2022 ("Valuation Date"). The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I believe that 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 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.

The Report must be read in conjunction with the caveats to the Report, which are contained in Section 5 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.

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

Yours faithfully,

Pradhan Priya Dass

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2022/14558

Place: Bangalore

UDIN: 23219962BGSXDB5447

Abbreviations

Abbreviation	Meaning
BDTCL	Bhopal Dhule Transmission Company Limited
BOO	Build-Own-Operate
BOOM	Build-Own-Operate-Maintain
Capex	Capital Expenditure
CAF	Cash Accrual Factor
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
DF	Discounting Factor
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ENICL	East-North Interconnection Company Limited
Esoteric	Esoteric II Pte. Ltd. (an affiliate of KKR & Co. Inc.)
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FY	Financial Year Ended 31 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
ISPL 1	IndiGrid Solar-I (AP) Private Limited (formerly known as FRV Andhra Pradesh Solar Farm-I Private Limited)
ISPL 2	IndiGrid Solar-II (AP) Private Limited (formerly known as FRV India Solar Park-II Private Limited)
IVS	ICAI Valuation Standards, 2018
JKTPL	Jhajjar KT Transco Private Limited
JTCL	Jabalpur Transmission Company Limited
KLMTL	Kallam Transmission Limited
kV	Kilo Volts
kWh	Kilo Watt Hour
Mn	Million

Abbreviation	Meaning
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
PrKTCL	Parbati Koldam Transmission Company Limited
PTCL	Patran Transmission Company Limited
PV	Present Value
RSTCPL	Raichur Sholapur Transmission Company Private Limited
RTCL	RAPP Transmission Company Limited
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
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
TBCB	Tariff Based Competitive Bidding
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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Section 1:

Executive Summary

Background

India Grid Trust:

India Grid Trust ("IndiGrid" or "Trust") was set up on 21st October 2016, as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882, and was registered with SEBI as an InvIT on 28th November 2016, under Regulation 3(1) of the InvIT Regulations.

It is established to own and operate power transmission assets in India. Pursuant to approval of unitholders obtained on 9th May 2020 and subsequent amendment to Trust Deed, the Investment Strategy of the Trust is to own and operate power transmission and renewable power generation assets in India.

The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6th June 2017.

Unit holding pattern of the Trust as on 31st December 2022 is as follows:

Particulars	No. of Units	%
Esoteric II Pte. Ltd (Sponsor)	16,59,01,932	23.69%
Insurance Companies	4,85,48,535	6.93%
Mutual Funds	17,30,014	0.25%
Financial Institutions or Banks	5,14,477	0.07%
Provident or pension funds	25,22,685	0.36%
Alternative Investment Fund	1,22,472	0.02%
Foreign Portfolio Investors	20,88,78,301	29.83%
Non-institutional investors	26,83,09,769	38.32%
Total	70,01,78,485	100.00%

Sponsors:

The Trust is currently sponsored by Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc ("Esoteric") and Sterlite Power Transmission Limited ("SPTL").

IndiGrid was originally sponsored by Sterlite Power Grid Venture Limited (now merged with Sterlite Power Transmission Limited) as an irrevocable trust pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882.

In the annual meeting of Trust held on 28th September 2020, the unitholders approved induction of Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc ("Esoteric"), as a sponsor.

Esoteric is an affiliate of KKR & Co. Inc. KKR & Co. Inc was founded in 1976 and is a leading global investment firm with approximately US\$ 496 billion of assets under management as of 30th September 2022. KKR & Co. Inc sponsors investment funds that invest in multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds.

Shareholding Pattern of Esoteric as on 31st December 2022:

Sr. No.	Name of Shareholder	%
1	Esoteric I Pte. Limited	36.5%
2	KKR Ingrid Co-invest L.P.	60.6%
3	KKR PIP Investments L.P.	2.9%
	Total	100.0%

SPTL is primarily engaged in the business of Power products and solutions, mainly manufacturing of power transmission conductors, optical ground wire cables and power cable. It also includes execution of Engineering, Procurement and Construction Contracts for construction of power transmission systems, replacement of power transmission conductors, optical ground wire cables and power cable as a part of master system integration business. It also directly or indirectly, through its subsidiaries, acts as a developer on BOOM basis, for designing, financing, construction and maintenance of power transmission systems.

Shareholding Pattern of SPTL as on 31st March 2022:

Sr No.	Particulars	No of shares	%
1	Total Promoter and Promoter Group	4,55,33,851	74.4%
2	Total Public Shareholders	1,56,48,051	25.6%
	<i>Institutional Investors</i>	<i>51,186</i>	<i>0.1%</i>
	<i>Non-institutional Investors</i>	<i>1,55,96,865</i>	<i>25.5%</i>
	Total	6,11,81,902	100.0%

The Investment Manager:

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.

Shareholding of the Investment Manager as on 31st December 2022 is as under:

Sr. No.	Name of Shareholder	%
1	Electron IM Pte. Ltd. (KKR affiliate entity)	100.0%
	Total	100.0%

Assets to be Valued:

SPVs Based on BOOM basis and Inter-state TBCB Transmission projects:

Sr. No.	Name of the SPVs	Abbreviation	Ckms
1	Bhopal Dhule Transmission Company Limited	BDTCL	943
2	Jabalpur Transmission Company Limited	JTCL	994
3	Maheshwaram Transmission Limited	MTL	474
4	RAPP Transmission Company Limited	RTCL	403
5	Purulia & Kharagpur Transmission Company Ltd.	PKTCL	545
6	Patran Transmission Company Limited	PTCL	10
7	NRSS XXIX Transmission Limited	NRSS	830
8	Odisha Generation Phase - II Transmission Limited	OGPTL	713
9	East-North Interconnection Company Limited	ENICL	896
10	Gurgaon Palwal Transmission Limited	GPTL	273
11	NER II Transmission Limited	NERTL	832
12	Raichur Sholapur Transmission Company Private Limited	RSTCPL	208

SPV Based on DBFOT basis and Intra-state TBCB Transmission projects:

Sr. No.	Name of the SPVs	Abbreviation	Ckms
13	Jhajjar KT Transco Private Limited	JKTPL	205

SPV Based on BOO basis and Regulated Tariff Transmission projects:

Sr. No.	Name of the SPVs	Abbreviation	Ckms
14	Parbati Koldam Transmission Company Limited	PrKTCL	458

Solar Power Generating SPVs:

Sr. No.	Name of the SPVs	Abbreviation
15	IndiGrid Solar-I (AP) Private Limited	ISPL 1
16	IndiGrid Solar-II (AP) Private Limited	ISPL 2

Under Construction Transmission Project SPV:

Sr. No.	Name of the SPVs	Abbreviation	Ckms
17	Kallam Transmission Limited	KLMTL	18

Engagement Overview

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 have appointed Mr. Pradhan Priya Dass ("Registered Valuer" or "RV") bearing IBBI registration number IBBI/RV/06/2022/14558 to undertake the fair valuation at the enterprise level of the SPVs as per the SEBI InvIT Regulations as at 31st December 2022. 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.

Registered Valuer declares that:

- i. The RV is competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
- ii. The RV is independent and has prepared the Valuation Report ("the Report") on a fair and unbiased basis.
- iii. I have estimated the Fair Enterprise Value of each of the Project SPVs.

The Valuation Date considered for the Enterprise Valuation of the SPVs is 31st December 2022. Valuation analysis and results are specific to the valuation date.

A valuation of this nature involves consideration of various factors including the financial position of the Project SPVs as at the Valuation Date, trends in the equity stock market and fixed income security market, macro-economic and industry trends, etc.

The Valuation Report ("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.

Valuation Summary

All the SPVs have been valued using Discounted Cash Flow (“DCF”) Method except for KLMTL where Net Asset Value approach is used.

I have relied on the Unaudited Financial Statements as on 31st December 2022 and financial projections of the SPVs provided by the Investment Manager for arriving at fair enterprise value.

Based on the methodology and assumptions discussed further, I have arrived at the following fair Enterprise Value of the SPVs as on the Valuation Date:

Sr. No.	SPVs	Balance TSA / PPA Period	Ckms	WACC	EV (INR Mn)
1	BDTCL	~26 Years	943	8.1%	19,368
2	JTCL	~26 Years	994	8.2%	16,177
3	MTL	~30 Years	474	7.8%	5,954
4	RTCL	~28 Years	403	7.7%	4,345
5	PKTCL	~28 Years	545	7.7%	6,713
6	PTCL	~29 Years	10	7.8%	2,549
7	NRSS	~31 Years	830	7.6%	44,806
8	OGPTL	~31 Years	713	7.8%	14,559
9	ENICL ¹	~13 Years	896	8.2% to 12.0%	11,533
10	GPTL	~32 Years	273	7.8%	12,167
11	NERTL ⁴	~33 Years	932	7.7%	53,525
12	RSTCPL	~26 Years	208	8.4%	2,685
13	JKTPL	~23 Years	205	7.7%	3,054
14	PrKTCL ²	~27 Years	458	7.9%	7,194
15	ISPL 1	~21 Years	NA	8.1%	3,174
16	ISPL 2	~21 Years	NA	8.1%	3,469
17	KLMTL ³	~35 Years	18	NA	460
Total					2,11,731

Notes:

- 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.
- KLMTL project is currently under construction. Hence due to the nascent stage of the project, I find it appropriate to consider the Net Asset Value method for arriving at the enterprise value of KLMTL.

4. NERTL Tower Collapse Incident

- I understand from the Investment Manager that one transmission tower had collapsed on 17th June 2022 and another tower got damaged in case of Silchar-Misa line of NERTL due to heavy floods in the state of Assam.
- I have been further informed by the Investment Manager that they had successfully restored and charged both circuits of said Silchar-Misa line through ERS (Emergency Restoration System) on 16th September 2022 and that they have received deemed availability certificates for the months of June, July, August and September 2022 from Northern Regional Power Committee (NRPC), i.e. the impact of said incident was not considered while calculating the availability of NERTL for said periods.

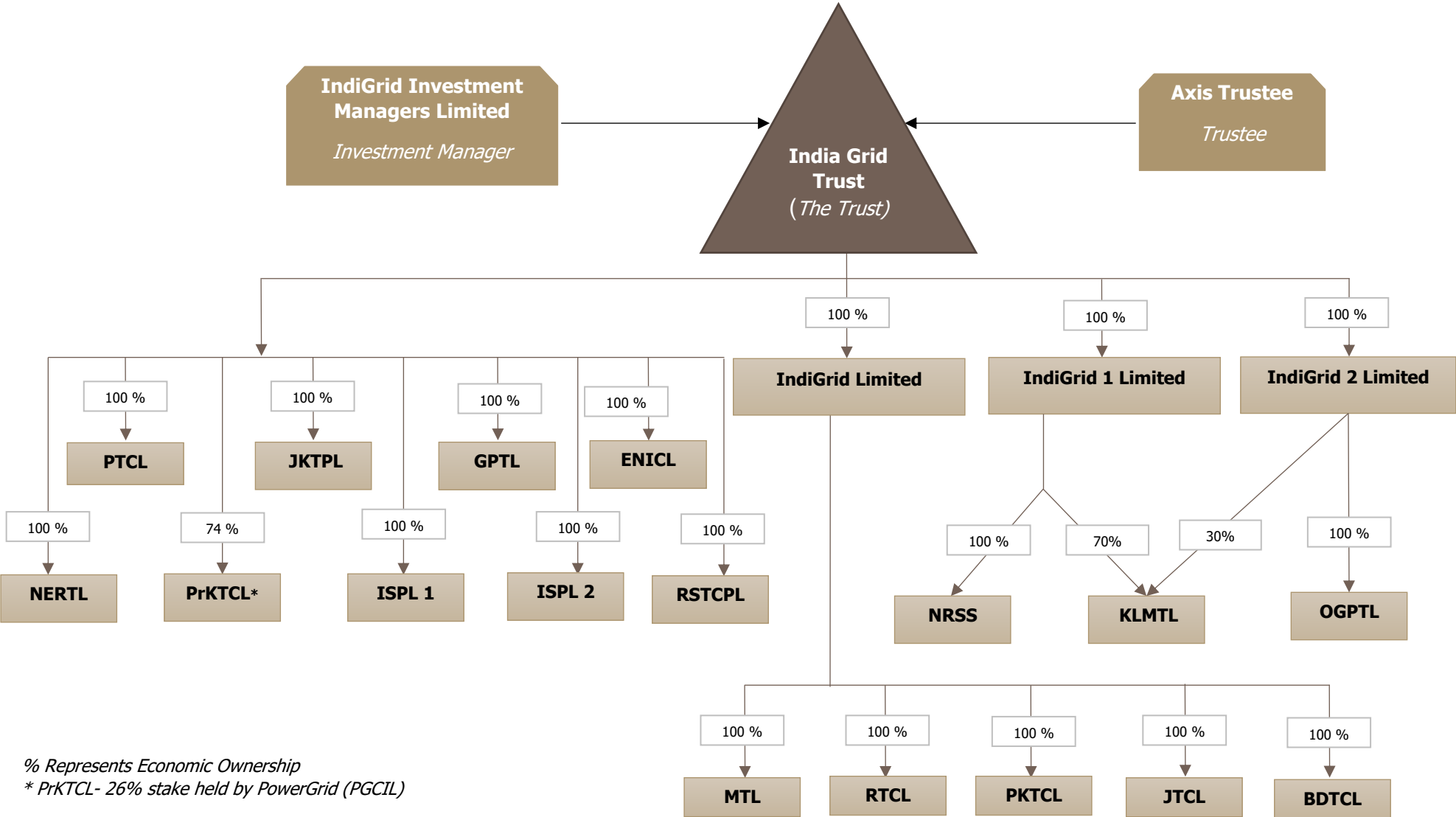
- The Investment Manager has informed me that the permanent restoration work of the Silchar-Misa line through newly constructed tower on pile formation is currently undergoing and is expected to be completed by 31st March 2023.
- As per the December 2022 financials of NERTL, advances amounting to ~INR 29 Mn have been given to the contracted parties for the purpose of said works of pile foundation and permanent restoration of towers and the Investment Manager further expects one-time expense of ~INR 100 Mn for the permanent restoration of tower. The Investment Manger expects some or major portion of said expense to be claimed and received from the insurance company. However the said insurance claim is not considered in the current projections.

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Section 2:

Business Overview

Overview of the Trust | Group Structure of the Trust



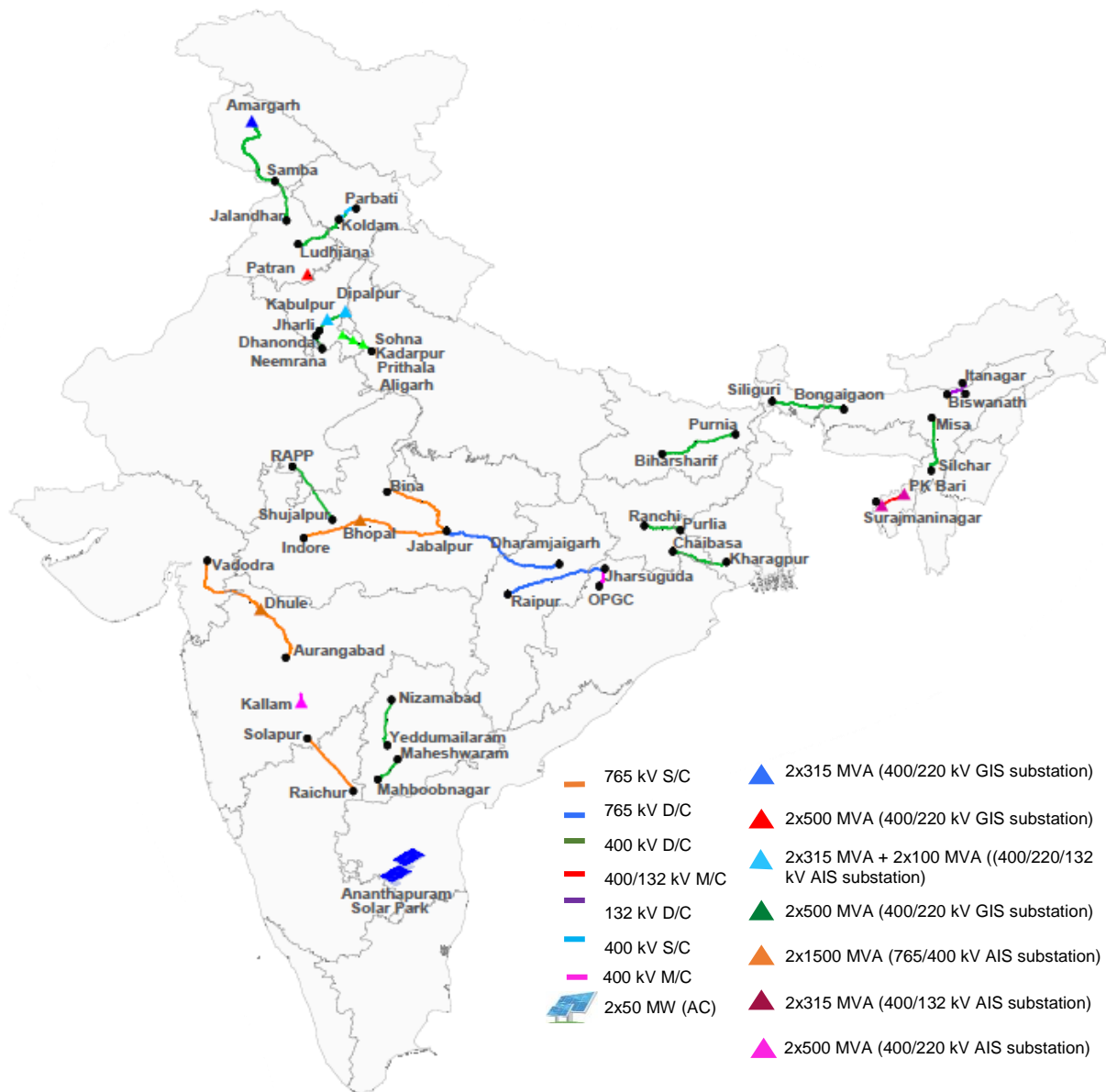
% Represents Economic Ownership
 * PrKTCL- 26% stake held by PowerGrid (PGCIL)

Overview of the SPVs of India Grid Trust

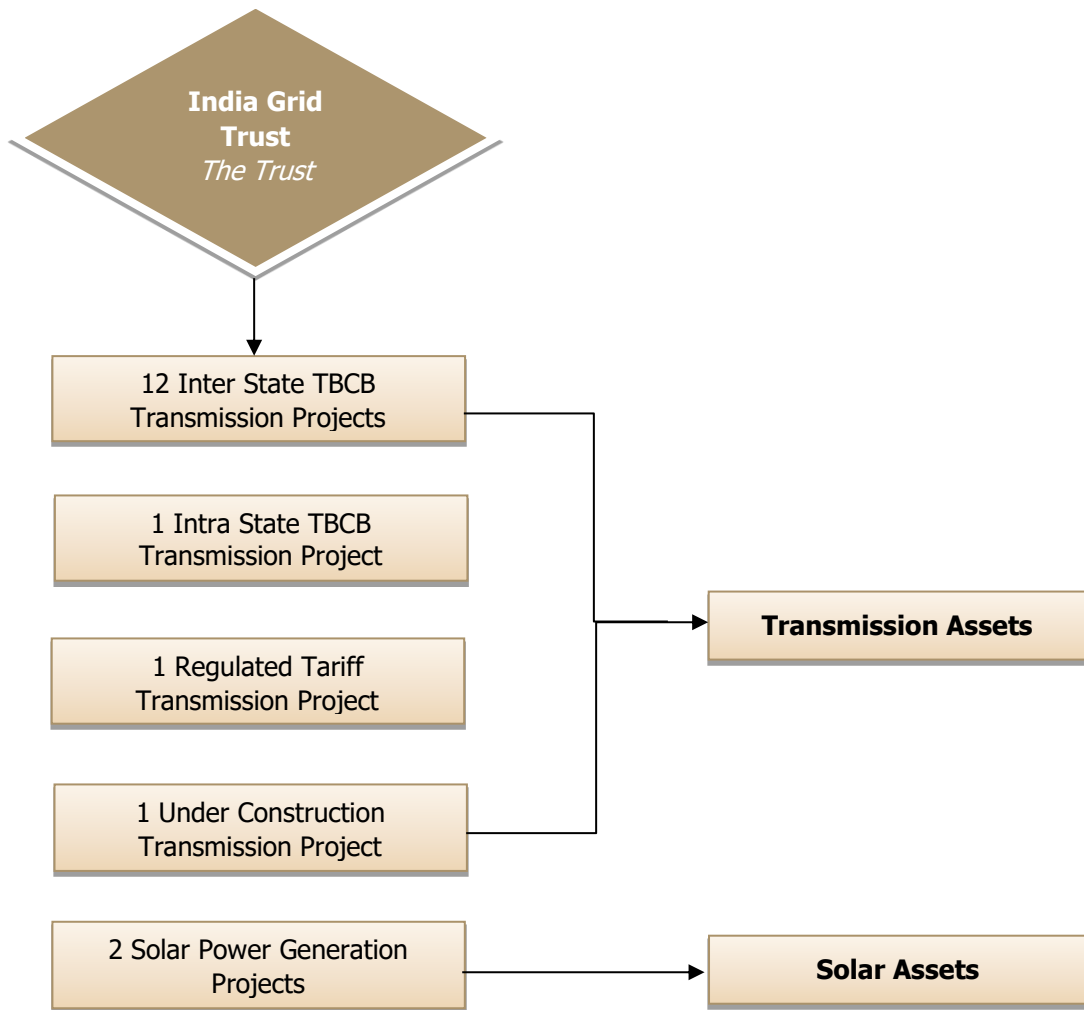
The Trust has acquired from the Sponsor SPGVL/ SPTL (or their subsidiaries) certain SPVs, viz. BDTCL, JTCL, MTL, RTCL, PKTCL, NRSS, OGPTL, ENICL, GPTL and NERTL and other SPVs from their respective shareholders. Following is the summary of the past EVs and the date of acquisition of the SPVs:

EV (INR Mn)	BDTCL	JTCL	MTL	RTCL	PKTCL	PTCL	NRSS	OGPTL	ENICL	GPTL	JKTPL	PrKTCL	NERTL	ISPL 1	ISPL 2	KLMTL	RSTCPL	Total	
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	28 Dec 2021	9 Nov 2022		
31 Mar 2017	21,541	16,125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,666
31 Mar 2018	20,319	15,431	5,564	4,054	6,618	-	-	-	-	-	-	-	-	-	-	-	-	-	51,986
31 Mar 2019	19,470	14,608	5,268	4,035	6,390	2,423	-	-	-	-	-	-	-	-	-	-	-	-	52,194
31 Mar 2020	18,565	14,426	5,437	4,008	6,439	2,370	43,911	14,105	10,949	-	-	-	-	-	-	-	-	-	1,20,210
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	-	-	-	-	-	2,05,459
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	-	-	-	-	-	2,04,491
30 Sep 2021	20,213	16,284	5,952	4,211	6,816	2,375	46,603	14,898	12,114	12,124	2,978	8,146	53,725	3,598	3,793	-	-	-	2,13,832
31 Dec 2021	20,112	16,306	5,938	4,196	6,803	2,339	46,557	14,844	12,028	12,072	2,928	7,921	53,610	3,592	3,810	25	-	-	2,13,081
31 Mar 2022	19,984	16,232	5,979	4,367	6,799	2,614	45,734	14,668	11,804	12,358	3,167	7,194	53,290	3,384	3,667	210	-	-	2,11,450
30 Jun 2022	19,939	16,347	5,993	4,390	6,810	2,610	45,427	14,735	11,751	12,402	3,150	7,468	51,806	3,308	3,594	282	-	-	2,10,012
30 Sep 2022	19,778	16,389	5,996	4,402	6,784	2,611	45,339	14,615	11,624	12,285	3,113	7,311	53,958	3,305	3,595	305	-	-	2,11,410

Area covered by the SPVs of the Trust:



Snapshot of Portfolio Assets:



Transmission Line SPV Based on BOOM basis and Inter-state TBCB Transmission projects:

SPVs	Model	Location	Capacity	Circuits	Ckms	Substation
BDTCL	BOOM	Maharashtra, Madhya Pradesh & Gujarat	4 TL- 765 Kv 2 TL- 400 Kv	4 S/c 2 D/c	943	2 nos.
JTCL	BOOM	Chhattisgarh Madhya Pradesh	2 TL - 765 Kv	1 S/c 1 D/c	994	Nil
MTL	BOOM	Telangana	2 TL - 400 Kv	2 D/c	474	Nil
RTCL	BOOM	Rajasthan Madhya Pradesh	1 TL - 400 Kv	1 D/c	403	Nil
PKTCL	BOOM	West Bengal, Jharkhand	2 TL - 400 Kv	2 D/c	545	Nil
PTCL	BOOM	Punjab	1 TL - 400 Kv LILO	1 D/c	10	1 nos
NRSS	BOOM	Punjab, J & K	3 TL - 400 Kv	3 D/c	830	1 nos.
OGPTL	BOOM	Odisha	1 TL - 765 Kv 1 TL - 400 Kv	2 D/c	713	Nil
ENICL	BOOM	Assam, West Bengal, Bihar	2 TL - 400 Kv	2 D/c	896	Nil
GPTL	BOOM	Haryana, Delhi, UP	5 TL - 400 Kv	5 D/c	273	3 nos.
NERTL	BOOM	Assam, Arunachal Pradesh, Tripura	3 TL - 132 Kv 2 TL - 400 Kv	5 D/c	832	2 nos.
RSTCPL	BOOM	Karnataka, Maharashtra	1 TL - 765 Kv	1 S/c	208	Nil

Transmission Line SPV Based on BOO basis and Regulated Tariff Based projects:

SPVs	Model	Location	Capacity	Circuits	Ckms	Substation
PrKTCL	BOO	Himachal Pradesh, Punjab	1 TL - LILO 5 TL - 400 Kv	5 S/c along with D/c 1 D/c	458	Nil

Transmission Line SPV Based on DBFOT basis and Intra-state TBCB Transmission project:

SPVs	Model	Location	Capacity	Circuits	Ckms	Substation
JKTPL	DBFOT	Haryana	1 TL - LILO 2 TL - 400 Kv	2 D/c 1 S/c	205	2 nos.

Transmission Line SPV which is Under Construction:

SPVs	Model	Location	Capacity	Circuits	Ckms	Substation
KLMTL	BOOM	Maharashtra	1 TL - LILO	2 D/c	18	1 nos.

Solar Power Generating SPVs:

Name of the SPVs	Location	Capacity (AC)
IndiGrid Solar - I (AP) Private Limited ("ISPL 1")	Andra Pradesh	50 Mw
IndiGrid Solar - II (AP) Private Limited ("ISPL 2")	Andra Pradesh	50 Mw

1. Bhopal Dhule Transmission Company Limited (BDTCL)

Background:

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.

BDTCL operates six extra high voltage overhead transmission lines of 943 Ckms comprising four 765 kV single circuit lines of 890 Ckms and two 400 kV dual circuit lines of 53 Ckms. The single circuit lines comprise a 259 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. 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.

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 Annual Non Escalable Transmission charges by Appellate Tribunal for Electricity through order dated 20th October 2020 at the rate of 2.987%.

Parameters	Details
Project Cost	INR 21,634 Mn
Total Length	943 ckms
Scheduled COD	31 st March 2014
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Overview of Transmission Assets:

BDTCL consists of the following transmission assets:

Transmission line/ Sub-Station	Location	Length (ckms)	Specifications	Actual COD	Contribution to total Revenue
Jabalpur – Bhopal	Madhya Pradesh	259	765 kV S/C	9 Jun 2015	22%
Bhopal – Indore	Madhya Pradesh	176	765 kV S/C	19 Nov 2014	12%
Bhopal - Bhopal (MPPTCL)	Madhya Pradesh	17	400 kV D/C	12 Aug 2014	2%
Aurangabad -Dhule (IPTC)	Maharashtra	192	765 kV S/C	5 Dec 2014	10%
Dhule (IPTC) – Vadodara	Maharashtra, Gujarat	263	765 kV S/C	13 Jun 2015	16%
Dhule (IPTC) - Dhule (MSETCL)	Maharashtra	36	400 kV D/C	6 Dec 2014	4%
Bhopal Substation	Madhya Pradesh	NA	2 x 1,500 MVA 765/400 kV	30 Sep 2014	17%
Dhule Substation	Maharashtra	NA	2 x 1,500 MVA 765/400 kV	6 Dec 2014	17%

2. Jabalpur Transmission Company Limited (JTCL)

Background:

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.

JTCL operates two extra high voltage overhead transmission lines of 994 Ckms in the states of Chhattisgarh and Madhya Pradesh comprising one 765 kV dual circuit line of 759 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.

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.

Parameters	Details
Project Cost	INR 19,183 Mn
Total Length	994 ckms
Scheduled COD	1 st March 2014
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Overview of Transmission Assets:

JTCL consists of the following transmission assets:

Transmission line/ Sub-Station	Location	Length (ckms)	Specifications	Actual COD	Contribution to total tariff
Jabalpur- Dharamjaygarh	Chhattisgarh, Madhya Pradesh	759	765 kV D/C	14 Sep 2015	72%
Jabalpur-Bina	Madhya Pradesh	235	765 kV S/C	1 Jul 2015	28%

3. Maheshwaram Transmission Limited (MTL)

Background:-

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.

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.

Parameters	Details
Project Cost	INR 3,841 Mn
Total Length	474 ckms
Scheduled COD	1st June, 2018
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Overview of Transmission Assets:

MTL consists of the following transmission assets:

Transmission line/ Sub-Station	Location	Length (ckms)	Specifications	Actual COD	Contribution to total tariff
Maheshwaram (PG) – Mehboob Nagar	Telangana	196	400 kV D/C	14 Dec 2017	
2 Nos. of 400 kV line bays at Mehboob Nagar S/S of TSTRANCO	Telangana	NA		14 Dec 2017	35%
Nizamabad – Yeddumailaram	Telangana	278	400 kV D/C	14 Oct 2017	
2 Nos. of 400 kV line bays at Yeddumailaram (Shankarapali) S/S of TSTRANCO	Telangana	NA		14 Oct 2017	65%

4. RAPP Transmission Company Limited (RTCL)

Background:-

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.

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.

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.

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

Overview of Transmission Assets:

RTCL consists of the following transmission assets:

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

5. Purulia & Kharagpur Transmission Company Limited (PKTCL)

Background:-

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.

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.

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

Overview of Transmission Assets:

PKTCL consists of the following transmission assets:

Transmission line/ Sub-Station	Location	Length (ckms)	Specifications	Actual COD	Contribution to total tariff
Kharagpur – Chaibasa	West Bengal, Jharkhand	323	400 kV D/C	18 Jun 2016	54%
Purulia – Ranchi	West Bengal, Jharkhand	223	400 kV D/C	7 Jan 2017	46%

6. Patran Transmission Company Limited (PTCL)

Background:-

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.

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.

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

Overview of Transmission Assets:

PTCL consists of the following transmission assets:

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

7. NRSS XXIX Transmission Limited (NRSS)

Background:-

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.

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.

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

Overview of Transmission Assets:

NRSS consists of the following transmission assets:

Transmission line/ Sub-Station	Location	Length (ckms)	Specifications	Actual COD	Contribution to total tariff
Jalandar - Samba	Punjab, J&K	270	400 kV D/C line	24 Jun 2016	22%
Samba - Amargarh	J&K	546	400 kV D/C line	2 Sept 2018	
Uri-Wagoora	J&K	14	400 kV D/C line	2 Sept 2018	78%
Amargarh Substation	J&K	NA	400/220 kV GIS Substation	2 Sept 2018	

8. Odisha Generation Phase - II Transmission Limited (OGPTL)

Background:-

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.

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.

Pursuant to CERC orders for increase in tariff due to change in law, OGPTL has been claiming increase in Non Escalable Transmission charges at the rate of 1.203 % from its Long Term Transmission Customers. I have considered such increase in Non Escalable Transmission charges based on representation by the Investment Manager.

Parameters	Details
Project Cost	INR 12,200 Mn
Total Length	710 ckms/ 355 kms
Scheduled COD	8 th August 2019
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Overview of Transmission Assets:

OGPTL consists of the following transmission assets:

Transmission line/ Sub-Station	Location	Length (ckms)	Specifications	Actual COD	Contribution to Total Tariff
Jharsuguda - Raipur	Odisha	610	765 kV D/C	6 Apr 2019	94%
OPGC – Jharsuguda	Odisha	103	400 kV D/C	30 Aug 2017	6%

9. East-North Interconnection Company Limited (ENICL)

Background:-

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.

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 219 kms passing through the states of Assam and West Bengal. Purnea Biharsharif Line with the length of 229 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.

Parameters	Details
Project Cost	INR 12,519 Mn
Total Length	896 ckms
Scheduled COD	07th January 2013
Concession period	25 years from issue of Transmission License
Trust's stake	100% economic ownership

Overview of Transmission Assets:

ENICL consists of the following transmission assets:

Transmission line/ Sub-Station	Location	Length (ckms)	Specifications	Actual COD	Contribution to Total Tariff
Bongaigaon-Silliguri	Assam, West Bengal	438	400 kV D/C	12 Nov 2014	52%
Purnea-Biharsharif	Bihar	458	400 kV D/C	16 Sep 2013	48%

10. Gurgaon Palwal Transmission Limited (GPTL)

Background:-

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 License by CERC on 29th September 2016.

GPTL consists of three GIS substations, five transmission lines and two bays to meet the rising power demand in Gurgaon and Palwal.

GPTL consists of three gas-insulated substations (GIS) with a total transformation capacity of 3,000 MVA and ~273 circuit kilometers of 400 KV transmission lines, to enhance power transmission in the region.

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.

Parameters	Details
Project Cost	INR 10,520 Mn
Total Length	273 ckms
Scheduled COD	13th September 2019
Concession period	35 years from SCOD
Trust's stake	100% economic ownership

Overview of Transmission Assets:

GPTL consists of the following transmission assets:

Transmission line/ Sub-Station	Length (ckms)	Specifications	Contribution to Total Tariff	Actual COD
Aligarh-Prithala	99	400 kV D/C	17.5%	6 Aug 2019
Prithala-Kadarpur	58	400 kV D/C	8.5%	7 Dec 2019
Kadarpur-Sohna Road	21	400 kV D/C	1.3%	21 Mar 2020
LILO of Gurgaon Manesar	2	400 kV D/C	0.75%	13 Mar 2020
Neemrana-Dhonanda	93	400 kV D/C	12.55%	25 Feb 2019
Kadarpur Substation	NA	400/220 kV, 2X500 MVA	19.3%	11 Dec 2019
Sohna Road Substation	NA	400/220 kV, 2X500 MVA	20.0%	13 Apr 2020
Prithala Substation	NA	400/220 kV, 2X500 MVA	19.3%	8 Aug 2019
Dhonanda Substation Bays	NA	2X400 kV Line Bays	0.8%	25 Feb 2019

11. NER-II Transmission Limited (NERTL)

Background:-

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 License by CERC on 23rd May 2017. The project has 11 elements including two substations of ~1,260 MVA capacity and four transmission lines extending over ~832 circuit kilometers. The asset spans across the states of Assam, Arunachal Pradesh and Tripura.

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.

Parameters	Details
Project Cost	INR 30,649 Mn
Total Length	449 kms / 832 Ckms
Scheduled COD	31 st March 2020 to 30th November 2020
Revised SCOD	31 st August 2020 and 30th April 2021
Concession period	35 years from Revised SCOD
Trust's stake	100% economic ownership

Overview of Transmission Assets:

NERTL consists of the following transmission assets:

Transmission line/ Sub-Station	Location	Length (ckms)	Specifications	Contribution to Tariff	Actual COD
Biswanath Chariyalli – Itanagar	Assam, Arunachal Pradesh	136	132 kV DC	3.38%	6 Apr 2021
LILO of Biswanath Chariyalli (PG) – Itanagar	Arunachal Pradesh	NA	2 No. of Line Bays 132 kV	0.49%	6 Apr 2021
Line bays at Itanagar substation	Arunachal Pradesh	17	132 kV DC	0.29%	6 Apr 2021
Silchar – Misa	Assam	357	400 kV DC	53.67%	1 Mar 2021
Surajmaninagar Substation	Tripura	NA	400/132 kV (2X315 MVA)	8.28%	27 Jan 2021
Surajmaninagar-PK Bari 400/132 kV	Tripura	238	400/132 kV DC	17.38%	27 Jan 2021
Surajmaninagar – PK Bari	Tripura	36	400 kV DC	1.51%	27 Jan 2021
PK Bari Substation	Tripura	NA	400/132 kV (2X315 MVA)	8.28%	27 Jan 2021
NEEPCO-PK Bari	Tripura	48	132 kV DC	5.74%	23 Feb 2021
AGTPP (NEEPCO) Line Bays	Tripura	NA	2 No. of Line Bays 132 kV	0.49%	23 Feb 2021
PK Bari (TSECL) Line Bays	Tripura	NA	2 No. of Line Bays 132 kV	0.49%	23 Feb 2021

12. Raichur Sholapur Transmission Company Private Limited (RSTCPL)

Background:-

RSTCPL was incorporated on 19th November 2009 to establish transmission system for evacuation of power from Krishnapattnam UMPP and other IPPS in southern region to beneficiaries in the western region of India. The SPV was responsible for construction of one line of 765 KV between Raichur and Sholapur.

Summary of details of the Project are as follows:

Parameters	Details
Total Length	208 ckms
Scheduled COD	7 th January 2014
Concession period	35 years from SCOD
Location	Karnataka, Maharashtra
Trust's Stake	100% economic ownership

Overview of Transmission Assets:

RSTCPL consists of the following transmission assets:

Transmission line / Sub-Station	Route length (ckms)	Specifications	Actual COD
Raichur-Solapur	208	765 KV	4 th July 2014

13. Jhajjar KT Transco Private Limited (JKTPL)

Background:-

The JKTPL project was awarded on 28th May 2010 to a joint venture between Kalpataru Power Transmission Ltd and Techno Electric & Engineering Co. Ltd., 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 License by CERC on 26th October 2010.

JKTPL consists of ~100 kms 400 KV Jhajjar – Kabalpur - Dipalpur transmission line and two substations with a transformation capacity of 830 MVA each in the state of Haryana. It spans over 205 ckms, while delivering from the 1,320 MW thermal power plant in Jhajjar to enhance power transmission in the region.

Parameters	Details
Total Length	205 ckms
Scheduled COD	12th March 2012
Concession period	25 years from the issue of Transmission License, extendable for 10 years as per TSA
Location	Haryana
Trust's stake	100% economic ownership

Overview of Transmission Assets:

JKTPL consists of the following transmission assets:

Transmission line/ Sub-Station	Length (ckms)	Specifications	Actual COD
Jharli (Jhajjar) to Kabulpur (Rohtak)	70	400 kV D/C line	12 Mar 2012
Kabulpur (Rohtak) to Dipalpur (Sonapat)	134	400 kV D/C line	12 Mar 2012
Abdullapur - Bawana at Dipalpur (Sonapat)	1	400 kV S/C LILO	12 Mar 2012
Kabulpur AIS Substation (Rohtak)	NA	400 kV/220 kV/132 kV (830 MVA)	12 Mar 2012
Dipalpur AIS Substation (Sonapat)	NA	400 kV/220 kV/132 kV (830 MVA)	12 Mar 2012

14. Parbati Koldam Transmission Company Limited (PrKTCL)

Background:-

PrKTCL owns and operate 280 Km (458 circuit kms) of 400 kV transmission lines across Himachal Pradesh and Punjab. 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 Koldam HEP project of NTPC and 100 MW Sainj HEP of HPPCL.

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.

PrKTCL has been granted transmission license under section 14 of the Act. PrKTCL operate 458 ckms 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.

Summary of details of the project are as follows:

Parameters	Details
Project Cost	INR 9,354 Mn
Total Length	458 Ckms
Scheduled COD	3rd November 2015
Concession period	25 years from the issue of Transmission License
Trust's stake	74% equity stake (Balance 26% stake held by PGCIL)

Overview of Transmission Assets:

PrKTCL consists of the following transmission assets:

Transmission line/ Sub-Station	Length (ckms)	Specifications	Actual COD
Asset 1 – Koldam Ludhiana CKT I	150.64	400 kV D/C, Triple Bundle Line	7 Aug 2014
Asset 2 – Koldam Ludhiana CKT II	150.64	400 kV D/C, Triple Bundle Line	14 Aug 2014
Asset 3 – Banala-Nalagarh	66.38	400 kV S/C along with D/C Quad Bundle Line	10 Oct 2014
Asset 4 – Banala Koldam	62.63	400 kV S/C along with D/C Quad Bundle Line	4 Oct 2014
Asset 5 – Parbati-II HEP to LILO point of Banala Pooling Station (CKT-I)	12.83	400 kV S/C along with D/C Quad Bundle Line	3 Nov 2015
Asset 6 – Parbati II HEP to LILO point of Banala Pooling Station (CKT II)	11.27	400 kV S/C along with D/C Quad Bundle Line	3 Nov 2015
Asset 7 – LILO point of Parbati III HEP to LILO point of Parbati Pooling Station	3.51	400 kV S/C along with D/C Quad Bundle Line	1 Aug 2013

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

Background:-

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”). I understand that SECI has further signed PPA with Eastern and Southern Power Distribution Companies of Andhra Pradesh - APEPDCL & APSPDCL for entire capacity

The Solar Assets were selected through competitive reverse bidding under JNNSM 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.

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.

Key specification of the Solar Assets are:

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

17. Kallam Transmission Limited (“KLMTL”)

Background:-

KLMTL will consist of one substation of 2 x 500 MVA, 400/220 kV near Kallam and associated Bays with a LILO multi circuit line of ~18 kms.

KLMTL project will strengthen the transmission system in Maharashtra by improving the grid availability for evacuation & integration of renewable energy in the state. The project is situated in a low-risk plain topography. Its objective is to establish a transmission system for evacuation of power from renewable energy projects in Osmanabad area (1 GW) in Maharashtra.

The KLMTL project was awarded to the consortium of IndiGrid 1 Limited and IndiGrid 2 Limited (wholly-owned subsidiaries of India Grid Trust), by REC Power Development and Consultancy Limited for a period of 35 years from COD of KLMTL on a BOOM basis through tariff based competitive bidding.

As per the terms of TSA, the SCOD for various elements of the SPV is 18 months from effective date. Further, as per Investment Manager, the entire project is expected to commission by 27th June 2023.

Parameters	Details
Total Length	~18 Ckms
Total Capacity (MVA)	1,260
TSA Signing Date	30th September 2021
SCOD	27th June 2023
ECOD	27th June 2023
Trust's stake	100% economic ownership

Overview of Transmission Assets:

KLMTL consists of the following transmission assets:

Transmission line/ Sub-Station	Length (ckms)	Specifications	SCOD
Establishment of 2x500 MVA, 400/220 kV substation near Kallam PS		400/220 kV, 2x500 MVA	27 Jun 23
1x125 MVar bus reactor at Kallam PS 400 kV reactor bay – 1		1x125 MVar	27 Jun 23
LILO of both circuits of Parli (PG) – Pune (GIS) 400 kV D/c line at Kallam PS	18	400 kV D/c	27 Jun 23
New 50 MVar switchable line reactor with 400 ohms NGR at Kallam PS end of Kallam – Pune (GIS) 400 kV D/c line		50 MVar	27 Jun 23

Section 3:

Scope of Work and Procedures

Scope of Valuation Work

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 31st December 2022 for incorporating any key changes from the period ended 30th September 2022 till 31st December 2022. Accordingly, this report should be read in continuation to my report dated 31st October 2022 and 26th July 2022 in relation to the valuation of the SPVs as at 30th September 2022 and 30th June 2022.

In this regard, the Investment Manager and the Trustee have appointed me, Mr. Pradhan Priya Dass ("Registered Valuer" or "RV") bearing IBBI registration number IBBI/RV/06/2022/14558 to undertake the fair valuation at the enterprise level of the SPVs as per the SEBI InvIT Regulations as at 31st December 2022.

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.

Registered Valuer declares that:

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

I have estimated the Fair Enterprise Value of each of the Project SPVs.

The Valuation Date considered for the Enterprise Valuation of the Project SPVs is 31st December 2022. Valuation analysis and results are specific to the valuation date. A valuation of this nature involves consideration of various factors including the financial position of the Project SPVs as at the Valuation Date, trends in the equity stock market and fixed income security market, macro-economic and industry trends, etc.

The Valuation Report ("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.

Procedures adopted for Valuation

Financial 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.

Valuation Bases

Valuation base means the indication of the type of value being used in an engagement. Different valuation bases may lead to different conclusions of value. Therefore, it is important for the valuer to identify the bases of value pertinent to the engagement. IVSC defines the following valuation bases:

1. Fair value;
2. Investment/Participant specific value;
3. Liquidation value.

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.

Investment Value/ Participant Specific Value:

Participant specific value is the estimated value of an asset or liability considering specific advantages or disadvantages of either of the owner or identified acquirer or identified participants.

Liquidation Value:

Liquidation value is the amount that will be realized on sale of an asset or a group of assets when an actual/hypothetical termination of the business is contemplated/assumed.

In the present case, RV has determined the fair value of the SPVs at the enterprise level.

Premise of Value

Premise of Value refers to the conditions and circumstances about how an asset is deployed. In the present case, I have 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.

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 31st December 2022 ("Valuation Date").

The attached Report is drawn up by reference to accounting and financial information as on 31st December 2022. I have considered provisional financial statements for the quarter ended 31st December 2022. The RV is not aware of any other events having occurred since 31st December 2022 till date of this Report which he deems to be significant for his valuation analysis.

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Section 4:

Sources of Information

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:

- Audited financial statements of the SPVs for the Financial Year ("FY") ended 31st March 2018, 31st March 2019, 31st March 2020, 31st March 2021 and 31st March 2022
- Provisional profit & loss account and balance sheet of the SPVs for period ended 31st December 2022
- Projected incremental revenue due to change in law in MTL, NRSS, OGPTL, BDTCL, JTCL, ENICL, GPTL and NERTL
- Details of brought forward losses for all SPVs (as per Income Tax Act) as at 31st December 2022
- Details of written down value (as per Income Tax Act) of assets for all SPVs as at 31st March 2022
- Details of projected Repairs and Capital Expenditure ("Capex") as represented by the Investment Manager
- Transmission Service Agreement (TSA) of the transmission SPVs with Long Term Transmission Customers and Tariff Adoption Order by CERC
- Power Purchase Agreements (PPA) entered into by the solar SPVs with their respective customers
- Management Representation Letter by Investment Manager dated 24th January 2023.
- As on the Valuation Date, India Grid Trust holds economic interest in the SPVs as mentioned in this Report. As represented to us by the Investment Manager, there are no changes in the shareholding pattern from the Valuation Date to the date of issuance of this Report

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 me are based upon assumptions about events and circumstances which are yet to occur.

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

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

Section 5:

Disclaimers and Limiting Conditions

Disclaimers and Limiting Conditions

- The Report is subject to the limiting conditions detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than valuation date of 31st December 2022 (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.
- 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 31st December 2022.
- The Investment Manager has represented that the business activities of SPVs have been carried out in normal and ordinary course between 31st December 2022 and the Report Date and that no material changes have occurred in the operations and financial position between 31st December 2022 and the Report date.
- 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.
- 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.
- 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.
- 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.
- 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.

- 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.
- This Report is based on the information received from the sources mentioned in Section 4 and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of Report.
- Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

Limitation of Liabilities

- 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.
- 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.
- 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.
- 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.
- Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

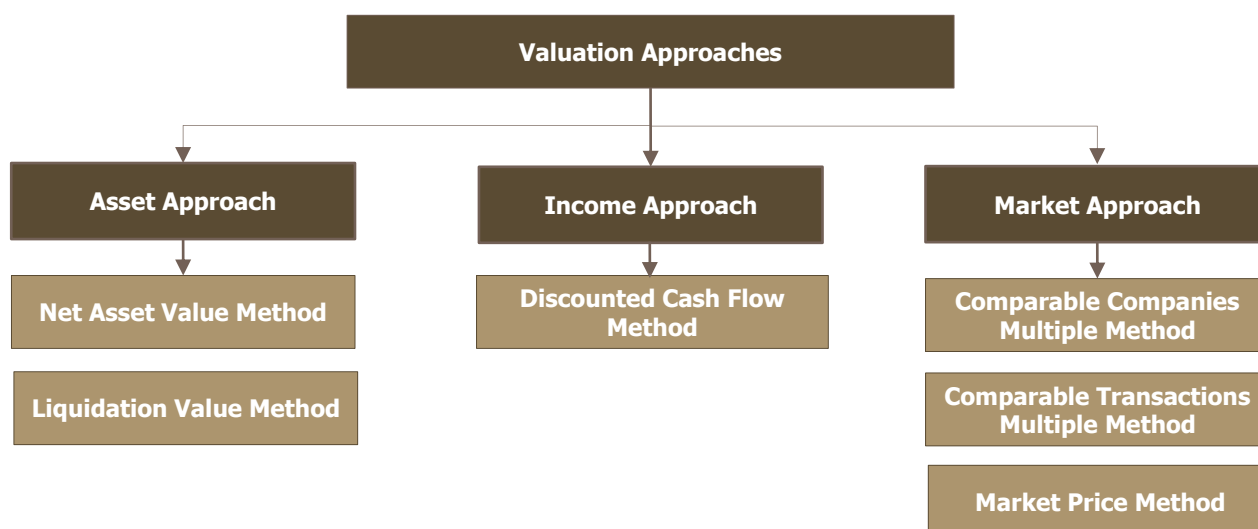
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Section 6:

Valuation Approach

Valuation Approach Overview

The three generally accepted approaches used to determine the Fair Value of a business' entity are the asset, income and market approaches. Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of each other may yield substantially different conclusions.



Asset Approach

The **Asset or Cost Approach** is generally considered to yield the minimum benchmark of value for an operating enterprise. The most common methods within this approach are Net Asset Value and Liquidation Value.

Net Asset Value ("NAV") method:

- The Net Assets Method represents the value of the business with reference to the asset base of the entity and the attached liabilities on the valuation date. The Net Assets Value can be calculated using one of the following approaches, viz.:

At Book Value

- While valuing the Shares/Business of a Company, the valuer takes into consideration the last audited financial statements and works out the net asset value. This method would only give the historical cost of the assets and may not be indicative of the true worth of the assets in terms of income generating potential. Also, in case of businesses which are not capital intensive viz. service sector companies or trading companies this method may not be relevant.

At Intrinsic Value

- At times, when a transaction is in the nature of transfer of asset from one entity to another, or when the intrinsic value of the assets is easily available, the valuer would like to consider the intrinsic value of the underlying assets. The intrinsic value of assets is worked out by considering current market/replacement value of the assets.

Liquidation Value Method:

- This method considers replacement cost as an indicator of value, assuming that prudent investors will pay no more for an asset or group of assets (tangible or intangible) than the amount for which they can replace or recreate such assets. The cost approach to value is often appropriate when

current or expected future operating earnings of a subject entity are insufficient to generate a return greater than that which could be generated through the sale of the assets.

Conclusion on Cost Approach

In the present case, 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 SPV is reflected in its future earning capacity rather than the cost of the project. Since the NAV does not capture the future earning potential of the businesses, I have not considered the Asset approach for the current valuation exercise, except for KLMTL. Considering that the KLMTL project is under-construction, I find it appropriate to consider the NAV method at Book Value.

The below table depicts the existing Book Value EV of all SPVs:

Sr No.	SPVs	Book EV	
		Unaudited	Audited
		31 st Dec 22	31 st Mar 22
1	BDTCL	16,756	16,978
2	JTCL	15,355	15,732
3	MTL	3,402	3,457
4	RTCL	2,161	2,086
5	PKTCL	3,715	3,777
6	PTCL	1,267	1,363
7	NRSS	25,622	25,878
8	OGPTL	11,322	11,531
9	ENICL	8,255	8,574
10	GPTL	9,980	10,177
11	NERTL	30,060	30,392
12	RSTCPL	2,191	2,695
13	JKTPL	2,356	2,429
14	PrKTCL	6,525	5,912
15	ISPL 1	2,499	2,645
16	ISPL 2	2,651	2,918
17	KLMTL	460	210
Total		1,44,578	1,46,752

Income Approach

The **Income Approach** serves to estimate value by considering the income (benefits) generated by the asset over a period of time. This approach is based on the fundamental valuation principle that the value of a business is equal to the present worth of the future benefits of ownership. The term income does not necessarily refer to income in the accounting sense but to future benefits accruing to the owner.

The most common methods under this approach are Discounted Cash Flow Method and Capitalization of Earnings Method. The Discounted Future Earnings method discounts projected future earnings back to present value at a rate that reflects the risk inherent in the projected earnings. Under the Capitalization of Earnings method, normalized historic earnings are capitalized at a rate that reflects the risk inherent in the expected future growth in those earnings.

Discounted Cash Flow ("DCF") method:

Overview:

- In Discounted Cash Flow (DCF) valuation, the value of an asset is the present value of the expected cash flows on the asset.
- The basic premise in DCF is that every asset has an intrinsic value that can be estimated, based upon its characteristics in terms of cash flows, growth and risk.

Assumptions:

- The DCF model relies upon cash flow assumptions such as revenue growth rates, operating margins, working capital needs and new investments in fixed assets for purposes of estimating future cash flows. After establishing the current value, the DCF model can be used to measure the value creation impact of various assumption changes, and the sensitivity tested.

Importance of DCF:

- Business valuation is normally done to evaluate the future earning potential of a business, and involves the study of many aspects of a business, including anticipated revenues and expenses.
- As the cash flows extend over time in future, the DCF model can be a helpful tool, as the DCF analysis for a business valuation requires the valuer to consider two important components of:
 - a) projection of revenues and expenses of the foreseeable future, and,
 - b) determination of the discount rate to be used.
- Projecting the expected revenues and expenses of a business requires domain expertise in the business being valued.
- Selecting the discount rate requires consideration of two components:
 - a) the cost of capital, and
 - b) the risk premium associated with the stream of projected net revenues.
- The cost of capital is the cost of funds collected for financing a project or purchasing an asset. Capital is a productive asset that commands a rate of return. When a business purchase is financed by debt, the cost of capital simply equals the interest cost of the debt. When it is financed by the owner's equity, the relevant cost of capital would be the "opportunity cost" of the capital, i.e., the net income that the same capital would generate if committed to another attractive alternative.
- The choice of discount rate must consider not only the owner's cost of capital, but also the risk of the business investment.

Application of DCF Valuation:

- DCF valuation approach is the easiest to use for assets or firms with the following characteristics:
 - a) cash flows are currently positive,
 - b) the cash flows can be estimated with some reliability for future periods, and
 - c) where a proxy for risk that can be used to obtain discount rates is available.

Capitalization of Earnings Method:

The capitalized earnings method consists of calculating the value of a company by discounting future profits with a capitalization rate adjusted to the determining date for the valuation.

- In the context of the capitalized earnings method, a company is considered as an investment. Attention is therefore focused solely on the future profits that the company will make, on the

associated risks or on earnings projections. Operating assets are seen only as a way of making profits and no specific value is allocated to these.

- Capitalized earnings = (Long-term operating profit * 100) / Capitalization rate
- Calculation of the capitalization rate, particularly in the area of risks specific to the company, requires a subjective valuation of several factors.

Conclusion on Income Approach

Discounted Cash Flow ("DCF"):

- 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. In such scenario, 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, except for KLMTL.
- For Transmission Assets, the 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.
- For Solar Assets, the terminal year value has been considered based on the salvage value of the plant & machinery, sale of freehold land and realization of working capital at the end of their respective PPA term of 25 years.

Capitalization of Earnings Method:

- In the present case, the revenue of the SPVs are either pre-determined or could be fairly estimated for the life of the projects. Since the future earning can easily be estimated, I find it appropriate to not consider Capitalization of Earnings Method for the current valuation exercise.

Market Approach

In this **Market Approach**, value is determined by comparing the subject, company with its peers in the same industry of the similar size and region.

Comparable Companies Multiples ("CCM") method:

- CCM method uses the valuation ratio of a publically traded company and applies that ratio to the company being valued.
- The valuation ratio typically expresses the valuation as a function of a measure of financial performance or book value.
- Typically, the multiples are a ratio of some valuation metric (such as equity Market Capitalization or Enterprise Value) to some financial performance metric (such as Earnings/Earnings per Share (EPS), Sales, or EBITDA).
- The basic idea is that companies with similar characteristics should trade at similar multiples, all other things being equal.

Comparable Transactions Multiples ("CTM") method:

- CTM Method looks at recent historical M&A activity involving similar companies to get a range of valuation multiples.
- The main approach of the method is to look at similar or comparable transactions where the acquisition target has a similar client base to the company being evaluated.

- Precedent Transaction valuation can revolve around either the Enterprise Value of the company or the Market Value of the company, depending on the multiples being used.

Market Price method:

- The market price method evaluates the value on the basis of prices quoted on the stock exchange.
- Average of quoted price is considered as indicative of the value perception of the company by investors operating under free market conditions.

Conclusion on Market Approach

CCM Method:

- 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.

CTM Method:

- In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Market Price 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.

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Section 7: Valuation Conclusion

Enterprise Value of all SPVs

I have carried out the Enterprise Valuation of the Project SPVs as of 31st December 2022 considering inter-alia historical performance of the SPVs, Business plans, Agreements, Projected financial statements of the SPVs and other information provided by the Investment Manager, industry analysis and other relevant factors.

I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact of the same has been factored in to arrive at Enterprise Value of the SPVs.

In performing the valuation analysis, I have adopted the Discounted Cash Flow Method under the Income Approach, except for KLMTL where I have considered NAV approach.

For Transmission Assets:

All the Transmission Assets except ENICL have Concession Period of 35 years and in case of ENICL, the Concession Period is 25 years.

For Solar Assets:

Similarly, the Solar Assets have entered into PPA 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 Transmission Assets and Solar Assets in the present valuation exercise.

For Under-Construction Transmission Assets:

Considering that the KLMTL project is under-construction, I find it appropriate to consider the NAV method.

Sensitivity Analysis

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.

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Accordingly, a quantitative sensitivity analysis is considered on the following unobservable inputs is as mentioned below:

Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.00%

							INR Mn
Sr. No.	SPVs	Base WACC	EV	WACC + 1.00%	EV	WACC - 1.00%	EV
1	BDTCL	8.1%	19,368	9.1%	17,613	7.1%	21,582
2	JTCL	8.2%	16,177	9.2%	14,689	7.2%	18,048
3	MTL	7.8%	5,954	8.8%	5,366	6.8%	6,707
4	RTCL	7.7%	4,345	8.7%	3,966	6.7%	4,817
5	PKTCL	7.7%	6,713	8.7%	6,137	6.7%	7,437
6	PTCL	7.8%	2,549	8.8%	2,317	6.8%	2,843
7	NRSS	7.6%	44,806	8.6%	40,940	6.6%	49,693
8	OGPTL	7.8%	14,559	8.8%	13,245	6.8%	16,230
9	ENICL	8.2% to 12.0%	11,533	9.2% to 13.0%	10,867	7.2% to 11.0%	12,290
10	GPTL	7.8%	12,167	8.8%	11,106	6.8%	13,507
11	NERTL	7.7%	53,525	8.7%	47,832	6.7%	60,880
12	RSTCPL	8.4%	2,685	9.4%	2,455	7.4%	2,972
13	JKTPL	7.7%	3,054	8.7%	2,876	6.7%	3,253
14	PrKTCL	7.9%	7,194	8.9%	6,643	6.9%	7,878
15	ISPL 1	8.1%	3,174	9.1%	2,997	7.1%	3,373
16	ISPL 2	8.1%	3,469	9.1%	3,266	7.1%	3,697
17	KLMTL	NA	460	NA	460	NA	460
Total of SPVs			2,11,731		1,92,775		2,35,667

I understand that there are various other unobservable valuation inputs like regulatory changes, tax changes, capital expenditure etc. which are difficult to estimate and run sensitivity on the same and based on which there can be an impact on fair enterprise valuation.

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	~26 Years	17,438	1,929	19,368
JTCL	28 th Feb 2049	~26 Years	14,569	1,608	16,177
MTL	13 th Dec 2052	~30 Years	5,425	529	5,954
RTCL	28 th Feb 2051	~28 Years	4,048	297	4,345
PKTCL	10 th Mar 2051	~28 Years	6,199	514	6,713
PTCL	10 th Nov 2051	~29 Years	2,340	209	2,549
NRSS	1 st Sep 2053	~31 Years	41,893	2,912	44,806
OGPTL	5 th April 2054	~31 Years	13,556	1,003	14,559
ENICL	27 th Oct 2035	~13 Years	10,355	1,178	11,533
GPTL	31 st Mar 2055	~32 Years	11,446	721	12,167
NERTL	30 th Mar 2056	~33 Years	49,364	4,162	53,525
RSTCPL	6 th Jan 2049	~26 Years	2,447	238	2,685
JKTPL ¹	25 th Oct 2045 ²	~23 Years	3,054	-	3,054
PrKTCL ³	7 th Oct 2049	~27 Years	6,720	475	7,194
ISPL 1	21 st July 2043	~21 Years	3,120	55	3,174
ISPL 2	30 th Jan 2044	~21 Years	3,413	56	3,469
KLMTL ⁴	27 th Jun 2058	~35 Years	NA	NA	460
Total of all SPVs			1,95,385	15,886	2,11,731

Notes:

1. JKTPL is awarded on DBFOT basis, hence no terminal value is considered
2. The end date for JKTPL is considered after extension of 10 years as per TSA.
3. 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.
4. KLMTL project is currently under construction. Hence due to the nascent stage of the project, I find it appropriate to consider the Net Asset Value method for arriving at the enterprise value of KLMTL.

Yours faithfully,

Pradhan Priya Dass

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2022/14558

Place: Bangalore

UDIN: 23219962BGSXDB5447