



(Registered in the Republic of India as an irrevocable trust under the Indian Trusts Act, 1882, on October 21, 2016, and as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on November 28, 2016, having registration number IN/InvIT/16-17/0005 at New Delhi).

**Principal Place of Business:** Unit No. 101, First Floor, Windsor, Village Kolkalyan, Off CST Road, Vidyanageri Marg, Kalina, Santacruz East, Mumbai 400 098

**Tel:** +91 72084 93885; **Compliance Officer:** Swapnil Patil

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TRUSTEE	SPONSORS		INVESTMENT MANAGER
	KKR SPONSOR	STERLITE SPONSOR	
Axis Trustee Services Limited	Esoteric II Pte. Ltd.	Sterlite Power Transmission Limited	IndiGrid Investment Managers Limited (formerly, Sterlite Investment Managers Limited)

**PUBLIC ISSUE BY THE INDIA GRID TRUST (THE “TRUST” OR THE “ISSUER”) OF SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBT SECURITIES OF FACE VALUE OF ₹ 1,000 EACH (“NCDs”) FOR AN AMOUNT AGGREGATING UPTO ₹ 1,000 CRORE (THE “SHELF LIMIT”) (HEREINAFTER REFERRED TO AS THE “ISSUE”). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHEs UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A “TRANCHE ISSUE”), WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE “ISSUE DOCUMENTS”). THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE “GUIDELINES FOR ISSUANCE OF DEBT SECURITIES BY REAL ESTATE INVESTMENT TRUSTS (REITs) AND INFRASTRUCTURE INVESTMENT TRUSTS (InvITs)” DATED APRIL 13, 2018 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (THE “SEBI DEBT ISSUE GUIDELINES”) READ WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, TOGETHER WITH ANY AMENDMENTS, CIRCULARS AND GUIDELINES ISSUED THEREUNDER (THE “SEBI ILDS REGULATIONS”) AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, TOGETHER WITH ANY AMENDMENTS, CIRCULARS AND GUIDELINES ISSUED THEREUNDER (THE “INVIT REGULATIONS”). FOR FURTHER DETAILS, PLEASE SEE SECTION ENTITLED “THE ISSUE” ON PAGE 70.**

#### GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, the investors must rely on their own examination of the Trust and this Issue including the risks involved. Specific attention of the investors is invited to the sections entitled “Risk Factors” on page 18 and “Material Developments” on page 248 of this Draft Shelf Prospectus, the Shelf Prospectus and in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (“SEBI”) or any stock exchange in India. Admission of the NCDs to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of IndiGrid or of the NCDs.

#### INVESTMENT MANAGERS’ ABSOLUTE RESPONSIBILITY

The Investment Manager, having made all reasonable inquiries, accept responsibility for, and confirm that, this Draft Shelf Prospectus read together with the Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue contains will contain all information with regard to IndiGrid and the relevant Tranche Issue, which is material in the context of this Issue and that the information included in this Draft Shelf Prospectus, and the information which will be included in the Shelf Prospectus and the relevant Tranche Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus, or that will make the Shelf Prospectus and the relevant Tranche Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

#### CREDIT RATING

The NCDs proposed to be issued pursuant to this Issue have been rated ‘CRISIL AAA/Stable’ by CRISIL Ratings Limited for an amount of up to ₹ 1,000 crore by way of the letter bearing reference numbers RL/INGRTR/265928/NCD/0321/03708/91579517/1 dated March 30, 2021 and ‘IND AAA/Stable’ by India Ratings and Research Private Limited for an amount of up to ₹ 1,000 crore by way of the letter dated March 26, 2021. The rating of the NCDs by CRISIL Ratings Limited and India Ratings and Research Private Limited indicate the highest degree of safety regarding timely servicing of financial obligation and lowest credit risk. The ratings provided by CRISIL Ratings Limited and India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding rating letters and rationale for the aforementioned rating, please see the “CRISIL Rating and Rationale” and “India Ratings Rating and Rationale”, attached as Annexure B1 and Annexure B2, respectively.

#### PUBLIC COMMENTS

This Draft Shelf Prospectus dated April 7, 2021 has been filed with BSE and NSE, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the BSE and NSE. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of Swapnil Patil, Company Secretary and Compliance Officer at the following address: Unit No. 101, First Floor, Windsor, Village Kolkalyan, off CST Road, Vidyanageri Marg, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, Tel: +91 72084 93885; **E-mail:** complianceofficer@indigrid.co.in. All comments must be received by the Investment Manager (on behalf of the Trust) within seven Working Days of hosting this Draft Shelf Prospectus on the website of the Designated Stock Exchange and NSE. Comments by post, fax and mail shall be accepted, however please note that all comments by post must be received by the Investment Manager by 5:00 P.M. on the seventh Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Designated Stock Exchange and NSE.

#### LISTING

The NCDs of IndiGrid offered through this Draft Shelf Prospectus along with Shelf Prospectus and relevant Tranche Prospectus are proposed to be listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively, the “Stock Exchanges”). IndiGrid has received in-principle approvals from BSE and NSE for listing of the NCDs to be allotted pursuant to the Issue through their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

#### COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, please see the section entitled “General Terms of the Issue” on page 249. For details relating to eligible investors, please see the section entitled “Issue Structure” on page 258.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE**
<b>JM Financial Limited</b> 7 <sup>th</sup> Floor, Chenergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: indiagrid.bondissue2021@jmf.com Investor Grievance Email: grievance.ibd@jmf.com Website: www.jmf.com Contact Person: Ms. Prachee Dhuri Compliance Officer: Mr. Sunny Shah SEBI Registration No.: INM000010361 CIN: L67120MH1986PLC038784	<b>KFin Technologies Private Limited</b> (formerly known as “Kavya Fintech Private Limited”) Selenium, Tower B Plot No- 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Telangana, India Tel.: +91 40 3321 1000 E-mail: indiagrid.ncdipo@kfinetech.com Investor Grievance E-mail: einward.ris@kfinetech.com Website: www.kfinetech.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221 CIN: U72400TG2017PTC117649 Compliance Officer: Vivek Mathur	<b>IDBI Trusteeship Services Limited</b> Asian Building, Ground Floor 17, R. Kamani Marg Ballard Estate Mumbai 400 001 Tel.: +91 22 4080 7000 Fax: 6631 1776 / 4080 7080 E-mail: itsl@idbitrustee.com Investor Grievance E-mail: response@idbitrustee.com Website: http://www.idbitrustee.com Contact Person: Mr. Ritobrata Mitra / Mr. Jatin Bhat SEBI Registration No.: IND0000000460

#### ISSUE PROGRAMME\*

**ISSUE OPENS ON:** As specified in the relevant Tranche Prospectus

**ISSUE CLOSES ON:** As specified in the relevant Tranche Prospectus

\* This Issue shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or authorised committee thereof). In the event of such an early closure or extension of this Issue, the Investment Manager shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Issue has been published on or before such earlier date or extended date of closure. Application Forms for this Issue will be accepted only from 10:00 A.M. to 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date. For further details, please see the section entitled “General Information – Issue Programme” on page 69.

\*\* IDBI Trusteeship Services Limited has, pursuant to Regulation 4(4) of the SEBI ILDS Regulations and by way of letter dated March 30, 2021, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus, the Shelf Prospectus, Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debt Securities issued pursuant to this Issue. For further details please see “General Information - Debenture Trustee” on page 65 of the Draft Shelf Prospectus and please see “Consent of the Debenture Trustee” attached as Annexure F.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Shelf Prospectus uses the definitions and abbreviations provided below which you should consider when reading the information contained in this Draft Shelf Prospectus. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.*

*The words and expressions used in this Draft Shelf Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the Depositories Act, and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms not defined but used in the sections entitled “Legal Proceedings”, “Industry Overview”, “Regulations and Policies” and “Statement of Tax Benefits” on pages 301, 90, 318 and 81, respectively, shall have the meanings ascribed to such terms in those respective sections.*

*In this Draft Shelf Prospectus, unless the context otherwise requires, a reference to “we”, “us” and “our” refers to IndiGrid and the Portfolio Assets, on a consolidated basis. For the sole purpose of the financial statements, any discussion for the periods relating to Fiscals 2020, 2019 and 2018, the terms “we”, “us” or “our” would indicate or imply, IGT together with its subsidiaries during and as at end of such periods.*

#### IndiGrid Related Terms

Term	Description
Amended and Restated Trust Deed	Amended and restated trust deed dated January 19, 2021 executed between the Sterlite Sponsor, the KKR Sponsor, the Investment Manager and the Trustee
Amendment to the Framework Agreement	Amendment to the Original Framework Agreement dated August 28, 2020 entered into between the Trustee, the Investment Manager and SPGVL
Associate	Associate as defined in Regulation 2(1)(b) of the InvIT Regulations
Auditors	S R B C & CO LLP, Chartered Accountants, the statutory auditors of IndiGrid
BDTCL	Bhopal Dhule Transmission Company Limited
BDTCL TSA	Transmission services agreement dated December 7, 2010 entered into by BDTCL with LTTCs and a transmission services agreement dated November 12, 2013, entered into by BDTCL with PGCIL
Consolidated Financial Statements	Collectively, the Consolidated Financial Statements for fiscal 2020, Consolidated Financial Statements for fiscal 2019 and Consolidated Financial Statements for fiscal 2018
Consolidated Financial Statements for fiscal 2018	Audited Ind AS Consolidated financial statements of IGT and its subsidiaries namely, IGL, BDTCL, JTCL, MTL, RTCL and PKTCL which comprise the consolidated balance sheets for the financial year ended March 31, 2018 and the related consolidated statements of profit and loss (including other comprehensive income), consolidated cash flow statements and consolidated statements of changes in unitholders equity for the financial year ended March 31, 2018 the consolidated statement of total returns at fair value and the statement of NDCF for IndiGrid, Holdco and each of the subsidiaries for the financial year ended March 31, 2018 and a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act read with the InvIT Regulations.
Consolidated Financial Statements for fiscal 2019	Audited Ind AS Consolidated financial statements of IGT and its subsidiaries namely, IGL BDTCL, JTCL, MTL, RTCL, PKTCL and PTCL which comprise the consolidated balance sheets for the financial year ended March 31, 2019 and the related consolidated statements of profit and loss (including other comprehensive income), consolidated cash flow statements and consolidated statements of changes in unitholders equity for the financial year ended March 31, 2019 the consolidated statement of total returns at fair value and the statement of NDCF for IndiGrid, Holdco and each of the subsidiaries for the for the financial year ended March 31, 2019 and a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act read with the InvIT Regulations.
Consolidated Financial Statements for fiscal 2020	Audited Ind AS Consolidated financial statements of IGT and its subsidiaries namely, IGL, IGL1, IGL2, BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, OGPTL and ENICL which comprise the consolidated balance sheets for the financial year ended March 31, 2020 and the related consolidated statements of profit and loss (including other comprehensive income), consolidated cash flow statements and consolidated statements of changes in unitholders equity for the for the financial year ended March 31, 2020 the consolidated statement of total returns at fair value and the statement of NDCF for IndiGrid, Holdco and each of the subsidiaries for the for the financial year ended March 31, 2020 and a summary of significant accounting policies and other explanatory information prepared in accordance with Ind

Term	Description
	AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act read with the InvIT Regulations.
Current Ratio	Total current assets / Total current liabilities
Debt Service Coverage Ratio	EBITDA/ (Finance costs + Principal repayments made during the period/year)
Debt to Equity Ratio	Total borrowings / Total Unit holders' equity
Deed of Amendment to the Trust Deed	Deed of amendment to the Original Trust Deed dated August 13, 2020 entered into between the Investment Manager and the Trustee
EBIT (earnings before interest and taxes)	Total comprehensive income for the period / year + Finance costs + Total tax expenses - Income from investment in mutual funds - Interest income on investment in fixed deposits - Other finance income
EBITDA (earnings before interest, taxes, depreciation and amortization)	Total comprehensive income for the period / year + Finance costs + Total tax expenses + Depreciation expense + Impairment / (reversal of impairment) of property, plant and equipment - Income from investment in mutual funds - Interest income on investment in fixed deposits - Other finance income
ENICL	East-North Interconnection Company Limited
ENICL Share Purchase Agreement	Share purchase agreement dated March 23, 2020, entered into between SPGVL, SPTL, the Trustee (on behalf of, and acting in its capacity as the trustee to IndiGrid), the Investment Manager and ENICL
ENICL TSA	Transmission services agreement dated August 6, 2009 entered into by ENICL with LTTCs and a transmission services agreement dated January 28, 2013 entered into by ENICL with PGCIL
First Amendment to the Securities Purchase Agreement	Amendment agreement to the Original Securities Purchase Agreement dated August 28, 2020, entered into between SPGVL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager and IGL
Framework Agreement	The Original Framework Agreement read with the Amendment to the Framework Agreement
Framework Asset	KTL
FRV I	FRV Andhra Pradesh Solar Farm I Private Limited
FRV II	FRV India Solar Park II Private Limited
GPTL	Gurgaon Palwal Transmission Limited
GPTL Share Purchase Agreement	Share purchase agreement dated August 28, 2020 entered into SPGVL, SGL4, the Trustee, the Investment Manager, and GPTL
GPTL TSA	Transmission services agreement dated March 4, 2016, entered into by GPTL with LTTCs and a transmission services agreement dated April 27, 2017 entered into by GPTL with PGCIL
GTTPL	Goa-Tamnar Transmission Project Limited
GTTPL TSA	Transmission services agreement dated June 28, 2017 entered into by GTTPL with LTTCs and a transmission services agreement dated December 27, 2018, entered into by GTTPL with PGCIL
Holdco	Holding company, as defined under Regulation 2(l)(sa) of the InvIT Regulations, which currently includes IGL, IGL1 and IGL2
IGL	IndiGrid Limited (formerly, Sterlite Grid 1 Limited)
IGL O&M Contract	The operation and maintenance contract dated September 28, 2020 entered into between JKTPL and IGL
IGL Work Order	The work order dated March 2, 2021 entered into between IGL and PrKTCL
IGL1	IndiGrid 1 Limited (formerly, Sterlite Grid 2 Limited)
IGL2	IndiGrid 2 Limited (formerly, Sterlite Grid 3 Limited)
IGT or IndiGrid or the Trust or the Issuer	India Grid Trust
IM SSPA	The share subscription and purchase agreement entered into between Electron IM Pte. Ltd., the Investment Manager and the Sterlite Sponsor dated April 30, 2019
Interest Service Coverage Ratio	EBITDA/ Finance costs
Investment Management Agreement	The amended and restated investment management agreement dated September 28, 2020, entered into between the Trustee (on behalf of IndiGrid), the Investment Manager, IGL, BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, IGL1, OGPTL, IGL2, ENICL, GPTL, JKTPL, PrKTCL and NER
Investment Manager or IIML	IndiGrid Investment Managers Limited (formerly, Sterlite Investment Managers Limited)
InvIT Assets	InvIT assets as defined under Regulation 2(l)(zb) of the InvIT Regulations, in this case being the Portfolio Assets
JKTPL	Jhajjar KT Transco Private Limited
JKTPL Share Purchase Agreement	Share purchase agreement dated May 29, 2020 entered into between the Trustee, the Investment Manager, Kalpataru Power Transmission Limited, Techno Electric & Engineering Company Limited and JKTPL
JTCL	Jabalpur Transmission Company Limited
JTCL TSA	Transmission services agreement dated December 1, 2010 entered into by JTCL with LTTCs and a transmission services agreement dated November 12, 2013 entered into by JTCL with PGCIL
KKR	KKR & Co Inc together with its subsidiaries
KKR Sponsor	Esoteric II Pte. Ltd.
KTL	Khargone Transmission Limited
KTL TSA	Transmission services agreement dated March 14, 2016, entered into between KTL and LTTCs and a transmission services agreement dated April 27, 2017 entered into by KTL with PGCIL
MTL	Maheshwaram Transmission Limited
MTL Amendment Agreement	Amendment agreement to the Original MTL Share Purchase Agreement dated April 30, 2019, entered



Term	Description
	into between IGL2, IGL, the Trustee, Investment Manager, SPGVL and MTL
MTL Second Amendment Agreement	Second Amendment Agreement to the Original MTL Share Purchase Agreement dated August 28, 2020 entered into between IGL2, IGL, the Trustee, the Investment Manager, SPGVL and MTL
MTL Share Purchase Agreement	Original MTL Share Purchase Agreement read with the MTL Amendment Agreement and the MTL Second Amendment Agreement
MTL TSA	Collectively, the transmission services agreement dated June 10, 2015, entered into by MTL with LTTCs and a transmission services agreement dated April 27, 2017 entered into by MTL with PGCIL
NER	NER II Transmission Limited
NER Share Purchase Agreement	Share purchase agreement dated March 5, 2021 entered into between the Trustee, Sterlite Sponsor, the Investment Manager, SGL4 and NER
NER TSA	Transmission services agreement dated December 27, 2016 entered into by NER with the LTTCs and a transmission services agreement dated November 15, 2017 entered into by NER with PGCIL
NTL	NRSS XXIX Transmission Limited
NTL Share Purchase Agreement	Share purchase agreement dated April 30, 2019 entered into between the Trustee, SPGVL, the Investment Manager, IGL1 and NTL
NTL TSA	Transmission services agreement dated January 2, 2014 entered into by NTL with the LTTCs and a transmission services agreement dated December 22, 2015 entered into by NTL with PGCIL
OGPTL	Odisha Generation Phase - II Transmission Limited
OGPTL Amendment Agreement	Amendment agreement to the Original OGPTL Share Purchase Agreement dated June 28, 2019, entered into between the Trustee, SPGVL, the Investment Manager, IGL2 and OGPTL
OGPTL Share Purchase Agreement	OGPTL Share Purchase Agreement read with the OGPTL Amendment Agreement
OGPTL TSA	Collectively the transmission services agreement dated November 20, 2015 entered into by OGPTL with the LTTCs and a transmission services agreement dated April 27, 2017 entered into by OGPTL with PGCIL
Original Framework Agreement	Framework agreement dated April 30, 2019 entered into between the Trustee, SPGVL and the Investment Manager
Original MTL Share Purchase Agreement	Share purchase agreement dated February 14, 2018, entered into between IGL2, IGL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager and MTL
Original OGPTL Share Purchase Agreement	Share purchase agreement dated April 30, 2019 entered into between the Trustee, SPGVL, the Investment Manager, IGL2 and OGPTL
Original PKTCL Share Purchase Agreement	Share purchase agreement dated February 14, 2018, entered into between IGL1, IGL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager and PKTCL
Original PrKTCL Share Purchase Agreement	Share purchase agreement dated November 28, 2020 entered into between Reliance Infrastructure Limited, the Investment Manager, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid) and PrKTCL
Original PTCL Share Purchase Agreement	Share purchase agreement dated February 19, 2018, entered into between Techno Power Grid Company Limited, Techno Electric & Engineering Company Limited, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid)
Original RTCL Share Purchase Agreement	Share purchase agreement dated February 13, 2018, entered into between IGL1, IGL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager and RTCL
Original Securities Purchase Agreement	Securities purchase agreement dated May 8, 2017, entered into between SPGVL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager and IGL
Original Trust Deed	Trust deed dated October 21, 2016, entered into between SPGVL and the Trustee
Parties to IndiGrid	The Sponsors, the Trustee, the Investment Manager and the Project Manager
PGCIL	Power Grid Corporation of India Limited
PKTCL	Purulia & Kharagpur Transmission Company Limited
PKTCL Amendment Agreement	Amendment agreement to the Original PKTCL Share Purchase Agreement dated April 30, 2019, entered into between IGL1, IGL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager, SPGVL and PKTCL
PKTCL Second Amendment Agreement	Second Amendment agreement to the Original PKTCL Share Purchase Agreement dated August 28, 2020, entered into between IGL1, IGL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager, SPGVL and PKTCL
PKTCL Share Purchase Agreement	Original PKTCL Share Purchase Agreement read with the PKTCL Amendment Agreement and the PKTCL Second Amendment Agreement
PKTCL TSA	Transmission services agreement dated August 6, 2013, entered into by PKTCL with the LTTCs and a transmission services agreement dated December 22, 2015 entered into by PKTCL with PGCIL
Portfolio Assets	Unless the context otherwise requires, IGL, IGL1, IGL2, BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, OGPTL, ENICL, GPTL, JKTPL, PrKTCL and NER and/or their power transmission projects, as applicable
PrKTCL	Parbati Koldam Transmission Company Limited
PrKTCL Amendment Agreement	Amendment Agreement to the Original PrKTCL Share purchase agreement dated January 5, 2021 entered into between Reliance Infrastructure Limited, the Investment Manager, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid) and PrKTCL

Term	Description
PrKTCL BPTA	Collectively, the bulk power transmission agreements (i) entered into between PrKTCL and Punjab State Electricity Board dated December 17, 2008, (ii) PrKTCL and Ajmer Vidyut Vitran Nigam Limited dated November 27, 2008, (iii) PrKTCL and BSES Rajdhani Power Limited dated November 24, 2008, (iv) PrKTCL and BSES Yamuna Power Limited dated November 24, 2008, (v) PrKTCL and President of India through Secretary Engineering Department of Chandigarh, Administration dated January 7, 2009, (vi) PrKTCL and Haryana Power Purchase Centre on behalf of Uttar Haryana Vidyut Vitran Nigam Limited and Dakshin Haryana Vidyut Vitran Nigam Limited dated December 3, 2008, (vii) PrKTCL and Himachal Pradesh State Electricity Board dated January 20, 2009, (viii) PrKTCL and Power Development Department, Government of Jammu and Kashmir dated May 19, 2009, (ix) PrKTCL and Jodhpur Vidyut Vitran Nigam Limited dated December 11, 2008, (x) PrKTCL and Jaipur Vidyut Vitran Nigam Limited dated November 27, 2008, (xi) PrKTCL and North Delhi Power Limited dated January 5, 2009, (xii) PrKTCL and Uttar Pradesh Power Corporation Limited, and (xiii) PrKTCL and Uttarakhand Power Corporation Limited dated April 2, 2009
PrKTCL Share Purchase Agreement	Original PrKTCL Share Purchase Agreement read with the PrKTCL Amendment Agreement
PrKTCL TSA	Transmission services agreement December 24, 2013 entered into by PrKTCL with PGCIL
Project Implementation and Management Agreement	The amended and restated project implementation and management agreement dated August 28, 2020 entered into between the Trustee (on behalf of IndiGrid), the Investment Manager, IGL, BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, IGL1, OGPTL, IGL2, ENICL, GPTL and NER
Project Manager	For all Portfolio Assets (other than JKTPL and PrKTCL) - Sterlite Power Transmission Limited*.  For JKTPL and PrKTCL - IndiGrid Limited  <i>*The 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 is one of the Sponsors of IndiGrid with effect from November 15, 2020.</i>
Proposed Solar Projects	Solar projects proposed to be acquired, being FRV I and FRV II
PTCL	Patran Transmission Company Limited
Reformatted Ind AS Consolidated Financial Information	The reformatted consolidated statement of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018, reformatted consolidated statements of profit and loss and reformatted consolidated cash flows and statement of changes in unit holders' equity for the each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018, the consolidated statement of net assets at fair value as at March 31, 2020, March 31, 2019 and March 31, 2018, the consolidated statement of total returns at fair value, the consolidated statement of net distributable cash flows ('NDCFs') of the Trust (including the underlying holding companies and each of its subsidiaries) for the years then ended, of IndiGrid Trust, derived from the audited consolidated financial statements of the Trust (including the underlying holding companies and each of the subsidiaries) for the respective years
Reformatted Ind AS Standalone Financial Information	The reformatted standalone statement of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018, reformatted standalone statements of profit and loss and reformatted standalone cash flows and statement of changes in unit holders' equity for the each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018, the standalone statement of net assets at fair value as at March 31, 2020, March 31, 2019 and March 31, 2018, the standalone statement of total returns at fair value, the standalone statement of net distributable cash flows ('NDCFs') of the Trust for the years then ended, of IndiGrid Trust, derived from the audited standalone financial statements of the Trust for the respective years
Related Party	Related Party, as defined under Regulation 2(1)(zv) of the InvIT Regulations, and shall also include (i) Parties to IndiGrid; and (ii) the promoters, directors and partners of the Parties to IndiGrid
ROFO Deed	Deed of Right of First Offer dated May 5, 2017, entered into between SPGVL, the Investment Manager, SPTL and the Trustee (on behalf of IndiGrid); and the deed of amendment dated April 30, 2019 entered into between SPGVL, the Investment Manager, SPTL and the Trustee (on behalf of IndiGrid)
RTCL	RAPP Transmission Company Limited
RTCL Amendment Agreement	Amendment Agreement to the Original RTCL Share Purchase Agreement dated March 28, 2019, entered into between IGL1, IGL, the Trustee, Investment Manager, SPGVL and RTCL
RTCL Second Amendment Agreement	Second amendment agreement to the Original RTCL Share Purchase Agreement dated April 30, 2019, entered into between IGL1, IGL, the Trustee, Investment Manager, SPGVL and RTCL
RTCL Share Purchase Agreement	Original RTCL Share Purchase Agreement read with the RTCL Amendment Agreement, RTCL Second Amendment Agreement and RTCL Third Amendment Agreement
RTCL Third Amendment Agreement	Third amendment agreement to the Original RTCL Share Purchase Agreement dated August 28, 2020, entered into between IGL1, IGL, the Trustee, Investment Manager, SPGVL and RTCL
RTCL TSA	Transmission services agreement dated July 24, 2013 entered into by RTCL with the LTTCs and a transmission services agreement dated December 22, 2015 entered into by RTCL with PGCIL
Securities Purchase Agreement	Original Securities Purchase Agreement read with the First Amendment to the Securities Purchase Agreement
SGL4	Sterlite Grid 4 Limited

Term	Description
SGL5	Sterlite Grid 5 Limited
SPGVL	Sterlite Power Grid Ventures Limited*  <i>*The 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 is one of the Sponsors of IndiGrid with effect from November 15, 2020.</i>
Sponsors	Each of the KKR Sponsor and the Sterlite Sponsor, severally
SPTL	Sterlite Power Transmission Limited*  <i>*The 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 is one of the Sponsors of IndiGrid with effect from November 15, 2020.</i>
SPV(s)	Special purpose vehicles, as defined under Regulation 2(l)(zy) of the InvIT Regulations
Standalone Financial Statements	Audited Ind AS Standalone financial statements of IGT which comprise the standalone balance sheets for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 and the related standalone statements of profit and loss (including other comprehensive income), standalone cash flow statements and standalone statements of changes in unitholders equity, the standalone statement of total returns at fair value and the statement of NDCF and a summary of significant accounting policies and other explanatory information prepared as at and for each of the years then ended in accordance with Ind AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act read with the InvIT Regulations.
Sterlite Sponsor	Sterlite Power Transmission Limited*  <i>*The 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 is one of the Sponsors of IndiGrid with effect from November 15, 2020.</i>
STL	Sterlite Technologies Limited
Trust Deed	The Original Trust Deed read with the Deed of Amendment to the Trust Deed
Trustee	Axis Trustee Services Limited
Unaudited Interim Condensed Consolidated Financial Statements for nine months ending December 2020	Unaudited Ind AS interim condensed consolidated financial statements of IGT, and its subsidiaries namely, IGL, IGL1, IGL2, BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, OGPTL, ENICL, GPTL and JKTPCL which comprise the consolidated balance sheets as at December 31, 2020, consolidated statements of profit and loss (including other comprehensive income), consolidated cash flow statements and consolidated statements of changes in unitholders equity for the nine months period ended December 31, 2020, the consolidated statement of total returns at fair value and the statement of NDCF for IndiGrid, Holdco and each of the subsidiaries for nine months period ended December 31, 2020, prepared in accordance with Ind AS 34 read with the InvIT Regulations
Unaudited Interim Condensed Standalone Financial Statements for nine months ending December 2020	Unaudited Ind AS interim condensed standalone financial statements of IGT, which comprise the standalone balance sheets as at December 31, 2020, standalone statements of profit and loss (including other comprehensive income), standalone cash flow statements and standalone statements of changes in unitholders equity for the nine months period ended December 31, 2020, the standalone statement of total returns at fair value and the statement of NDCF for IndiGrid for nine months period ended December 31, 2020, prepared in accordance with Ind AS 34 read with the InvIT Regulations
Unit	An undivided beneficial interest in IndiGrid, and such Units together represent the entire beneficial interest in IndiGrid
Unitholders	Any person who holds Units upon making a defined contribution as determined by the Trustee
Valuation Report	Valuation report dated February 16, 2021 issued by the Valuer, which sets out their opinion as to the fair enterprise value of NER as on December 31, 2020
Valuer	S. Sundararaman

#### Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and the relevant Tranche Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment / Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to this Issue to the Allottees
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment

Term	Description
Allottee(s)	The successful applicant to whom the NCDs are Allotted, either in full or in part in terms of this Issue
Applicant / Investor	The person who applies for issuance and Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue
Application Form/ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs and in terms of the Shelf Prospectus and respective Tranche Prospectus.
Application/ ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors which will be considered as the application for Allotment in terms of the Shelf Prospectus and respective Tranche Prospectus(es).
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an ASBA Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to ₹ 2,00,000
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
ASBA or Application Supported by Blocked Amount	The Application in terms of which the Applicant shall make an Application by authorizing the SCSB to block the Application Amount in the specified bank account maintained with such SCSB
Bankers to the Issue	Collectively Public Issue Account Bank(s), Refund Account(s) and Sponsor Bank
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Board or Board of Directors	The board of directors of the Investment Manager
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>
Category I Investor	<ul style="list-style-type: none"> <li>Resident Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs</li> <li>Provident funds and pension funds with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs</li> <li>Alternative investment funds, subject to investment conditions applicable to them under the SEBI AIF Regulations</li> <li>Resident Venture Capital Funds registered with SEBI</li> <li>Insurance companies registered with the IRDAI</li> <li>State industrial development corporations</li> <li>Insurance funds set up and managed by the army, navy, or air force of the Union of India</li> <li>Insurance funds set up and managed by the Department of Posts, the Union of India</li> <li>Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements;</li> <li>National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India</li> <li>Mutual funds registered with SEBI</li> </ul>
Category II Investor	<ul style="list-style-type: none"> <li>Companies within the meaning of Section 2(20) of the Companies Act, 2013</li> <li>Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs</li> <li>Co-operative banks and regional rural banks</li> <li>Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs</li> <li>Scientific and/or industrial research organisations, which are authorised to invest in the NCDs</li> <li>Partnership firms in the name of the partners</li> <li>Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)</li> <li>Association of Persons</li> </ul>

Term	Description
	<ul style="list-style-type: none"> <li>Any other incorporated and/ or unincorporated body of persons</li> </ul>
Category III Investor	High net-worth individual investors - resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in this Issue
Category IV Investor	Retail individual investors – resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt Application Circular and the UPI Mechanism Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Committee of Directors	The Allotment Committee constituted by the Board of Directors of the Investment Manager authorized to amongst other things, do all such acts, deeds, matters and things as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the NCDs (and otherwise pertaining to or in relation to the Issue), pursuant to their resolution dated March 16, 2021, to decide the terms and conditions of the Issue
Consortium Agreement	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium Members	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium/ Members of the Consortium (each individually, a Member of the Consortium)	The Lead Manager and the Consortium Members
Coupon Rate	As specified in the relevant Tranche Prospectus for each Tranche Issue
Credit Rating Agencies	CRISIL Ratings Limited and India Ratings and Research Private Limited
CRISIL	CRISIL Ratings Limited
Debenture Holder(s)/NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by the Investment Manager if required under applicable law.
Debenture Trust Deed	The trust deed to be executed by the Investment Manager (on behalf of the Trust) and the Debenture Trustee in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100 % asset cover for the NCDs and the interest due thereon issued pursuant to the Issue. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time.
Debenture Trustee	Trustees for the Debenture Holders in this case being, IDBI Trusteeship Services Limited appointed by the Board of Directors
Debenture Trustee Agreement	Agreement dated April 7, 2021 entered into between the Investment Manager (acting on behalf of the Trust) and the Debenture Trustee in relation to the Issue
Debt Application Circular	Circular bearing reference number CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI and the UPI Mechanism Circular
Deemed Date of Allotment	The date on which the Board of Directors or Committee of Directors approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors /Committee of Directors and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant tranche prospectus) shall be available to the Debenture holders from the deemed date of allotment
Demographic Details	The demographic details of an Applicant such as the address, bank account details, category, PAN, UPI ID etc. for printing on refund or used for refunding through electronic mode as applicable.
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other weblink as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement following which the NCDs will be Allotted in the Issue.

Term	Description
Designated Intermediaries	<p>The members of the Consortium, Sub-Consortium/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.</p> <p>In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA applications submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchanges where applications have been submitted through the app/web interface as provided in the UPI Mechanism Circular</p>
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of ₹ 2,00,000) are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and updated from time to time
Designated Stock Exchange	BSE Limited
Direct Online Application Mechanism	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
DP / Depository Participant	A depository participant as defined under the Depositories Act
Draft Shelf Prospectus	This draft shelf prospectus dated April 7, 2021 filed with the Designated Stock Exchange and NSE for receiving public comments and with SEBI for its records in accordance with the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations and the InvIT Regulations
India Ratings	India Ratings and Research Private Limited
Issue	Public issue by the Trust of secured, rated, listed, redeemable, non-convertible debt securities of face value of ₹ 1,000 each, for an amount aggregating up to the ₹ 1,000 crore pursuant to the Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant tranche prospectus for any tranche (each such tranche of issuance, a “ <b>Tranche Issue</b> ”) which should be read with the Shelf Prospectus.
Issue Agreement	The agreement dated April 7, 2021 entered into by the Investment Manager (acting in its capacity as the Investment Manager of the Trust), the Trustee (acting in its capacity as Trustee of the Trust) and the Lead Manager
Issue Closing Date	As specified in relevant Tranche Prospectus
Issue Document(s) or Offer Document	Collectively, this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus, the Abridged Prospectus, the Application Form including all amendments, corrections, corrigenda, supplements or notices to be issued to the prospective Applicants in connection with the Issue, if any
Issue Opening Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, as provided in the respective Tranche Prospectus
Lead Manager	JM Financial Limited
Listing Agreement	The uniform listing agreement entered into between the Investment Manager (acting on behalf of the Trust) and the Stock Exchanges in connection with the listing of debt securities of the Trust
Market Lot	One NCD
NCDs/Debt Securities	Secured, rated, listed, redeemable, non-convertible debt securities of face value of ₹ 1,000 each, aggregating up to ₹ 1,000 crore offered through this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus
Option(s)	An option of NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN and as further stated to be an individual option in this Draft Shelf Prospectus and relevant Tranche Prospectus
Public Issue Account	Account(s) opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus(es)
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst the Investment Manager (on behalf of the Trust), the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Manager for the appointment of the Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts from the Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof
Public Issue Account Bank	As specified in relevant Tranche Prospectus
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus or such other date as may be determined by the Board of Directors / Committee of Directors from time to time in accordance with the applicable law. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Investment Manager to the Stock Exchanges, will be deemed as the Record Date.

Term	Description
	Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the circular bearing reference number CIR/IMD/DF-1/122/2016 dated November 11, 2016 issued by SEBI
Recovery Expense Fund	An amount which has been deposited by the Investment Manager (acting on behalf of the Trust) with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000.
Redemption Amount	As specified in the relevant Tranche Prospectus.
Redemption Date	The date on which the Trust is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account(s)	The account(s) opened by the Investment Manager (on behalf of the Trust) with the Refund Bank(s), from which refunds of the whole or part of the Application Amounts (excluding for the successful ASBA Applicants), if any, shall be made and as specified in relevant Tranche Prospectus.
Refund Bank	As specified in relevant Tranche Prospectus.
Register of Debenture holder	A register of debenture holders maintained by the Investment Manager and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar. For details, please see the section entitled “ <i>General Terms of the Issue</i> ” on page 249
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Registrar Agreement	The agreement dated April 7, 2021 entered into between the Investment Manager (acting on behalf of the Trust), the Trustee and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue	Kfin Technologies Private Limited (formerly, Karvy Fintech Private Limited)
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA and UPI, including blocking of an ASBA Account, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> for ASBA and <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> for UPI or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Manager, Members of the Syndicate or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Members of the Syndicate or the Trading Members of the Stock Exchange is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other web-link as may be prescribed by SEBI from time to time
Security	The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by a (i) first and <i>pari passu</i> charge on all current assets of the Issuer, including loans and advances and any receivables accrued/realized from loans and advances extended by the Issuer to its Hold Cos/SPVs. It being understood that loans and advances extended by the Issuer will be subordinate to any senior debt availed or to be availed at the Hold Cos/SPVs level; and (ii) first and <i>pari passu</i> pledge over equity shares to the extent of at least 99% of the paid up equity share capital of JTCL, MTL, RTCL, PKTCL, NRSS, JKTPL and IGL1 and at least 73% of the paid up equity share capital of PTCL. The Issuer may provide higher pledge also as an additional security with intimation to the Security Trustee. It is clarified that by virtue of pledge creation of IGL1, IndiGrid lenders would not have any direct recourse or rights against the subsidiaries of IGL1. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the “ <i>General Terms of the Issue – Security</i> ” on page 249 of this Draft Shelf Prospectus.
Series/ Option	As specified in the relevant Tranche Prospectus
Shelf Limit	The aggregate limit of the Issue, being ₹ 1,000 crore to be issued pursuant to this Draft Shelf Prospectus, Shelf Prospectus and respective tranche prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus that shall be filed by the Trust (through the Investment Manager) with the SEBI, BSE and NSE in accordance with the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations and the InvIT Regulations.
Specified Locations	Centers where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto ₹ 2,00,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular.
Stock Exchanges	NSE and BSE
Syndicate or Members of the Syndicate	Collectively, the Consortium Members appointed in relation to each Tranche Issue



Term	Description
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Trading Members	Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus	The respective Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Transaction Documents	Transaction documents shall mean Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Application Form, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements and the Debenture Trust Deed to be executed between the Trustee (acting on behalf of the Trust), the Investment Manager and the Debenture Trustee. For further details, please see the section entitled “ <i>Material Contracts and Documents for Inspection</i> ” on page 325.
Tripartite Agreements	Tripartite agreements between the Trust, Registrar to the Issue, CDSL and NSDL dated April 19, 2017 and April 3, 2017, respectively.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
UPI Mandate Request	Request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of Allotment
UPI Mechanism Circular	Circular bearing reference number SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 entitled “ <i>Introduction of unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under - SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015</i> ” issued by SEBI
UPI or UPI Mechanism	Unified Payments Interface mechanism in accordance with SEBI circular bearing reference SEBI/HO/DDHS/CIR/P/2020/233 dated November 23, 2020 as amended from time to time, to block funds for application value up to ₹ 2,00,000 submitted through intermediaries, namely the Registered Stock brokers, Registrar and the Depository Participants
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter
Working Day	All days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI Circular bearing no. CIR/DDHS/P/121/2018 dated August 16, 2018. However, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

#### Technical and Industry related terms

Term	Description
ARR	Aggregate Revenue Requirement
BOO	Build, own, operate
BOOM	Build, own, operate and maintain
BPC	Bid process co-ordinator
BPTA	Bulk Power Transmission Agreement
CTU	Central Transmission Utility
D/C	Double Circuit
DC	Direct Current
DIC	Designated inter-state transmission system customers
DISCOM	Distribution companies

Term	Description
EHS	Environment, Occupational Health and Safety
EHV	extra high voltage
GW	Giga watt
HVDC	High Voltage Direct Current
HVPNL	Haryana Vidyut Prasaran Nigam Limited
ISTS	Inter State Transmission Systems
LTTC	Long term transmission customer
MoP	Ministry of Power
MVA	Mega Volt Ampere
MW	Mega watt
NPCIL	Nuclear Power Corporation of India Limited
NRI/Non-Resident	A person resident outside India, as defined under the FEMA
PFC	Power Finance Corporation Limited
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
REC	REC Limited (Formerly Rural Electrification Corporation Limited)
RLDC	Regional Load Dispatch Centre
RSA	Revenue Sharing Agreement
SEB(s)	State Electricity Boards
SLDC	State Load Dispatch Centre
TBCB	Tariff Based Competitive Bidding
TEECL	Techno Electric & Engineering Company Limited
TPGCL	Techno Power Grid Company Limited
TSA	Transmission Services Agreement
TSP	Transmission Service Provider

#### Conventional and general terms

Term	Description
ACSR	Aluminum Conductor Steel Reinforced
AGM	Annual general meeting
BOCW Act	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
BSE	BSE Limited
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Companies Act	Companies Act, 2013, as applicable and the rules made thereunder
Competition Act	Competition Act, 2002
CRISIL Report	The report entitled “Market Assessment of Indian Power Transmission Sector” dated February 2021 prepared by CRISIL Research
CRISIL Research	The research division of CRISIL Limited
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
Electricity Act	Electricity Act, 2003
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal Year or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
GAAR	General Anti-Avoidance Rules
GoI or Government	Government of India
IFRS	International Financial Reporting Standards
Ind AS	Companies (Indian Accounting Standards) Rules, 2015, notified on February 19, 2015 by the MCA, including any amendments or modifications thereto read with Section 133 of the Companies Act, 2013, as amended
Indian GAAP	Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended)
Indian GAAS	Generally Accepted Auditing Standards in India

Term	Description
InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder
InvITs	Infrastructure Investment Trusts
IRDAI	Insurance Regulatory and Development Authority of India
IT Act	Income-tax Act, 1961
MoEF	Ministry of Environment, Forest and Climate Change
NDCF	Net distributable cash flows
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent account number
Power Supply Regulations	Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010
RBI	Reserve Bank of India
Rs./Rupees/INR/₹	Indian Rupees
RTGS	Real Time Gross Settlement
SCR (SECC) Regulations	Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI Debt Issue Guidelines	Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled Guidelines for Issuance of Debt Securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SERC	State Electricity Regulatory Commission
Sharing of Charges and Losses Regulations	Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020
Sharing Regulations 2010	Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010
Stock Exchanges	Together, the BSE and the NSE
Tariff Regulations	Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019
U.S./U.S.A/United States	United States of America
USD/US\$	United States Dollars

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “propose”, “project”, “pursue”, “seek to”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of IndiGrid are also forward-looking statements and accordingly, should be read together with such assumptions and notes thereto. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding IndiGrid’s expected financial condition, results of operations and cash flows, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to IndiGrid’s business strategy, planned projects, acquisition or investment revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts.

The Valuation Report included in this Draft Shelf Prospectus, is based on certain projections and accordingly, should be read together with assumptions and notes thereto. For further details, please see the “*Valuation Report*” attached as Annexure C.

Actual results may differ materially from those suggested by the forward-looking statements due to certain known or unknown risks or uncertainties associated with the Investment Manager’s expectations with respect to, but not limited to, the actual growth in the power transmission sector, the Investment Manager’s ability to successfully implement the strategy, growth and expansion plans, cash flow projections, the outcome of any legal, regulatory or tax changes, the future impact of new accounting standards, regulatory changes pertaining to the power transmission sector in India and our ability to respond to them, and general economic and political conditions in India which have an impact on our business activities or investments, changes in competition and the Project Manager’s ability to operate and maintain the Portfolio Assets and successfully implement any technological changes. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

Factors that could cause actual results, performance or achievements of IndiGrid to differ materially include, but are not limited to, those discussed in the sections entitled “*Risk Factors*”, “*Industry Overview*” and “*Our Business*”, on pages 18, 90, and 134, respectively. Some of the factors that could cause IndiGrid’s actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information include, but are not limited to, the following:

- We may be unable to operate and maintain our power transmission projects to achieve the prescribed availability.
- We may lose tariff revenues or fail to receive payments and incur significant repair and replacement costs in the event our power transmission projects or Proposed Solar Projects are rendered inoperable due to force majeure events.
- Most of our revenues are derived from tariff payments received from LTTCs and a delay in payments of PoC charges to the CTU by users and customers may adversely affect our cash flows and results of operations. Further, our customers in relation to our Proposed Solar Projects may not be able to fulfil their contractual obligations as a result of their poor financial health or for other reasons, which may have an adverse effect on our business, cash flows, financial condition, results of operations and prospects.
- As the terms and conditions, including the tariff structure under our TSAs are generally fixed, we may not be able to offset increases in costs, including operation and maintenance costs, solely from tariffs payable to us under the TSAs;
- We may be unable to operate and maintain the Proposed Solar Projects that we propose to acquire in a satisfactory manner or at all;
- The ability of our Project Manager to ensure that our power transmission systems and Proposed Solar Projects are fully operational at all times may be subject to the limitations of the power grid, existing equipment or operational risks outside of their control; and
- Any changes to current tariff policies or modifications of tariffs standards by regulatory authorities could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Forward-looking statements reflect current views as of the date of this Draft Shelf Prospectus and are not a guarantee of future performance or returns to Investors. These statements are based on certain beliefs and assumptions, which in turn are based on currently available information. Although the Investment Manager believes that the expectations and the assumptions upon

which such forward-looking statements are based, are reasonable at this time, they cannot assure Investors that such expectations will prove to be correct or accurate. In any event, these statements speak only as of the date of this Draft Shelf Prospectus or the respective dates indicated in this Draft Shelf Prospectus and none of the Investment Manager, the Sponsors or the Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition of IndiGrid could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to IndiGrid, the Investment Manager or the Sponsors are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Investment Manager, the Sponsors, the Trustee or the Lead Manager, nor any of their respective Directors or officers or affiliates or associates, have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, the Investment Manager, the Sponsors, the Trustee or the Lead Manager will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and the date of receipt of listing and trading permission being obtained from the Stock Exchanges.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

In this Draft Shelf Prospectus, unless otherwise specified or context otherwise requires, references to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

Unless stated otherwise, all references to page numbers in this Draft Shelf Prospectus are to the page numbers of this Draft Shelf Prospectus.

### **Financial Data**

This Draft Shelf Prospectus includes, (i) reformatted standalone financial information along with the auditors report on reformatted standalone financial information of the Trust for the last three years ended March 31, 2018, March 31, 2019 and March 31, 2020, and (ii) reformatted consolidated financial information along with the auditors report on reformatted consolidated financial information of the Trust for the last three years ended March 31, 2018, March 31, 2019 and March 31, 2020, (iii) the unaudited interim condensed standalone financial statements along with the review report thereon for the nine month period ended December 31, 2020, and (iv) and the unaudited interim condensed consolidated financial statements along with the review report thereon for the nine month period ended December 31, 2020. For further details, please see “*Financial Information*” attached as Annexure A.

The Unaudited Interim Condensed Consolidated Financial Statements for nine months ending December 2020, is not indicative of the full year results of the Trust and is not comparable with the annual consolidated financial statements of IndiGrid presented for the years ended March 31, 2020, March 31, 2019 and March 31, 2018.

Further, this Draft Shelf Prospectus includes summary financial statements of the Investment Manager, as of, and for the financial years ended, March 31, 2020, March 31, 2019 and March 31, 2018, derived from the financial statements of the Investment Manager as of such dates and such periods, which were prepared in accordance with Ind AS and the Companies Act. For further details, please see the section entitled “*Summary Financial Information of the Investment Manager*” on page 57.

Unless stated otherwise or unless the context requires otherwise, all financial data in relation to the Trust, as set forth in this Draft Shelf Prospectus as at and for the financial year ended March 31, 2018, March 31, 2019 and March 31, 2020, have been derived from the Reformatted Ind AS Consolidated Financial Information.

Unless stated otherwise or unless the context requires otherwise, all financial data in relation to the Trust, as set forth in this Draft Shelf Prospectus as at and for the nine month period ended December 31, 2020, have been derived from the Unaudited Interim Condensed Consolidated Financial Statements for nine months ending December 2020 which were prepared in accordance with Ind AS 34.

The degree to which the financial information included in this Draft Shelf Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, Indian GAAP, IFRS and the InvIT Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Shelf Prospectus should accordingly be limited.

The financial year for IndiGrid, the Sterlite Sponsor, the Project Manager and the Investment Manager commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial or fiscal year for each of IndiGrid, the Sterlite Sponsor, the Project Manager and the Investment Manager, unless stated otherwise, are to the 12 months ended on March 31 of that year. The financial year for the KKR Sponsor refers to the calendar year ended December 31, and accordingly, all references to a particular financial year or fiscal year for the KKR Sponsor, unless stated otherwise, are to the calendar year ended December 31.

In this Draft Shelf Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals and all percentage figures have been rounded off to two decimal places. Certain other operational data, including route length of transmission lines in ckms and the number of years under the term of a TSA, have been rounded off to whole numbers.

## Non- GAAP Measures

Certain non- GAAP measures such as networth, EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation and amortization), Debt equity ratio, Current ratio, Interest coverage ratio and Debt service coverage ratio (together, “**Non-GAAP Measures**”), presented in this Draft Shelf Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, EBIT, EBITDA, Debt equity ratio, Current ratio, Interest coverage ratio, and Debt service coverage ratio, are not standardised terms, hence a direct comparison of these Non-GAAP Measures between different organizations may not be possible. Other organizations may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, we believe that they are useful to an investor in evaluating us as they are widely used measures to evaluate an organization’s operating performance.

## Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Except otherwise specified, certain numerical information in this Draft Shelf Prospectus have been presented in “million” units. One million represents 1,000,000.

## Exchange Rates

This Draft Shelf Prospectus contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

The following table provides, for the dates indicated, information with respect to the exchange rate between the Rupee and the US\$ (in Rupees per US\$):

Currency	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
1 US\$	73.50	73.05	75.39	69.17	65.04

Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in)

*In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Shelf Prospectus has been obtained or derived from the report entitled “Market Assessment of Indian Power Transmission Sector” issued by CRISIL Research in February 2021 (the “**CRISIL Report**”), publicly available information as well as industry publications and other sources. For details, please see the section entitled “*Industry Overview*” on page 90.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents and from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although the Investment Manager believes that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by the Investment Manager, the Sponsors, the Trustee or the Lead Manager, or any of their affiliates or advisors. The data from these sources may have been re-classified by us in certain cases for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section entitled “*Risk Factors*” on page 18 of this Draft Shelf Prospectus. Accordingly, investment decisions should not be based on undue reliance on such information.

The extent to which the market and industry data used in this Draft Shelf Prospectus is meaningful, depends on the readers’ familiarity with, and understanding of, the methodologies used in compiling such data. There are no standard data gathering



methodologies in the industry in which the business of IndiGrid is conducted, and methodologies and assumptions may vary widely among different industry sources.

#### **Disclaimer of CRISIL Limited**

Please see below the disclaimer of CRISIL Limited:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. IndiGrid Investment Managers Limited (formerly, Sterlite Investment Managers Limited) will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

## SECTION II: RISK FACTORS

*An investment in NCDs involves a certain degree of risk. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Draft Shelf Prospectus including the sections entitled “Our Business” on page 134 and “Financial Information” attached as Annexure A, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.*

*Unless otherwise stated in the relevant risk factors set forth, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*This Draft Shelf Prospectus contains forward looking statements that involve risk and uncertainties. The Trust’s actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Draft Shelf Prospectus.*

*Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is derived from the Reformatted Ind AS Consolidated Financial Information and the Unaudited Interim Condensed Consolidated Financial Statements for nine months ending December 2020 as included in this Draft Shelf Prospectus, as applicable.*

*In making an investment decision, you must rely upon your own examination and the terms of the Issue, including the merits and the risks involved. You should consult your tax, financial and legal advisors about the particular consequences of investing in the Issue. In this section, unless the context otherwise requires, a reference to “we”, “us” and “our” refers to IndiGrid and/or to the Portfolio Assets and may be interchangeably used.*

### **RISKS RELATED TO OUR BUSINESS**

#### ***1. We may be unable to operate and maintain our power transmission projects to achieve the prescribed availability.***

We operate our power transmission projects under an availability-based tariff regime. The Tariff Regulations provide specific guidance on the calculation of availability, and take into account the elements in the transmission system (including transmission lines and substations) as well as the reason for any outages, with force majeure outages being excluded from such calculation. If our availability falls below the required minimum threshold (ranging between 95% to 98%) for a particular line, we are subject to a penalty, which reduces the annual transmission charge we receive for the relevant period.

We may be unable to operate and maintain our power transmission projects to achieve prescribed availability due to a number of factors, including, but not limited to:

- failure to meet licensing requirements or to obtain, maintain or renew approvals and licenses;
- operator error, improper installation or mishandling of equipment;
- breakdown or failure of power transmission systems;
- flaws in equipment design or construction of power lines or substations;
- work stoppages or labor disturbances or disputes;
- performance of equipment below expected levels of output or efficiency;
- non-availability of the required spare parts and required labor force;
- environmental issues affecting the operations of transmission systems;
- planned or unplanned power outages;

- theft of equipment and lines;
- claims on completed projects and litigations, proceedings, judgments or awards arising therefrom; and
- force majeure and catastrophic events, including fires, explosions, landslides, storms, floods, social unrest, earthquakes and terrorist acts, to the extent such events are not excluded from the calculation of availability under the TSAs and the Tariff Regulations.

Accidents or malfunctions involving transmission lines or substations including failure of transmission towers, power conductors or insulators, may disrupt transmission of electricity and result in availability being below expected levels.

In addition, power transmission projects rely on equipment that is built by third parties, and which is subject to malfunction. Although, in certain cases, manufacturers provide warranties and performance guarantees, and may be required to compensate us for certain equipment failures, engineering and design defects, such arrangements are subject to time limits, fixed liability caps and may not fully compensate us for the damage incurred or for penalty payments which may be imposed on us due to any reduced availability below required levels. Warranties under certain supplier contracts for certain of our Portfolio Assets have expired, as a result of which we may not be compensated for equipment failures, engineering and design defects from such suppliers.

The power transmission projects operated by us are generally in geographically remote areas with difficult terrain, which poses particular challenges for their operation and maintenance, including security and accessibility.

If any of these risks or any similar risks materialize, our ability to operate and maintain power transmission projects to achieve prescribed availability thresholds could be adversely affected. We may also face reputational risks which could affect our ability to bid for future power transmission projects and we may face potential claims for loss of business or for damages if we are unable to transmit power as agreed under our TSAs. A Portfolio Asset may have its license cancelled by CERC or its TSA terminated by either a LTTC or the CTU for failure to operate and maintain the power transmission projects in accordance with prescribed requirements. Any of these circumstances could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

**2. *We may lose tariff revenues or fail to receive payments and incur significant repair and replacement costs in the event our power transmission projects or Proposed Solar Projects are rendered inoperable due to force majeure events.***

In the event that any of our power transmission projects or Proposed Solar Projects are rendered inoperable due to force majeure events, there can be no assurance that we will be able to successfully apply to obtain a deemed availability certificate to receive tariffs under the force majeure provisions under the applicable TSA or receive payments under the relevant PPAs, or that our insurance will reimburse us for repair and replacement costs, either partially or fully for the period of such force majeure event, which could materially affect our business, prospects, financial condition, results of operations and cash flows.

One of the Portfolio Assets, BDTCL, had its 765 KV S/C Bhopal – Indore transmission line rendered inoperable for approximately 51 days in Fiscal 2015 when gale force winds damaged a tower. BDTCL received a deemed availability certificate for the same period. Additionally, there was a delay in the construction of the OGPTL transmission lines due to heavy rainfall and flood in Jharsuguda and Sundargarh districts of Odisha, among other factors. The OGPTL project received energization approval on August 23, 2017. However, due to non-availability of bays at the PGCIL substation at Sundargarh (Jharsuguda), the said line was deemed to be commissioned with effect from August 30, 2017. ENICL, another Portfolio Asset, has had its 400 KV D/C Purulia – Bihar Sharif transmission line rendered inoperable twice. It was rendered inoperable in August 2016 until July 2017 and was rendered inoperable again in August 2018. In both instances, flooding and heavy rainfall damaged the transmission towers. Further, in 2016, an agitation in Haryana by the Jat community, wherein a mob attacked the sub-stations of JKTPL resulted in complete breakdown of the transmission system of JKTPL. Further, another portfolio asset, JTCL, had its 400 kV Jabalpur-Bina transmission line rendered inoperable because of tower collapse caused by heavy wind and squall like conditions for approximately 50 days in Fiscal 2020. We cannot assure you that such instances will not occur in the future and that any future force majeure events will not have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**3. *Most of our revenues are derived from tariff payments received from LTTCs and a delay in payments of PoC charges to the CTU by users and customers may adversely affect our cash flows and results of operations. Further, our customers in relation to our Proposed Solar Projects may not be able to fulfil their contractual obligations as a result of their poor financial health or for other reasons, which may have an adverse effect on our business, cash***

***flows, financial condition, results of operations and prospects.***

In accordance with the Sharing of Charges and Losses Regulations and the CERC's PoC payment system, transmission licensees, such as our Portfolio Assets, are entitled to recover their approved tariffs from ISTS charges collected by the CTU. The CTU collects transmission charges from customers, including our LTTCs on a regular basis and pays such transmission charges to the transmission licensees, including the Portfolio Assets. The payment mechanism is structured, in accordance with the Tariff Regulations to incentivize the end consumers to make timely payments through rebates, and a surcharge that is levied on untimely payments by LTTCs.

The LTTCs under the PoC mechanism include various state utilities, other distribution licensees and TSUs. These LTTCs have experienced periods of financial weakness in the past. A failure or delay on the part of any LTTCs to make timely payments or on the part of distribution licensees or TSUs to make the requisite payments to the CTU could affect the capability of the CTU to make the corresponding payments to transmission licensees, including our Portfolio Assets. As a result, factors beyond our control that affect the business, prospects, financial condition, results of operations or cash flows of the LTTCs could result in the delay or failure of our Portfolio Assets to receive tariff payments.

PGCIL serves as a CTU and is responsible for the planning, development and operation of inter-state transmission of electricity and the national grid. PGCIL also undertakes high capacity transmission corridor and grid strengthening projects. Its dual roles as a CTU and power transmission project developer and operator may give rise to conflicts of interest that could result in delays in tariff payments to us. As a result of these and similar factors that may be beyond our control, our business, prospects, financial condition, results of operations and cash flows may be adversely affected.

In relation to our Proposed Solar Projects, since the distribution of electricity is controlled in India by central agencies and state utilities, there is a concentrated pool of potential buyers for grid connected, utility scale electricity generated by our projects, which may restrict our ability to find new customers for the electricity generated by our Proposed Solar Projects. If, for any reason, any of our customers under such PPAs become unable or unwilling to fulfil their contractual obligations under the relevant PPA or if they refuse to accept delivery of power pursuant to the relevant PPA our business, financial condition, results of operations and prospects may be adversely affected as we may not be able to find other purchasers for such contracted capacities or replace the PPA on equivalent terms and conditions.

In addition, external events, such as an economic downturn, could impair the ability of some customers under our PPAs to pay for electricity received. Certain of our customers may also become subject to insolvency or liquidation proceedings during the term of the relevant PPAs. Bringing action against our customers to enforce their contractual obligations is often difficult and there can be no assurance that if we initiate any legal proceedings against any such entities, we will receive a judgment in our favour or on a timely basis. A failure by any of our customers to meet its contractual commitments, or an insolvency or liquidation of any of our customers, could have an adverse effect on our financial condition and results of operations.

**4. *As the terms and conditions, including the tariff structure under our TSAs are generally fixed, we may not be able to offset increases in costs, including operation and maintenance costs, solely from tariffs payable to us under the TSAs.***

The tariff structure under our TSAs is largely fixed for the entire term of the TSAs. Operation and maintenance costs of our power transmission projects may increase due to factors beyond our control, including the following:

- Increase in the cost of labor, materials and insurance;
- Restoration costs in case of events such as, floods, natural disasters and accidents;
- Increase in raw material costs;
- Adverse weather conditions;
- Unforeseen legal, tax and accounting liabilities; and
- Other unforeseen operational and maintenance costs.

We may not be able to offset increased operation and maintenance costs as the tariff is generally fixed under our TSAs, and given the escalable component forms only a small portion of the overall tariff payable to us, it may be insufficient to offset such cost increases. Additionally as the escalable portion of our tariff is linked to inflation, there can be no

assurance that adjustments of the escalable tariff will be sufficient to cover increased costs resulting from inflation. Significant increases in operation and maintenance costs may reduce our profits, could expose us to penalties under the TSAs and could adversely impact our business, prospects, financial condition, results of operations and cash flows.

Any increased volatility or rate of inflation of global commodity prices, in particular oil and steel prices, could adversely affect our customers, contractual counterparties and end users. Although the RBI periodically imposes certain policy measures designed to curb inflation, these policies may not be successful. Any slowdown in India's growth, inflation volatility or fluctuation or sustained periods of hyperinflation adversely impact our business, prospects, financial condition, results of operations and cash flows.

**5. *We may be unable to operate and maintain the Proposed Solar Projects in a satisfactory manner or at all.***

The investment objectives and strategy of IndiGrid includes, amongst others, investment in renewable energy generated through hydel, solar, wind, biomass, geothermal, tidal, wave and other renewable natural resources. Accordingly, IndiGrid has entered into definitive agreements dated December 18, 2020 to acquire FRV I and FRV II from FRV Solar Holdings XI B.V., which operate solar photovoltaic power plants in the state of Andhra Pradesh.

IndiGrid has no experience of acquiring or investing in the renewable energy sector, including in the solar projects for which we have entered into definitive agreements, being FRV I and FRV II, or any other solar assets that we may acquire in the future. Additionally, we may face competition from established players and competitors who have a strong operating history in the renewable energy sector. There can no assurance that we will be able to operate these assets in a satisfactory manner or at all and supply the contracted capacities in accordance with the relevant PPAs. Further, there can be no assurance that any these Proposed Solar Projects will perform as expected or that the returns from such Proposed Solar Projects will support the financing utilized to acquire or maintain them. If any of these risks or any similar risks materialize, it may result in a breach of the relevant PPAs in relation to such Proposed Solar Projects and we may face potential claims for loss of business or for damages if we are unable to generate renewable power as agreed. We may also face reputational risks which could affect our ability to bid for future projects. Any of these circumstances could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

**6. *The acquisition of assets in the future may expose us to risks and have an adverse impact on our operations.***

The acquisition of assets in the future may entail integration and management of these future assets to realize economies of scale and control costs, as well as other risks, including diversion of management resources otherwise available for ongoing development of our business. The acquisition may cause disruptions to our operations and divert management's attention away from day-to-day operations. Newly acquired assets may require significant management attention that would otherwise be devoted to our ongoing business. Our management may have to spend a considerable amount of time to ensure a smooth handover of the future assets and align the operating philosophy of the future assets with ours. Despite pre-acquisition due diligence, we do not believe that it is possible to fully understand an asset before it is owned and operated for an extended time. Further, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to achieve or may not be achieved at all.

Further, the acquisition of future assets or alliances in the future may expose us to the risk of unanticipated business uncertainties or legal liabilities including defects in title and lack of appropriate approvals/ licenses in place for which the relevant parties in relation to such future assets may or may not indemnify us.

**7. *Any downgrade in our credit ratings may increase our financing costs and subject us to more onerous covenants, which may adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***

IndiGrid has been assigned the 'CRISIL AAA/Stable' for the ₹ 5,000 million non-convertible debentures on July 1, 2019 and 'CRISIL PP-MLD AA+/Stable' for the ₹ 2,000 million long term principal protected marked linked debentures on July 3, 2019. IndiGrid has been assigned 'CRISIL AAA/Stable' for the ₹ 14,000 million non-convertible debentures on May 29, 2019. IndiGrid has been assigned 'CRISIL PP-MLD AA+/Stable' for the ₹ 1,750 million long term principal protected marked linked debentures on January 22, 2020 and March 12, 2020. Further, IndiGrid has been assigned 'CRISIL AAA/Stable' for the ₹ 3,500 million non-convertible debentures on June 4, 2020, while reaffirming its long-term rating 'CRISIL AAA/Stable' for the ₹ 1,150 million bank facilities June 4, 2020. IndiGrid has been assigned 'CRISIL AAA/Stable' for the ₹ 3,500 million non-convertible debentures on June 4, 2020, 'CRISIL AAA/Stable' for the ₹ 5,000 million non-convertible debentures on June 18, 2020, 'CRISIL AAA/Stable' for the ₹ 5,000 million non-convertible debentures on August 28, 2020 and 'CRISIL AAA/Stable' for the ₹ 2,500 million non-convertible debentures on November 6, 2020.

Further, IndiGrid has been assigned a short-term rating of [ICRA]A1+ for its commercial paper programme by ICRA. India Ratings & Research Private Limited has assigned 'IND AAA/Stable' for the bank loan availed by IndiGrid, IND A1+ for the commercial papers of IndiGrid and has affirmed 'IND AAA/Stable' rating for each of the market-linked debentures, long-term senior debt, non-convertible debentures and bank loan of IndiGrid.

IndiGrid has been assigned 'CCR AAA/Stable' for the non-convertible debentures issued in 2019 on May 29, 2019, while reaffirming its Corporate Credit Rating as 'CCR AAA/Stable' by CRISIL on April 16, 2020, assigned 'Provisional IND AAA/Stable' to market linked debentures and reaffirmed 'IND AAA/Stable' for non-convertible debentures and bank loan by India Ratings on April 3, 2020 and reaffirmed '[ICRA] AAA (Stable)' by ICRA on April 27, 2020, the rationale for which is available on their respective websites. IndiGrid has also been assigned a long-term rating of '[ICRA]AAA' by ICRA on March 16, 2021 for the non-convertible debentures issued in March 2021.

Further, the NCDs proposed to be issued pursuant to this Issue have been rated 'CRISIL AAA/Stable' by CRISIL Ratings Limited for an amount of up to ₹ 1,000 crore by way of its letter bearing reference number RL/INGRTR/265928/NCD/0321/03708/91579517/1 and dated March 30, 2021 and 'IND AAA/Stable' by India Ratings for an amount of up to ₹ 1,000 crore by way of its letter dated March 26, 2021. Such a rating provided by CRISIL Ratings Limited and India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time by the assigning rating agency. Further, any downgrade in our credit ratings may increase interest rates for our existing short-term and long-term borrowings and for our refinancing of our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis. We may also be subject to more onerous covenants, which could further restrict our business, financial condition and results of operations. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings.

**8. *The ability of our Project Manager to ensure that our power transmission systems and Proposed Solar Projects are fully operational at all times may be subject to the limitations of the power grid, existing equipment or operational risks outside of their control.***

Power grid outages at the state, regional or national level disrupt the transmission of electricity and could result in performance being below expected levels. For example, there could be failure in the transmission towers, power conductors or insulators. In addition, power transmission projects and our Proposed Solar Projects rely on sophisticated machinery that is built by third parties, which may malfunction. Injuries to people or property may also occur in the ordinary course of carrying on our business, which could subject us to significant disruptions in our business and legal and regulatory actions. For example, a fatal accident along the transmission lines set up by BDTCL at the time of construction, resulted in the death of eight laborers. In September 2020, a contractor employee died due to anaphylactic shock caused by honeybee swarm attack while working on the 400 kV D/C Purulia-Ranchi transmission line of PKTCL. The operation of our projects also involves many operational risks, some of which are outside our control, including explosions, fires, damages due to earthquakes and other natural disasters, the breakdown or failure of transmission or generation equipment or other equipment or processes, operating below expected levels, labor disputes, civil unrest, terrorism and war. For example, the construction of the OGPTL transmission lines was delayed due to, amongst other factors, unseasonal and heavy rainfall and flood in Odisha and delay in the grant of forest clearance to OGPTL in respect of the forest land acquired for the construction of the said transmission lines. Any disruption in the operations of our projects could negatively impact the reputation of IndiGrid, the Project Manager, the Investment Manager or the Sponsors among our customers, stakeholders, regulators or within our industry. The occurrence of any of the above events could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**9. *Any changes to current tariff policies or modifications of tariffs standards by regulatory authorities could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.***

Tariffs determined by regulatory order and charged to customers comprise virtually all of the revenues generated by the power transmission projects operated by us. Such tariffs are collected by the CTU, under a payment pooling mechanism and subject to periodic reviews by the CERC. The Portfolio Assets have no ability or flexibility to charge more for regulated services than is provided for under the relevant tariff.

With respect to potential impacts on statutory payment pooling bodies, in accordance with the Sharing of Charges and Losses Regulations, transmission licensees such as the Portfolio Assets are entitled to recover their approved tariffs from ISTS charges collected by the CTU. The CTU collects transmission charges from distribution licensees and TSUs on a regular basis and pays such charges to transmission licensees, including us. In the event of any change in the operating statutory parameters of the CTU, or a failure or delay on the part of the CTU to make the corresponding payments to the Portfolio Assets, the counterparty risk may increase significantly and our business, prospects, financial

condition, results of operations and cash flows may be materially and adversely affected. Further, we are subject to an incentive based penalty mechanism for all our Portfolio Assets and may be subject penalties if the availability rate falls below the limits as may be prescribed under the applicable provisions in the project documents and tariff regulations.

The revenues generated by JKTPPL are not dependent on a regulatory order and are dependent on tariffs as determined in terms of the relevant TSA. JKTPPL operates an intra-state transmission asset and in terms of the TSA, JKTPPL may recover tariffs equivalent to a base unitary charge which is subject to annual revisions. For instance, the rate of inflation, based on monthly Wholesale Price Index stood at (2.03%) (provisional) for the month of January, 2021 (over January, 2020) as compared to 3.52% during the corresponding month of the previous year, resulting in lower escalations in tariff as against projections. We cannot assure you that future revisions to the base unit charge will be aligned with the tariff expected to be recovered by JKTPPL.

With respect to potential impacts on statutory dispatch bodies, in accordance with the Electricity Act, the operators of the national or state transmission grids, the NLDC, the RLDCs and the SLDCs, operate the grids as independent operators. Any negative change in the operating statutory parameters of the NLDC, the RLDCs or the SLDCs, as applicable, may negatively affect the corresponding availability of the transmission assets of the Portfolio Assets and in turn materially and adversely affect the business, prospects, financial condition, and results of operations and cash flows of the Portfolio Assets. Any such unfavorable changes, particularly to tariff, payment pooling and dispatch regulations, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**10. *Our businesses could be adversely affected if we are unable to maintain or renew our existing regulatory approvals due to changes to the regulatory environment and the laws, rules and directives of the GoI.***

The power industry in India is regulated by a wide variety of laws, rules and directives issued by government and relevant regulatory authorities. The timing and content of any new law or regulation is not within the control of the Portfolio Assets and any changes to current regulatory bodies or the existing regulatory regime could have an impact on our ability to obtain the requisite regulatory approvals in a timely manner or at all. Our inability to obtain and maintain regulatory approvals in a timely manner or at all could adversely effect on the business, prospects, financial condition, results of operations and cash flows of the Portfolio Assets. For example, the construction of the 400 kV D/C Agra-Prithala line, 400/220 GIS Prithala Substation, Prithala-Kadarpur 400 kV D/C HTLS line and 400/220 kV substation at Kadarpur by GPTL was adversely affected due to amongst others, delay in obtaining the required forest approval for diversion of forest along the Agra canal on account of lack of administrative clarity and failure of HPVL in sharing the Control and Relay Protection System in a timely manner.

The laws and regulations governing the power industry have become increasingly complex and govern a wide variety of issues, including billing and collections, allocation of transmission charges among LTTCs, rights of way, land acquisitions, calculations of availability and forest clearances. Any change in policy for such issues may result in our inability to meet such increased or changed requirements and the operation of the Portfolio Assets may be adversely affected. Further, there can be no assurance that the GoI or any state government in India will not implement new regulations and policies which will require us to obtain additional approvals and licences from the government and other regulatory bodies or impose onerous requirements and conditions on their operations, which could result in increased compliance costs as well as divert significant management time and other resources. Future changes in laws and regulations and the failure or apparent failure to address any regulatory changes or enforcement initiatives could have an adverse impact on the business and future financial performance of our Portfolio Assets, impair their ability to declare dividends to IndiGrid, harm our reputation, subject us to penalties, fines, disciplinary actions or suspensions or increase the risk of litigation and have an adverse effect on the price of the NCDs.

**11. *Any project that we acquire, which is still under construction and development, may be subject to cost overruns or delays.***

We may acquire power transmission projects, renewable energy projects and other projects, which are still under construction and development, in accordance with the InvIT Regulations and subject to Unitholders' approval in certain cases. The development of such projects is subject to substantial risks, including various planning, engineering and construction risks. Power transmission projects typically require substantial capital outlays and a long gestation period of between three to four years before the commencement of commercial operation. The owner of a power transmission project generally begins generating a return on investment after the commencement of commercial operation, which may be delayed due to various reasons. Additionally, the development and construction of renewable energy projects involve numerous risks and uncertainties and require extensive research, planning and due diligence. Before we can determine whether a renewable energy project is economically, technologically or otherwise feasible,



we may be required to incur significant capital expenditure for land and interconnection rights, regulatory approvals, preliminary engineering, equipment procurement, legal and other work.

Under the InvIT Regulations, we can only acquire a project which has received all requisite approvals and certifications for commencing operations. Several key steps must be taken before power transmission and renewable energy projects start to operate, recover costs and generate revenue, including:

- conducting surveys and investigations for the proposed route;
- entering into construction contracts and long-term service agreements with contractors with sufficient expertise;
- purchasing necessary transmission equipment;
- acquiring land with satisfactory land use permissions from land owners and local authorities;
- securing necessary project approvals, licences and permits in a timely manner;
- procuring sufficient equity, debt, mezzanine and other necessary financing on competitive terms;
- entering into or securing transmission and tariff-related arrangements including, TSAs, RSAs and tariff orders and PPAs or other arrangements on acceptable terms; and
- completing transmission on identified lines or construction on schedule.

During the construction and development phases of a project we may also suffer from the unavailability of equipment or supply, work stoppages, labor or social unrest, adverse weather conditions, natural calamities, delays in construction, delays in clearances, unforeseen construction-related and/or operational delays and defects, delivery failures by contractors, increased cost of raw materials, unavailability of adequate funding, inability to secure rights of way for certain portions of the transmission line, failure to complete projects within budget and in accordance with the required specifications, additional interest costs incurred due to project delays, legal actions brought by third parties, changes in government, regulatory and tax policies, foreign exchange movements, adverse trends in the power transmission industry or general economic conditions in India. For example, the construction of the transmission lines of the BDTCL and JTCL was delayed by more than a year due to delays in obtaining approvals and clearances from relevant authorities. The commissioning of the PKTCL was delayed due to among other things delay in obtaining forest clearances, strikes and other *force majeure* events. Additionally, the construction of the OGPTL transmission lines was delayed due to, amongst other factors, unseasonal and heavy rainfall and flood in Odisha and delay in the grant of forest clearance to OGPTL in respect of the forest land acquired for the construction of the said transmission lines. Similarly, the construction of the 400 kV D/C Agra-Prithala line, 400/220 GIS Prithala Substation, Prithala-Kadarpur 400 kV D/C HTLS line and 400/220 kV substation at Kadarpur by GPTL was adversely affected due to amongst others, delay in obtaining the required forest approval for diversion of forest along the Agra canal on account of lack of administrative clarity and failure of HPVL in sharing the Control and Relay Protection System in a timely manner. Any delays in procuring approvals and permits for the transmission assets that we acquire in the future could impact construction timelines, which in turn could affect our ability to operate them.

The Sterlite Sponsor has limited control over the land acquisition process, both in terms of timing and ability to obtain the land on commercially acceptable terms, since the Sterlite Sponsor needs to acquire land through the state governments or from private landowners. Similarly, the Sterlite Sponsor has limited control over obtaining forest clearances that block its projects. The Sterlite Sponsor may not be able to acquire the land required for substations, obtain forest clearances for diversion of forest land or secure the required rights of way in a timely manner or at all. Delay in constructing infrastructure, such as bay ends at connecting substations, which are not within the scope of the project, but are critical for the operation of the project may also delay the construction of the project. Certain Portfolio Assets have also filed petitions in this regard. For details, please see the section entitled “*Legal Proceedings*” on page 301. Such delays in the development of the Sterlite Sponsor’s power transmission projects could in turn delay the Trustee’s exercise of our right of first offer with respect to such projects.

The foregoing factors may also give rise to risks in the building and construction phase of power transmission projects and create delays in the completion of such projects. Construction disruptions or delays could impede our ability to exercise our right of first refusal in respect of assets owned by the Sterlite Sponsor, and in turn materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

**12. *If environmental conditions at our Proposed Solar Projects are unfavourable, our electricity production, and therefore our revenue from operations, may be substantially below expectations.***

The revenues that will be generated by our Proposed Solar Projects are proportional to the amount of electricity generated, which in turn is dependent upon prevailing environmental conditions. Operating results for solar energy projects vary significantly depending on natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. In some periods, the solar conditions may fall within our long-term estimates but not within the averages expected for such period. In addition, the amount of electricity our Proposed Solar Projects produce is dependent in part on the amount of sunlight or irradiation.

Unfavourable weather and atmospheric conditions could impair the effectiveness of our Proposed Solar Projects or reduce their output to levels below their rated capacity. Furthermore, components of our systems, such as solar panels and inverters, could be damaged by severe weather conditions, such as hailstorms, tornadoes or lightning strikes or certain levels of pollution, dust and humidity. The operational performance of a particular solar energy project also depends on the contour of the land on which the project is situated. In case of a highly variable contour, the output of the solar farm situated on such a surface may be sub-optimal. Our Proposed Solar Projects will also be affected by the monsoon season.

A sustained decline in environmental and other conditions at our solar energy projects could lead to a material adverse change in the volume of electricity generated. As a consequence, our business, cash flows, financial condition, results of operations and prospects may be materially and adversely affected.

**13. *Some of our business is dependent on the regulatory and policy environment affecting the renewable energy sector in India.***

The regulatory and policy environment in which we operate is evolving and subject to change and we will depend in part on government policies that support renewable energy and enhance the economic feasibility of developing renewable energy projects. The GoI provides incentives that support the generation and sale of renewable energy, and additional legislation is regularly being considered that could enhance the demand for renewable energy and obligations to use renewable energy sources. If any of these incentives or policies are adversely amended, eliminated or not extended beyond their current expiration dates, or if funding for these incentives is reduced, or if governmental support of renewable energy development, particularly solar energy, is discontinued or reduced, it could have an adverse effect on our ability to obtain financing or impact the profitability of our Proposed Solar Projects. The GoI has accorded renewable energy “must-run” status, which means that any renewable power that is generated must always be accepted by the grid. However, certain state electricity boards may order the curtailment of renewable energy generation despite this status and there have been instances of such orders citing grid safety and stability issues being introduced in the past. This may occur as a result of the state electricity boards purchasing cheaper power from other sources or transmission congestion owing to a mismatch between generation and transmission capacities. There can be no assurance that the GoI will continue to maintain the “must-run” status for renewable energy or that the state electricity boards will not make any orders to curtail the generation of renewable energy.

There is no assurance that the GoI will continue to provide incentives and allow favourable policies to be applicable to our Proposed Solar Projects. The GoI may reduce or eliminate these economic incentives for political, financial or other reasons. In addition, policy incentives may be available for a limited period, and there can be no assurance that the validity of such schemes will be extended.

Any change in policy that results in the curtailment of renewable energy generation may have an adverse effect on our business. If governmental authorities do not continue supporting, or reduce or eliminate their support for, the development of renewable energy projects, it may become more difficult to obtain financing, our economic return on certain projects may be reduced and our financing costs may increase. A delay or failure by governmental authorities to administer incentive programmes in a timely and efficient manner could also have an adverse effect on obtaining financing for our Proposed Solar Projects. These may, in turn, have a material and adverse effect on our business, financial condition, results of operations and prospects.

**14. *The Investment Manager may not be able to execute our growth strategy successfully, including in respect of acquisitions of the future assets.***

Under the terms of the Framework Agreement, we are not able to acquire the Framework Asset until such projects meet the eligibility criteria specified in the InvIT Regulations. Our growth therefore depends, in part, on the ability of the Sterlite Sponsor to manage the development and construction of new projects in a timely and cost-effective manner. If the Sterlite Sponsor determines that any one or more of the Framework Asset which have been awarded to it are

based on bids that it later determines to be unviable or if the Sterlite Sponsor's expenses required for the completion of such projects are not on commercial terms favorable to it, the Sterlite Sponsor's ability to complete awarded projects profitably or at all may be adversely affected, which could materially and adversely affect our ability to realize the anticipated benefits from the Framework Agreement.

In addition, the projected yields which the Sterlite Sponsor anticipates at the point of bidding may not materialize and the Sterlite Sponsor may have to apply to the CERC for tariff enhancements. While, tariff enhancement applications in respect of the ENICL, JTCL, MTL and BDTCL projects have been approved by CERC previously, there can be no assurances that future tariff enhancements applications for any of the Portfolio Assets or future assets will be granted.

Our growth strategy includes expanding our portfolio of project companies through acquisitions in order to maximize distributions for our Unitholders, ensure payments to the NCD Holders, improve portfolio diversification and enhance flexibility. The Investment Manager undertakes the management and control of our business and growth strategy. No NCD Holder may have the opportunity to evaluate the Investment Manager's decisions regarding specific strategies used or the acquisitions made on our behalf, or the terms of any such acquisitions, including in respect of the future assets.

The primary component of our current growth strategy is to acquire (i) additional infrastructure projects within the power transmission sector, and (ii) the Proposed Solar Projects, namely FRV I and FRV II from FRV Solar Holdings XI B.V. There can be no assurance that the Investment Manager will be able to implement this strategy successfully due to amongst other things, non-receipt of required approvals, non-availability of funding and breach of obligations by counterparties to the relevant definitive agreements. Further, there can be no assurance that it will be able to expand our portfolio at all, or at any specified rate or to any specified size. The Investment Manager may not be able to make acquisitions or investments or divestments of power transmission projects or renewable energy projects on favorable terms or at all. Even if the Investment Manager was able to successfully make additional acquisitions or investments, there can be no assurance that such acquisitions or investments will produce incremental distributions to our Unitholders, receivables to our NCD Holders and improve our prospects or overall financial condition. We may also be exposed to liability with the acquisition of additional power transmission projects and renewable energy projects.

In addition, as power transmission projects are illiquid in nature, it also may make it difficult for us to sell our Portfolio Assets. Further, pursuant to the InvIT Regulations, we are required to hold an infrastructure asset for a minimum period of three years from the date of purchase.

The Investment Manager expects to face competition for acquisition opportunities, and competitors for these opportunities may have greater financial resources or access to financing on more favorable terms than us. Further, it may be that the types of investments sought by the Investment Manager are small in number. This competition, and possible limits in the number of available opportunities, may limit acquisition opportunities, lead to higher acquisition prices, or both.

In general, acquisitions involve a number of risks, including the inability to secure or repay the financing required to acquire large power transmission projects and renewable energy projects, the failure to retain key personnel of the acquired business and the failure of the acquired business to achieve expected results. Our Investment Manager may fail to identify material risks or liabilities associated with the acquired business prior to its acquisition, such as repayment or default risks related to existing debt of assets that we may acquire. The execution of our acquisition growth strategy may also divert the Investment Manager's attention from the profitable management of IndiGrid.

Additionally, acquisition of power transmission and renewable energy assets is subject to substantial risks, including the failure to identify material problems during due diligence (for which we may not be indemnified), the risk of overpaying for assets or not making acquisitions on an accretive basis, the ability to collect revenues and, if the projects are in new markets, the risk of entering markets and technologies where the Investment Manager has limited or no experience. In addition, any control deficiencies in the accounting systems of the assets that we acquire may make it more difficult to integrate them into our existing accounting systems. While the Investment Manager will perform due diligence on our prospective acquisitions, we may not be able to discover all potential operational deficiencies in such projects. The integration and consolidation of acquisitions requires substantial human, financial and other resources and may divert the Investment Manager's attention from our existing business concerns, disrupt our ongoing business or otherwise fail to be successfully integrated. There can be no assurance that any future acquisitions will perform as expected or that the returns from such acquisitions will support the financing utilized to acquire them or maintain them. As a result, the consummation of acquisitions may have a material adverse effect on the Investment Manager's ability to execute our growth strategy, which could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flow and interest payable and redemption of the NCDs.

**15. *IndiGrid has a limited operating history, which will make it difficult for our future performance to be assessed.***

IndiGrid was settled as a trust on October 21, 2016 and was registered with SEBI as an infrastructure investment trust or InvIT on November 28, 2016. IndiGrid acquired its interests in BDTCL and JTCL immediately prior to listing pursuant to the initial public offer of its Units on June 6, 2017. We own thirteen fully commissioned projects, (i) BDTCL, JTCL, PKTCL, 49% of RTCL (and 74% as of date), 49% of MTL, NTL, OGPTL and ENICL, that we acquired from the Sterlite Sponsor in May 2017, May 2017, February 2018, February 2018, February 2018, June 2019, July 2019, May 2020, respectively and 49% of GPTL (with 100% economic ownership) and 49% of NER that we acquired from SGL4 in August 2020 and March 2021, respectively; (ii) 46% of PTCL (74% as of date), that we acquired from TEECL and TPGCL in August 2018; (iii) JKTPL that we acquired from KPTL and TEECL in October 2020; and (iv) 74% of PrKTCL that we acquired from Reliance Infrastructure Limited in January 2021. Accordingly, IndiGrid, as an infrastructure investment trust, has a limited operating history by which our past performance may be judged. This will make it difficult for investors to assess our future performance. There can be no assurance that we will be able to generate sufficient revenue from our operations to service our borrowings. Historical financial data has been included elsewhere in this Draft Shelf Prospectus, and there are estimates and judgments inherent in the preparation of such data. There can be no assurance that our future performance will be consistent with the estimates of past financial performance included elsewhere in this Draft Shelf Prospectus.

**16. *We may not be able to successfully fund future acquisitions of new projects due to the unavailability of debt or equity financing on acceptable terms or at all, which could impede the implementation of our acquisition strategy and negatively impact our business.***

We will rely on debt and equity financing to expand our portfolio of projects through acquisitions in the future, including in respect of the Future Assets, which may not be available on favorable terms or at all.

Debt financing to fund the acquisition of a project may not be available on short notice or may not be available on acceptable terms. Since the timing and size of acquisitions cannot be readily predicted, we may need to be able to obtain funding on short notice to benefit fully from opportunities. However, under applicable law, the aggregate consolidated borrowings and deferred payments net of cash and cash equivalents of IndiGrid cannot exceed 70% of the value of our assets. As our borrowings and payments have exceeded 49%, we have obtained a credit rating of “AAA” or equivalent for the consolidated borrowing and proposed borrowing under the InvIT Regulations. In addition, such level of indebtedness of IGL, IGL1, IGL2 and the InvIT Assets may impact our ability to borrow without prior approval of our Unitholders.

Restrictions imposed by the Reserve Bank of India may limit our ability to borrow overseas for projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that any required regulatory approvals or borrowing in foreign currencies will be granted to us without onerous conditions, or at all.

Debt financing may increase our vulnerability to general adverse economic and industry conditions by limiting our flexibility in planning for or reacting to changes in our business and our industry. We will also be subject to the risk that certain covenants in connection with any future borrowings may limit or otherwise adversely affect our operations and our ability to acquire additional projects or undertake other capital expenditure by requiring us to dedicate a substantial portion of our cash flows from operations to payments on our debt.

We may also fund the consideration (in whole or in part) for future acquisitions through the issuance of additional NCDs or Units. Such issuances may result in the dilution of the interests held by existing NCD Holders and Unitholders. IndiGrid may not be able to complete the issuance of the required number of Units or NCDs on short notice or at all due to a lack of investor demand for the Units or NCDs at prices that it considers to be in the interests of then-existing Unitholders and NCD Holders. As a result of a lack of funding, we may not be able to pursue our acquisition strategy successfully. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

**17. *We operate in a highly competitive environment, and increased competitive pressure could adversely affect our business and the ability of the Investment Manager to execute our growth strategy.***

The market for investing in power transmission projects, and energy infrastructure generally, is highly competitive and fragmented, and the number and variety of investors for energy infrastructure assets has been increasing. Some of our competitors are, or may be supported by, large companies that have greater financial, managerial and other resources than us. Our competitors may also have established relationships with other stakeholders that may place

them in a better position to take advantage of certain opportunities. The competitive environment may make it difficult for the Investment Manager to successfully acquire power transmission and renewable energy projects. Our ability to execute our growth strategy could be adversely affected by the activities of our competitors and other stakeholders. These competitive pressures could have a material adverse effect on our business, prospects, expected capital expenditures, results of operations, cash flows and financial condition.

**18. *We may not be able to acquire the Framework Asset from the Sterlite Sponsor within the timelines stipulated in the Framework Agreement entered into with the Sterlite Sponsor, or at all.***

On April 30, 2019, we entered into the Framework Agreement which was further amended on August 28, 2020 with the Sterlite Sponsor through which we agreed to acquire the Framework Asset from the Sterlite Sponsor, subject to definitive share purchase agreements being entered into within the earlier of 24 months from the date of commissioning or December 31, 2022 for KTL.

If the final consideration payable or other terms of the share purchase agreement differ or are more onerous than currently contemplated, such acquisitions may require us to incur higher acquisition and financing costs or not complete such acquisitions, and our financial condition and results of operations may be adversely affected.

Further, the Sterlite Sponsor's ability to complete the construction of the Framework Asset on time is subject to its ability to award subcontracts to competent contractors in a timely manner and to ensure the timely execution of such contracts, while ensuring that the required quality is maintained by these contractors. Price increases, foreign exchange movement or shortages in the availability of equipment could adversely affect the Sterlite Sponsor's ability to develop projects in line with its projected budget or originally envisaged timeframes. While the Sterlite Sponsor may enter into fixed price contracts for its power transmission projects under implementation, the cost of these contracts is ultimately affected by the availability, cost and quality of raw materials. The tower structure, conductors, insulators and transformers are major components in a power transmission project and any delay in placing orders or obtaining delivery may result in increased prices. The prices and supply of the tower structure, conductors, insulators and transformers and other equipment depend on factors not under the Sterlite Sponsor's control, including general economic conditions, foreign exchange rate fluctuations, competition, production levels, transportation costs, exchange rates and import duties. In addition, the recent spread of the novel coronavirus (COVID -19) may affect the ability of the Sterlite Sponsor to develop projects in line with its projected budget or originally envisaged timeframes.

The Framework Asset which are under development by the Sterlite Sponsor are also subject to risks associated with the engagement of third party contractors which may delay or even prevent such Framework Asset from being offered to us under the Framework Agreement. The Sterlite Sponsor undertakes construction of the relevant infrastructure and substations for its power transmission projects through third party contractors and suppliers and is accordingly, entirely dependent on the skills of these third party contractors for the construction and installation of the power transmission projects and the supply of most infrastructure and equipment. The Sterlite Sponsor's selection criteria for contractors are primarily based on their execution capability and track record, and the technical experience and financial position requirements of the projects. The availability of competent construction companies may be limited due to the experience, skills and competence required for the construction of power transmission of the voltage as the Sterlite Sponsor's projects and the shortage of construction companies available to undertake large and complex power transmission projects.

The Sterlite Sponsor has limited control over the quality of services, equipment or supplies provided by these contractors and may be exposed to risks relating to the timely delivery and the quality of the services, equipment and supplies provided by the contractors necessitating additional investments by the Sterlite Sponsor to ensure the adequate performance and delivery of contracted service. If the performance of contractors is inadequate, this could result in incremental cost and time overruns which in turn could adversely affect the Sterlite Sponsor's future projects and expansion plans and we may not be able to claim damages for indirect losses and losses which exceed the contract price from the supplier in case of their default. Furthermore, there is no assurance that the Sterlite Sponsor's contractors will not violate any applicable laws and regulations, including environmental laws and regulations, in their provision of services. If the Sterlite Sponsor becomes aware that any of its contractors is involved in any material breach of applicable laws and regulations, the Sterlite Sponsor may not be able to continue with the relevant contracting agreement with such contractor or be able to replace such contractors on similar terms or terms acceptable to the Sterlite Sponsor or at all.

The Sterlite Sponsor may not be able to sell the Framework Asset to us if the Sterlite Sponsor remains subject to lock-in requirements under the project agreements entered into with the authorities or any requisite consents from LTTCs and/or CERC are not obtained.

In addition, the Framework Agreement may be terminated, in certain circumstances, including (i) by mutual consent of the parties to the Framework Agreement; and (ii) if the Framework Asset are not acquired within the timelines prescribed in the Framework Agreement, unless it is mutually agreed to extend the timeline. Termination of the Framework Agreement would adversely affect our ability to implement our acquisition growth strategy, and consequently have a negative impact on our business and overall prospects.

**19. *Opposition from local communities and other parties may adversely affect our financial condition, results of operations and cash flows.***

The construction and operation of our power transmission systems, substation projects and Proposed Solar Projects may have significant consequences on grazing, logging, agricultural activities, mining and land development as well as on the ecosystem of the affected areas. The environmental impact of a particular project typically depends on the location of the project and the surrounding ecosystem. Further, the construction and operation of our power transmission systems and Proposed Solar Projects may disrupt the activities and livelihoods of local communities, especially during the project construction period. Repair work on a project may be delayed in order to resolve local community concerns. Any such opposition may adversely affect our financial condition, results of operations and cash flows, and harm our reputation.

Our Portfolio Assets could be subject to opposition, such as through litigation or by other means, from public interest groups, local communities or non-governmental organizations, in relation to the environmental impact of their transmission projects or in relation to land acquisition, acquisition and use of rights of way and construction activities for their projects and the consequent impact on the livelihood of affected communities.

Several of the parcels of land on which the Portfolio Assets' existing substations are situated were acquired by the GoI or the relevant state governments and were thereafter awarded to us. Land so acquired may remain subject to disputes after it is transferred to our Portfolio Assets.

In addition, there are various court proceedings pending against the Portfolio Assets with respect to land on which the Portfolio Assets have right of way, for the purposes of construction of the transmission lines, most of which relate to demands for increased compensation by landowners. For example, the lands on which the transmission lines of, inter alia, MTL, BDTCL and JTCL are situated are subject to litigation in relation to right of way claims from land owners, which caused delays in the operation of the transmission lines. For further details, please see the section entitled "*Legal Proceedings*" on page 301.

**20. *Our operations are subject to environmental, health and safety laws and regulations.***

Our operations are subject to environmental laws and regulations in the various locations in India where our Portfolio Assets operate. Although most environmental approvals were obtained prior to completion of construction of the Portfolio Assets, environmental laws and regulations in India have, and may continue to become, more stringent. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on the Portfolio Assets, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

The employees and contractors on our power transmission projects and the Proposed Solar Projects are exposed to risks. If safety procedures are not followed or if certain materials used in our equipment is improperly handled, it could lead to injuries to employees, contract laborers or other persons, damage our Portfolio Assets' properties and properties of others or harm the environment. Due to the nature of these materials, we may be liable for certain costs, including costs for health-related claims, or removal or treatment of hazardous substances, including claims and litigation from or relating to current or former employees for injuries arising from occupational exposure to materials or other hazards at power substations and transmission facilities. This could result in significant disruption in our businesses and legal and regulatory actions, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows and adversely affect our reputation. For example, a fatal accident at the time of construction along the transmission line set up by BDTCL resulted in the death of eight laborers.

**21. *Our success depends in large part upon our Investment Manager and our Project Manager, the management and skilled personnel that they employ and their ability to attract and retain such persons.***

Our success and ability to ensure consistent receivables to the NCD Holders depends on the continued service of management teams and skilled personnel of our Investment Manager and our Project Manager. Each faces a continuous challenge to recruit and retain a sufficient number of suitably skilled personnel. Generally, there is significant competition for management and other skilled personnel in our industry in India, and it may be difficult to attract and retain the skilled personnel that our Investment Manager or our Project Manager need. In particular, even if our

Investment Manager and our Project Manager were to increase their pay structures to attract and retain such personnel, they may be unable to compete with other companies for suitably skilled personnel to the extent they are able to provide more competitive compensation and benefits. Further, our operational growth due to the acquisition of assets and the expansion of our portfolio may result in difficulties in the recruitment of a sufficient number of suitably skilled personnel. In addition, our Investment Manager and Project Manager may not be able to adequately redeploy and retrain their employees to keep pace with continuing changes, evolving standards and changing customer preferences. Our Investment Manager and Project Manager may face difficulties in providing opportunities for growth and promotion to the existing employees. The loss of key personnel, due to such reasons, may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**22. *Upgrading or renovation work or physical damage to our power transmission projects and Proposed Solar Projects may disrupt their operations.***

Our power transmission projects and Proposed Solar Projects may need to undergo upgrading, renovation or repair work from time to time to retain their optimal operating condition and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of changes pertaining to operations and maintenance. Our power transmission projects may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or renovation work. In addition, physical damage to power transmission and renewable energy projects resulting from fire, severe weather or other causes may lead to a significant disruption to, or a long-term cessation of, business and operations and, together with the foregoing, may result in unforeseen costs, which may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**23. *Grid disturbances or failures could adversely affect our reputation and relations with regulators and stakeholders.***

Grid disturbances can arise due to the imbalance between power being delivered to and removed from the transmission system. For example, in July 2012, India experienced grid disturbances, which caused large-scale power outages in three of India's five interconnected power grids. The grid disturbances were caused by a combination of factors, including weakened inter-regional corridors due to multiple outages on other transmission lines, a delay or refusal by power generators to reduce power generation at the time of reduced demand and overdrawing of electricity by some of the provincial utilities. Further, in April 2020, grid disturbances were caused due to the nationwide scheduled blackout aimed to show support for workers maintaining the country's essential services. In October 2020, Mumbai experienced a grid failure and consequent power outage due to failure of two transmission lines and the overloading of the remaining transmission system.

Although our Portfolio Assets deploy modern methods for maintenance, load dispatch and communications systems to avoid such outcomes, the grid could again experience disturbances and such disturbances could adversely affect our reputation, business, prospects, financial condition, results of operations and cash flows. For instance, in May 2020, due to bad weather, one of the transmission lines operated by JKTPL, our Portfolio Asset experienced overvoltage and the substation was temporarily inoperable due to blackout.

**24. *Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by employees or other disputes with employees.***

The Project Manager has full-time employees focused on day-to-day operations and maintenance and the Portfolio Assets have appointed third party contractors to operate and maintain our transmission systems. Our transmission systems and Proposed Solar Projects may experience disruptions in their operations due to disputes or other problems with labor, and efforts by workers to modify compensation and other terms of employment may divert management's attention and increase operating expenses. The occurrence of such events could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

The Project Manager and our Portfolio Assets enter into contracts with independent contractors to complete specified assignments in respect of our transmission systems and these contractors are required to source the labor necessary to complete such assignments. Although the Project Manager and our Portfolio Assets do not engage these laborers directly, under Indian law they may be held responsible for wage payments to laborers engaged by contractors, should the contractors default on wage payments. Any requirement to fund such payments may materially and adversely affect the business, prospects, financial condition, results of operations and cash flows. Furthermore, pursuant to the provisions of the Contract Labor (Regulation and Abolition) Act, 1970, the Project Manager and our Portfolio Assets may be required to absorb a portion of the wage payments due to such contract laborers that are engaged by independent contractors, as if they were their employees.



**25. *The extent to which the recent coronavirus (COVID-19) outbreak impacts the business, cash flows, results of the operations and financial condition of our Portfolio Assets will depend on future developments, which are highly uncertain and cannot be predicted.***

The rapid and diffused spread of the recent coronavirus (COVID-19) and global health concerns relating to this outbreak have had a severe negative impact on, among other things, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on the business, cash flows, results of operations and financial condition of our Portfolio Assets. The extent to which the COVID-19 outbreak impacts our cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 in India by the GoI, the CERC, the RBI, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe.

Our Portfolio Assets generate all of their revenue in India and are regulated by the Ministry of Power and the CERC. While, the Government of India has declared power transmission and power generation as an essential service and our Portfolio Assets are able to carry out operations and maintenance activities, there could be delays in collection of trade receivables and unbilled revenue. On March 28, 2020, the Ministry of Power directed the CERC to provide a three-month moratorium on payments due to generating companies and transmission licensees, and to not levy penal rates of late payment surcharge. The CERC has accordingly issued an order, directing amongst others, the reduction in late payment surcharge for payments overdue by more than 45 days, for the period from March 24, 2020 to June 30, 2020, to 12% per annum. Such changes in the applicable regulations, whether temporary or permanent in nature, may adversely affect the cash flow, profitability and financial conditions of our Portfolio Assets. We have monitored and considered the impact of known events arising from the COVID-19 including with respect to our liquidity and going concern, recoverable values of property, plant and equipment and the net realisable value of other assets and will continue to closely monitor the impact that COVID-19 may have on our business, financial condition, liquidity and results of operations. Considering we are engaged in the business of transmission of electricity, which is currently considered as essential services, the management believes that impact of COVID-19 on our results of operations, financial condition and liquidity may not be significant, till the time such services are considered as essential services. Accordingly, the actual impact of COVID-19 on our cash flows, results of operations and financial condition may be different than any expected or anticipated impact. Further, our business may be adversely impacted due to factors such as non-availability of staff due to illnesses, delay in receipt of operations and maintenance services, power load variance and non-availability of sufficient funds for future acquisitions.

In addition, as India is a developing country with limited medical resources and certain places with dense populations, the effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries. In April 2020, the IMF revised India's projected real GDP growth in Fiscal 2020 to 1.9%, noting that India entered the pandemic turmoil in the midst of a credit crunch induced slowdown and its recovery path is uncertain. Further, the RBI estimates GDP growth in Fiscal 2021 to remain in negative territory (*Source: RBI Governor Statement dated May 22, 2020*). It is possible that COVID-19 will lead to a prolonged global economic crisis or recession. Further, certain sectors (such as aviation, tourism, hospitality, transportation and logistics, construction and real estate) have in particular been severely affected by COVID-19, which could result in a significant and prolonged loss of demand and revenue for these industries, causing financial stress.

**26. *As direct or an indirect shareholder of our Portfolio Assets, IndiGrid's rights are subordinated to the rights of creditors, debt holders and other parties specified under Indian law in the event of insolvency or liquidation of any of the Portfolio Assets.***

In the event of liquidation of any of the Portfolio Assets, secured and unsecured creditors of such Portfolio Assets will be entitled to payment from the liquidation proceeds in priority to us in our capacity as a direct or indirect equity shareholder of the Portfolio Assets. Under the Insolvency and Bankruptcy Code, 2016, in the event of winding-up of any of the Portfolio Assets, workmen's dues and debts due to secured creditors which rank *pari passu* are required to be paid in priority over all other outstanding debt, followed by wages and salaries of employees, debts due to unsecured creditors, any amounts due to the central or state government, any other debts, preference shareholders and equity shareholders. Further, amounts payable to us in respect of any unsecured debt issued by our Portfolio Assets will be subordinated in the manner set forth above.

Under the terms of the TSAs executed by the Portfolio Assets with LTTCs, the Portfolio Assets are not permitted to create or subsist any encumbrance over all or any of their rights and benefits under the TSAs. However, the Portfolio

Assets are permitted to create any encumbrance over all or part of the receivables, including under the TSAs, letters of credit or the other assets of the Portfolio Assets in favour of lenders or representatives of lenders on their behalf, as security for amounts payable under the financing agreements with such lenders, subject to the conditions specified under the TSAs.

Direct and indirect tax assessments of the Portfolio Assets for only few years have been initiated by the relevant government department and authorities and there may be additional tax liabilities, including if pending tax litigation is ruled against us.

Accordingly, amounts payable to us in respect of any unsecured debt subscribed by us, will, upon enforcement of security over such receivables, letters of credit or the other assets of the Portfolio Assets, be subordinated to amounts payable in respect of statutory dues and operating and maintenance expenses (including operating expenses payable to the Portfolio Assets, if any), as well as to amounts payable to secured lenders.

**27. *Our lenders have substantial rights to determine how we conduct our business which could put us at a competitive disadvantage and our borrowings are secured by all of the assets of the Portfolio Asset and their shares.***

Loans under the loan agreements and other facilities availed are secured by, amongst others, (i) first ranking pari passu charge over all present and future immovable assets; (ii) first ranking pari passu charge on all tangible movable assets, including movable plants and machinery, machinery spares, tools and accessories and all other movable assets and current assets, both present and future; and (iii) first charge, including by way of hypothecation, over all accounts, both present and future, that may be opened in accordance with the loan documents; (v) assignment by way of security or charge by way of hypothecation, over all right, title, interest, claims, benefits and demands relating to, (a) the agreements in relation to the Project (the “**Project Agreements**”); (b) clearances obtained pertaining to the project; (c) any letter of credit, guarantee, including contractor guarantees, liquidated damages, consent agreements, side letters or performance bond provided by any party to the Project Agreements; and (d) insurance contracts and insurance proceeds pertaining to the project; and (vi) pledge of up to 99% of the equity share capital of the Portfolio Assets, in terms of the financing agreements.

The shares of following Portfolio Assets have been pledged as detailed in the table below, as of date:

Portfolio Asset	Loan facility and lenders	Pledge of Portfolio Asset shares
BDTCL	External commercial borrowing from India Infrastructure Finance Company (UK) Limited and non-convertible debentures issued by IndiGrid	IGL has pledged 51% of its equity shares of BDTCL
JTCL	Rupee term loan availed by IndiGrid from IndusInd Bank Limited;	IGL has pledged 99% of its equity shares of JTCL
MTL	Rupee term loan availed by IndiGrid from Federal Bank Limited;	IGL2 has pledged 51% of its equity shares of MTL. IGL has pledged 48% of its equity shares of MTL
RTCL	Rupee term loan availed by IndiGrid from Axis Bank Limited; and	IGL has pledged 73% of its equity shares of RTCL; IGL1 has pledged 26% of its equity shares of RTCL
PKTCL	non-convertible debentures issued by IndiGrid	IGL has pledged 99% of its equity shares of PKTCL
PTCL		IndiGrid has pledged 73% of its equity shares of PTCL
NTL		IGL1 has pledged 99% of its equity shares of NTL
JKTPL		IndiGrid has pledged 99% of its equity shares of JKTPL
IGL1		IndiGrid has pledged 99% of its equity shares of IGL1
OGPTL	Rupee term loan availed by OGPTL from Axis Bank Limited	IGL2 has pledged 30% of its equity shares of OGPTL; IGL2 has provided NDU equivalent to 21% of its equity shares of OGPTL
GPTL	Rupee term loan availed by GPTL from HDFC Bank Limited, NIIF and Bank of Maharashtra	IndiGrid has pledged 48.91% of its equity shares of GPTL and SGL4 has pledged 2.09% of its equity shares of GPTL
PrKTCL	Rupee term loan availed by PrKTCL from IDFC Bank Limited and NIIF	IndiGrid has pledged 51% of its equity shares of PrKTCL

For further details, please see sections entitled “*Description of Portfolio Assets*” and “*Disclosures on Existing Financial Indebtedness*” on pages 185 and 233 respectively.

In the event of a default under these loan agreements, there is a risk that the lenders could enforce the pledge by way of court procedure followed by a public auction of the pledged shares. Further, we may be required to pledge the shares of the Portfolio Assets for any refinanced or additional indebtedness. If we lose ownership or control of the Portfolio Assets, or of all or some of their assets as a result of the enforcement of security by a lender, our business, prospects financial condition, results of operation, cash flows would be adversely affected.

**28. *We have a substantial amount of outstanding borrowings, which requires significant cash flows to service, and limits our ability to operate freely.***

As of December 31, 2020, our consolidated total borrowings (consisting of non-current borrowings and current maturities of long term borrowings) was ₹ 87,405.59 million. For further details, please see the section entitled “Disclosures on Existing Financial Indebtedness” on page 233.

We intend to finance the majority of the cost of our future acquisitions of power transmission and renewable energy companies through debt and therefore expect to incur substantial additional borrowings in the future. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business.

Further, we may be required to refinance our outstanding borrowings in the future. There is no assurance that we will be able to obtain such financing, on favorable terms, or at all, which may have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that we will generate sufficient cash to service existing or proposed borrowings or fund other liquidity needs, which could have an adverse effect on our business, cash flows and results of operations.

**29. *Our insurance policies may not provide adequate protection against various risks associated with our operations.***

Our operations are subject to a number of risks generally associated with the transmission of electricity. We have obtained insurance policies for the majority of our Portfolio Assets to cover risks including loss or damage from fire, flood, landslide, storm, terrorism, sabotage, machinery breakdown and any accidental and physical loss and destruction or damage to the insured property due to a cause, other than as excluded in the insurance policies. These risks can cause personal injury and loss of life and damage to, or the destruction of, property and equipment (including infrastructure developed by us) and may result in the limitation or interruption of our business operations and the imposition of civil or criminal liabilities. These insurance policies are subject to exclusions for certain circumstances including, among others, faulty or defective design materials or workmanship, wear and tear, larceny, acts of fraud or dishonesty, any wilful act or wilful negligence on the part of the insured or any person acting on its behalf, war, invasion, damage caused by nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear fuel or nuclear waste, loss or damage caused directly or indirectly from discharge of pollutants or contaminants, and certain properties, including, among others, money, cheques, bonds, credit cards, securities of any description and explosives.

Our insurance policies may not be sufficient to cover any material losses that we may incur in the future and we may not be able to renew our insurance arrangements, which typically extend for a period of one year, on similar terms or at all. If our losses significantly exceed our insurance coverage, cannot be recovered through insurance or occur during a period during which insurance coverage had lapsed, our business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected.

In addition, we may not be able to maintain insurance of the types or at levels which are necessary or adequate for our business or at rates which are reasonable, in particular, in case of significant increases in premium levels at the time of renewing insurance policies or the lack of availability of insurance companies to underwrite these risks. The costs of higher insurance premiums could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Furthermore, the occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**30. *We may be required to record significant charges to earnings in the future when we review our power transmission assets for potential impairment.***

Under Ind AS, we are required to review our power transmission assets for impairment whenever circumstances indicate the carrying value may not be recoverable. Various uncertainties, including deterioration in global economic conditions that result in upward changes in the cost of capital, increases in cost of completion of such power transmission assets and the occurrence of natural disasters that impact our power transmission assets, could impact expected cash flows to be generated by such assets, and may result in impairment of these power transmission assets in the future. For instance, we have incurred impairment related expenditure for IGL, BDTCL, JTCL, RTCL, PKTCL, MTL, PTCL, NTL, OGPTL, ENICL during Fiscal 2020.

31. ***The financial information presented in this Draft Shelf Prospectus may not be indicative of our future financial condition, results of operations and cash flows.***

The financial information included in this Draft Shelf Prospectus may not be comparable to our consolidated financial statements going forward on account of the acquisitions of eligible infrastructure assets in the power transmission and renewable energy sectors in accordance with our Investment Objectives.

32. ***This Draft Shelf Prospectus includes certain unaudited financial statements, which has been subjected to limited review, in relation to the Trust. Reliance on such information should, accordingly, be limited.***

This Draft Shelf Prospectus includes the Unaudited Interim Condensed Consolidated Financial Statements for nine months ending December 2020 and the Unaudited Interim Condensed Standalone Financial Statements for nine months ending December 2020 in relation to the Trust in respect of which the Auditors have issued their Limited Review Reports dated February 24, 2021. As the Unaudited Interim Condensed Consolidated Financial Statements for nine months ending December 2020 and the Unaudited Interim Condensed Standalone Financial Statements for nine months ending December 2020 prepared in accordance with Ind AS 34 and the InvIT Regulations have been subject only to a limited review as described in Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the ICAI, and not to an audit, any reliance by prospective investors on such limited review financial information for the nine months ended December 31, 2020 should be limited.

33. ***Classification of the transmission assets in the Portfolio Assets as tangible assets.***

We classify the transmission assets in the Portfolio Assets, apart from the transmission asset in JKTPL as tangible assets under Ind AS 16 – *Property, Plant and Equipment* and not as financial and/or intangible assets under Appendix D of Ind AS 115 – *Revenue from contracts with customers*. The transmission asset in JKTPL is classified as a “service concession agreement” under Appendix D to Ind AS 115. If there is a change in the classification, accounting policies or the interpretation which results in the other transmission licenses held by the Portfolio Assets being considered “service concession arrangements” under Appendix D to Ind AS 115, it would have significant implications on our financial statements resulting in a material adverse effect on our financial condition, results of operations and cash flows. In such case, a substantial part of our income would be considered financial income and a substantial part of our assets would be considered financial and/or intangible assets where none of the property, plant or equipment of the Portfolio Assets would be reflected on their respective balance sheets and accordingly there would be no depreciation on property, plant or equipment in the statement of profit and loss.

34. ***There are risks associated with the expansion of our business to new areas.***

As part of our growth strategy, we may expand our business to new areas, which may prove more difficult or costly than anticipated. For example, we intend to pursue additional sources of revenue, such as optical fiber and tower leasing, which we may be unable to monetize due to regulations issued by CERC which require the sharing of revenue from power transmission projects or if we are unable to obtain requisite approvals from CERC or LTTCs.

35. ***Critical aspects of our power transmission projects have a limited duration.***

Our TSAs have a term of 35 years except the TSAs in respect of ENICL and JKTPL which have a term of 25 years. The renewal of the TSA in respect of ENICL is subject to the discretion of the CERC while the extension of the TSA in respect of JKTPL is subject to the discretion of Haryana Vidyut Prasaran Nigam Limited. There can be no assurance that we can replace our physical assets or renew our TSAs on acceptable terms, if at all.

While the TSAs have a duration of 35 years, the transmission licenses issued by CERC are valid for a period of 25 years from the date of issue of the transmission license. There can be no assurances that these licenses will be renewed.

36. ***The Valuation Report, and any underlying reports, are not opinions on the commercial merits of IndiGrid or the Portfolio Assets, nor are they opinions, expressed or implied, as to the future trading price of the NCDs or financial condition upon listing, and the valuation contained therein may not be indicative of the true value of our assets.***

S. Sundararaman has been appointed as an independent valuer to undertake independent appraisals of the Portfolio Assets as on December 31, 2020. The valuer has issued the Valuation Report, which sets out his opinion as to the fair enterprise value of NER as on December 31, 2020 and has also issued valuation reports in respect of the other Portfolio Assets on December 31, 2020 (“**Valuation Reports**”). In order to issue the Valuation Reports, the Valuer based certain assumptions to estimate the fair enterprise value of the Portfolio Assets using the discounted cash flow method on

information provided by and discussions with or on behalf of us and the Investment Manager, and which reflects current expectations and views regarding future events and, therefore, necessarily involves known and unknown risks and uncertainties. The Valuation Reports contain forecasts, projections and other “forward-looking” statements that relate to interest rates and other future events, which are, by their nature, subject to significant risks and uncertainties. Further, S R B C & CO LLP, Chartered Accountants has provided no assurance on the forecasts, financial projections and prospective financial information and performed no service with respect to it. The future events referred to in these forward-looking statements involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. For further details, please see “*Valuation Report*” attached as Annexure C.

Furthermore, not all assumptions used in the preparation of the Valuation Reports have been included herein. The Valuation Reports are not an opinion on the commercial merits and structure of IndiGrid or the Portfolio Assets nor is it an opinion, expressed or implied, as to the future trading price of our Securities, including the NCDs, or our financial condition upon listing of the NCDs issued pursuant to this Issue. The Valuation Reports do not purport to contain all the information that may be necessary or desirable to fully evaluate us or the Portfolio Assets or an investment in the IndiGrid or our NCDs. The Valuation Reports are not based on a comprehensive review of the business, operational or financial condition of the Portfolio Assets and, accordingly, makes no representation or warranty, expressed or implied, in this regard. The Valuation Reports do not confer rights or remedies upon investors or any other person, and does not constitute and should not be construed as any form of assurance as to the financial condition or future performance of IndiGrid or as to any other forward-looking statements included therein, including those relating to certain macro-economic factors, by or on behalf of the Sponsors, the Investment Manager, the Project Manager or IndiGrid. Further, we cannot assure you that the valuation prepared by the valuers reflects the true value of the net future revenues of the Portfolio Assets or that other valuers would arrive at the same valuation. Accordingly, the valuation contained therein may not be indicative of the true value of the Portfolio Assets. The Valuation Reports have not been updated since the date of its issue, does not take into account any subsequent developments and should not be considered as a recommendation by the Sponsors, the Investment Manager, the Project Manager, IndiGrid or any other party that any person should take any action based on the Valuation Reports. Accordingly, Investors should not unduly rely on the Valuation Reports in making an investment decision in accordance with this Draft Shelf Prospectus.

**37. *This Draft Shelf Prospectus contains information from the CRISIL Report which we have commissioned.***

The information in the section entitled “*Industry Overview*” on page 90 is based on the CRISIL Report and other publicly available information. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor the Trustee, the Sponsors, the Investment Manager or the Lead Manager, nor any other person connected with the Issue has verified that the industry and market data included in the CRISIL Report. Further, the CRISIL Report has been prepared based on information as of specific dates and may no longer be current or reflect current trends. Opinions in the CRISIL Report based on estimates, projections, forecasts and assumptions may prove to be incorrect.

CRISIL Research, a division of CRISIL Limited (“**CRISIL**”), has advised that while it has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. Further, the CRISIL Report is not a recommendation to invest / disinvest in any entity covered in the CRISIL Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the CRISIL Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL Research and not of CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Limited.

**38. *Our contingent liability (as per Ind AS 37) could adversely affect our financial condition, results of operations and cash flows.***

As of December 31, 2020, we had a consolidated contingent liability (as per Ind AS 37) for entry tax demand, sales tax demand and other demands of ₹ 521.24 million that had not been provided for. If any of our contingent liabilities (as per Ind AS 37) materialize, it could have an adverse effect on our financial condition, results of operations and cash flows.

## RISKS RELATED TO OUR ORGANIZATION AND STRUCTURE

**39. *Changes in government regulation could adversely affect our profitability and financial conditions.***

Regulatory changes in India, particularly in respect of the InvIT Regulations, could expose us to greater tax liability than our estimates. The InvIT Regulations also requires us to maintain certain investment ratios, including the requirement that 80% of the value of our assets should comprise completed and revenue-generating assets, which may prevent us from acquiring additional assets to achieve our growth strategy.

**40. *We depend on the Investment Manager, the Project Manager and Trustee to manage our business and assets, and our financial condition, results of operations and cash flows and ability to pay interest or principal amounts of NCDs may be harmed if the Investment Manager and/ or Project Manager and/or the Trustee fail to perform satisfactorily. Our rights and rights of the NCD Holders to recover claims against the Project Manager, the Investment Manager or the Trustee may be limited.***

The Sterlite Sponsor also fulfils the role of our Project Manager under the Project Implementation and Management Agreement, with responsibility for operating and maintaining our power transmission projects and supervising their revenue streams (other than for JKTPPL and PrKTCL). IndiGrid Investment Managers Limited (formerly, Sterlite Investment Managers Limited), fulfils the role of our Investment Manager under the Investment Management Agreement, in accordance with the InvIT Regulations. As on the date of this Draft Shelf Prospectus, two of our Portfolio Assets, being JKTPPL and PrKTCL are not a party to the Project Implementation and Management Agreement. JKTPPL has executed an Operations and Management Agreement with IndiGrid Limited for availing operations and management services and PrKTCL has issued a work order to IndiGrid Limited for providing services in connection with the operations of a project.

The success of our business and growth strategy and the operational success of our transmission systems will depend significantly upon the managers' satisfactory performance of these services. Our recourse against the Project Manager, the Trustee and Investment Manager is limited. The Project Manager's liability to IndiGrid in respect of Portfolio Assets (other than JKTPPL and PrKTCL) for non-performance or breach of its obligations under the Project Implementation and Management Agreement is limited to the fees payable to the Project Manager under the agreement. The Trustee's liability under the Amended and Restated Trust Deed is limited to the fees received by it, except in case of the Trustee's gross negligence or wilful misconduct or fraud. Further, the Trustee is not liable for anything done or omitted to be done or suffered by the Trustee in good faith in accordance with or pursuant of any request or advice of our Investment Manager and for any action or omission that results in a loss to us (by reason of any depletion in the value of the Portfolio Assets or otherwise), except in the event where such loss is a result of the Trustee's fraud, gross negligence or wilful default or breach of the Amended and Restated Trust Deed. The Investment Manager's liability to IndiGrid for non-performance or breach of its obligations under the Investment Management Agreement is limited to two years of the fees payable to the Investment Manager (for the immediately preceding two financial years) under the agreement unless such liability arises in connection with any gross negligence, wilful default or misconduct or fraud of the Investment Manager. Further, the Investment Manager is not liable for any act or omission which may result in a loss to us (by reason of any depletion in the value of the Portfolio Assets or otherwise), except in the event that such loss is a result of the Investment Manager's fraud or gross negligence or default or where the Investment Manager fails to exercise due care in relation to its obligations under the Investment Management Agreement. Accordingly, we may not be able to recover claims against the Project Manager, the Trustee or the Investment Manager.

If the Investment Management Agreement, Project Management Agreement, IGL O&M Contract or IGL Work Order were to be terminated or if their terms were to be altered, our business could be adversely affected, as the Trustee may not be able to immediately replace such services, and even if replacement services were immediately available, the terms offered or obtained with the new managers could be less favorable than the ones currently offered by the Investment Manager and the Project Manager.

**41. *There may be conflicts of interest between IndiGrid, the Investment Manager, the Project Manager and the Sponsors.***

The Sterlite Sponsor, its subsidiaries, related corporations and associates are engaged in, among other things, activities in relation to the power transmission and renewable energy business. The KKR Sponsor, its subsidiaries, related corporations and associates may be engaged in, amongst other things, activities in relation to the power transmission and renewable energy business. The Sponsors, as on December 31, 2020, hold 23.66% of our Units.

The Sterlite Sponsor acts as our Project Manager for all Portfolio Assets (other than JKTPPL and PrKTCL), and with

respect to the Framework Asset, acts as the engineering, procurement and construction contractor. Further, our Portfolio Assets (other than JKTPL and PrKTCL) utilise the services of certain employees of the Project Manager. There can be no assurance that such arrangement will not result in a conflict of interest between IndiGrid and the Project Manager for all Portfolio Assets (other than JKTPL and PrKTCL). Furthermore, there can be no assurance that any such deputation in the future will not be in breach of the provisions of the Companies Act, 2013. The Sterlite Sponsor may also exercise influence over our activities through the Investment Manager, in which it holds 40% of the issued and paid-up equity share capital. There can be no assurance that our interests will not conflict with those of the Sponsors, their subsidiaries, related corporations and associates, in relation to matters including but not limited to future acquisitions of power transmission businesses. In particular, our rights under the Framework Agreement are limited to the Framework Asset, and we do not have any rights to participate in investments originated or identified by the Sponsors or in any future projects developed or acquired by the Sponsors.

**42. *The Investment Manager's fee is not linked to our net profitability and is not capped at a maximum amount.***

The Investment Manager's fee is not linked to our net profitability and is not capped at a maximum amount. Under the Investment Management Agreement, the Investment Manager's fee is 1.75% of the difference between revenue from operations and operating expenses (other than fees of the Investment Manager) of each of our Portfolio Assets, per annum. As a result, the Investment Manager may be entitled to its fee even if IndiGrid incurs a net loss on a consolidated basis. The Investment Manager's fee is not capped at a maximum amount and may be subject to change, including any increase on account of certain factors, including but not limited to the acquisition of new projects and assets by us.

**43. *We have entered into material related party transactions and may continue to do so in the future, which may potentially involve conflict of interests with the Unitholders.***

The transactions resulting from the Project Implementation and Management Agreement, the Investment Management Agreement, and the transactions contemplated under the Framework Agreement are or shall be, as applicable, related party transactions and their terms may not be deemed as favorable to us as if they had been negotiated solely between unaffiliated third parties. In addition, the Portfolio Assets have entered into transactions with the Sterlite Sponsor and other subsidiaries, associates or affiliates of Sterlite Power Transmission Limited ("**Sterlite Group Companies**") in the ordinary course of their business. While we believe that all such transactions (which have included (unsecured) inter-corporate deposits and guarantees given on behalf of subsidiaries and joint ventures of Sterlite Group Companies) have been conducted on an arm's length basis, it may be deemed that the Portfolio Assets might have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into additional related party transactions in the ordinary course of our business. Such future transactions, individually or in the aggregate, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**44. *Our Project Manager may compete with other power transmission projects and our Project Manager and Investment Manager may also provide services to other power transmission projects. Further, our Sponsors may have competing business ventures and interests.***

Our Sponsors and their associates are free to pursue the development, construction and operation of other power transmission projects and solar projects and may compete directly with us for the acquisition of other similar assets and businesses.

The Project Manager and Investment Manager will also not be prohibited from providing management services to investment trusts, power transmission projects or solar projects of its own or owned by third parties. If either manager engages in such activity in the future, it could give rise to conflicts of interest or adversely affect the ability of the managers to provide the levels of service that we require. Conflicts of interest of our Sponsors, Investment Manager or Project Manager may have an adverse effect on our business.

**45. *Our Portfolio Assets, the Sponsors and their Associates, the Investment Manager and the Trustee are involved in certain legal proceedings and any adverse outcome in these or other proceedings may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.***

The Sponsors, Portfolio Assets, the Investment Manager, the Project Manager, their respective Associates and the Trustee are involved in litigation, claims and other proceedings relating to the conduct of their business, including compensation claims, civil matters, criminal matters and tax disputes as on the date of this Draft Shelf Prospectus. Any claims could result in litigation against us, the Investment Manager, the Project Manager, the Sponsors and their respective Associates and the Trustee, and could also result in regulatory proceedings being brought against us by

various government and state agencies that regulate our businesses. Often, these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant time from the operation and management of our Portfolio Assets. Litigation and other claims and regulatory proceedings against the Portfolio Assets or their management could result in unexpected expenses and liabilities and could also materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Currently, there are outstanding legal proceedings against our Portfolio Assets that are incidental to their business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. In addition, the Sponsors and their Associates, are involved and may become involved in litigation, claims and other proceedings relating to the conduct of their respective businesses, including compensation claims, civil matters and tax disputes. Further, in terms of the share purchase agreements entered into by us, for the acquisition of the Portfolio Assets from the Sterlite Sponsor, we will not be entitled to any monetary claim or other benefit that may be granted in the favour of, or realized by the Portfolio Asset and any such benefit, whether monetary or otherwise, will be realized by the Sterlite Sponsor. Any such litigation and/or regulatory proceedings could harm our reputation and materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. For details of outstanding litigation involving IndiGrid, the Sponsors, the Investment Manager and their Associates and the Trustee, please see the section entitled “*Legal Proceedings*” on page 301.

**46. *We are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. We may not be able to ensure such ongoing compliance by the Investment Manager, our Sponsors, the Project Manager and the Trustee, which could result in the cancellation of the registration of IndiGrid.***

We are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the Sponsors, the Investment Manager and the Trustee are separate entities, (b) the Sponsors have a net worth of not less than Rs. 1,000 million and have a sound track record in the development of infrastructure or fund management in the infrastructure sector, (c) the Investment Manager has a net worth of not less than Rs. 100 million and has not less than five years’ experience in fund management or advisory services or development in the infrastructure sector or the combined experience of the directors or employees of the Investment Manager in fund management or advisory services or development in the infrastructure sector is not less than 30 years, (d) the Trustee is registered with SEBI under Securities and Exchange Board of India (Debt and Equity Instruments) Regulations, 1993 and is not an associate of the Sponsors or Investment Manager and (e) IndiGrid and Parties to IndiGrid are “fit and proper persons” as defined under Schedule II of the Intermediaries Regulations on an ongoing basis. We may not be able to ensure such ongoing compliance by InvIT and Parties to the InvIT, which could result in the cancellation of the registration of IndiGrid as an infrastructure investment trust.

**47. *We are governed by the provisions of, amongst others, the InvIT Regulations and the Securities Contracts (Regulation) Act, 1956 (“SCRA”), the implementation and interpretation of which, is evolving.***

IndiGrid has been constituted under the InvIT Regulations which were issued in 2014, as amended and supplemented with additional guidelines and circulars.

The InvIT Regulations and other corresponding changes to applicable law, are largely untested in their implementation. Uncertainty in applicability, interpretation or implementation of any amendment to, or change in, law, regulation or policy, including due to an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future and consequently, our ability to make payments under the NCDs. Changes to our organizational structure, changes to our agreements, cost increases, fines, legal fees or business interruptions may result from changes to regulations, from new regulations, from new interpretations by courts or regulators of existing regulations or from stricter enforcement practices by regulatory authorities of existing regulations. In addition, new costs may arise from audit, certification and/or self-assessment standards required to maintain compliance with new and existing InvIT Regulations, which may render it economically unviable to continue conducting business as an infrastructure investment trust or otherwise have a material, adverse effect on our business, financial condition, results of operations and cash flows.

Further, SEBI has the right to, with or without prior notice, order inspection of the books of accounts, records and other documents pertaining to our operations, either on its own or, upon receipt of complaint. Upon review of the inspection report, SEBI is entitled to, if it so deems appropriate (in the interest of the securities markets or our investors) (a) to delist our Units from the stock exchanges and require us to surrender our certificate of registration; (b) to wind-



up our operations; (c) to sell our assets; (d) or direct us not to not operate or access the capital markets for a specified period; or (e) direct us to not do such things as SEBI may deem appropriate in the interest of our investors. Any such occurrence may have a material adverse effect on our business, result of operations, financial conditions and cash flows.

Additionally, with effect from April 1, 2021, units and other instruments issued by an InvIT have been included in the definition of ‘securities’ under section 2(h) of the SCRA. Such amendments have come into effect on April 1, 2021 and consequently, the implementation and interpretation of these amendments is untested and evolving. Accordingly, the applicability of several regulations (including regulations relating to intermediaries, underwriters, merchant bankers, takeover, insider trading and fraudulent and unfair trade practices) to the Trust is unclear and subject to the interpretation and clarifications issued by regulatory bodies such as SEBI.

There can be no assurance that the legal framework for infrastructure trusts will not impose additional regulations and policies which could impact our operations and it is difficult to forecast how any new laws, regulations or standards or future amendments to the InvIT Regulations, the SCRA and other applicable law will affect infrastructure trusts and the infrastructure sector in India. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. We may incur increased costs and other burdens relating to compliance with such new regulations, which may also require significant time and other resources, and any failure to comply with these changes may adversely affect our business, results of operations and prospects.

**48. *We must maintain certain investment ratios, which may present additional risks to us.***

Pursuant to the InvIT Regulations, we are required to invest not less than 80% of the value of our assets in completed and revenue-generating infrastructure projects, such as the Portfolio Assets, and are limited to our consolidated borrowings and deferred payments net of cash and cash equivalents not exceeding 70% of the value of our assets. If such borrowings and payments exceed 49%, we are required to obtain a credit rating of “AAA” or equivalent for the consolidated borrowing and proposed borrowing under the InvIT Regulations. In addition, we must not invest more than 10% of the value of our assets in under-construction infrastructure projects. The value of our assets may be subject to macro-economic parameters such as change in interest rates and the market beta of the assets and a change in such parameters may have an adverse effect on our investment ratios. If these conditions are breached on account of market movements of the price of the underlying assets or securities, the Investment Manager must inform the Trustee and ensure that these conditions are satisfied within six months of such breach (or within one year with Unitholder approval). Failure to comply with these conditions may present additional risks to us, including divestment of certain assets, delisting and other penalties, which could have a material, adverse effect on our business, financial condition, results of operations and cash flows.

**49. *The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. There can be no assurance that the Investment Manager will be able to comply with such requirements.***

The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust in accordance with the InvIT Regulations. These requirements include, among other things, (a) making investment decisions with respect to the underlying assets or projects of IndiGrid, (b) overseeing the activities of the Project Manager, (c) investing and declaring distributions in accordance with the InvIT Regulations, (d) submitting reports to the Trustee and (e) ensuring the audit of our accounts. There can be no assurance that the Investment Manager will be able to comply with such requirements in a timely manner or at all, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**50. *Brexit may increase administrative and regulatory burdens on the Investment Manager and IndiGrid.***

The UK withdrew from the European Union (the “EU”) on 31 January 2020 (“Brexit”). In connection with Brexit the UK and the EU agreed the Trade and Cooperation Agreement (“TCA”) that governs the future trading relationship between the UK and the EU in specified areas. The TCA took effect from 1 January 2021 following a transition period that commenced immediately following the Brexit date.

The UK is no longer in the EU customs union and is outside of the EU single market. As a result, logistical disruption is expected whilst the UK and EU implement the new relationship under the TCA. Notably, the TCA does not include an EU-wide cooperation arrangement for financial services, with UK firms instead having to negotiate individual EU member state regulations and cooperation/recognition arrangements. The initial timeframe set to agree a financial services cooperation framework may be subject to extension and a cooperation agreement on financial services is not

guaranteed. The uncertainty surrounding the implementation of the TCA and the outcome of ongoing negotiations may have economic, tax, fiscal, legal, regulatory and other implications for the asset management industry, the broader European and global financial markets generally and for private funds, such as IndiGrid. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the EU.

The future application of EU-based legislation and/or taxation to the private fund industry in the UK will depend, among other things, on how the UK negotiates its relationship with the EU as regards financial services. The ongoing effects of Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities).

Whilst the most immediate impacts of Brexit on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement may have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and the EU.

#### **51. *GDPR may increase administrative and regulatory burdens on the Investment Manager and IndiGrid.***

The General Data Protection Regulation (“**GDPR**”) came into effect on May 25, 2018. The purpose of the GDPR is to provide for the protection of the individual’s right to privacy with respect to the processing of personal data. The GDPR is directly applicable in all EEA member states, creating a single legal framework that results in a more uniform application of data privacy laws across the EEA.

Following Brexit, the GDPR has been transposed in UK law, as the UK General Data Protection Regulation (“**UK GDPR**”). The UK’s data protection regime primarily consists of the UK GDPR and the UK Data Protection Act 2018 (together, the “**UK DP Laws**”). The relationship between the UK and the EU in relation to certain aspects of data protection law remains unclear, and it is also unclear how the UK DP Laws will develop in the medium to longer term.

To the extent that the Investment Manager or their agents offers investment opportunities to, or monitors the behaviour of, natural persons located in the EEA and the UK (“**Data Subjects**”), the Investment Manager will be deemed to be a “controller” with respect to personal data collected from such Data Subjects and will be required to comply with the provisions of the GDPR and the UK DP Laws, which are extensive and require consistent and thorough application. The GDPR and the UK DP Laws implement more stringent operational requirements and onerous accountability obligations for controllers and processors of personal data, including, for example, requiring expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, and higher standards for controllers to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities. For the purposes of this risk factor, references to the “Investment Manager” shall be construed to include the Investment Manager, IndiGrid and affiliates of the Investment Manager and IndiGrid if, and to the extent, appropriate in the circumstances.

Controllers must put in place the necessary mechanisms to allow Data Subjects to exercise their data subject rights, such as the right to access and rectify their personal data, the right to impose restrictions on processing, and in certain circumstances the right to request the deletion of personal information, to request the transfer of such information to another controller and to object to the processing of their personal information. The GDPR provides that EEA member states may make their own additional laws and regulations in relation to certain data processing activities, and may impose stricter governance requirements, which could limit the Investment Manager’s ability to use and share personal data or could require localized changes to the Investment Manager’s and IndiGrid’s operating models (if applicable). The provisions of the GDPR and the UK DP Laws may also apply to IndiGrid’s Portfolio Companies, to the extent that they are established in the EU and the UK, or offer goods or services to, or monitor the behaviour of, EEA and UK Data Subjects.

To the extent applicable, we are also subject to certain rules with respect to cross-border transfers of personal data out of the EEA and the UK. Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the EEA and the UK to the U.S. Most recently, on July 16, 2020, the Court of Justice of the European Union (“**CJEU**”) invalidated the EU-US Privacy Shield Framework (“**Privacy Shield**”) under which personal data could be transferred from the EEA to US entities who had self-certified under the Privacy Shield scheme.

While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield), it made clear that reliance on them alone may not necessarily be sufficient in all circumstances. Use of the

standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals and additional measures and/or contractual provisions may need to be put in place, however, the nature of these additional measures is currently uncertain. The CJEU went on to state that if a competent supervisory authority believes that the standard contractual clauses cannot be complied with in the destination country and the required level of protection cannot be secured by other means, such supervisory authority is under an obligation to suspend or prohibit that transfer.

Under the GDPR fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be imposed for non-compliance. The UK GDPR mirrors the fines under the GDPR, i.e. fines up to the greater of £17.5 million or 4% of global annual turnover. In addition to the foregoing, a breach of the GDPR or UK GDPR could result in regulatory investigations, reputational damage, orders to cease/change our processing of our data, enforcement notices, and/or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs and diversion of internal resources. An assessment by a competent authority in the EEA and the UK that the Investment Manager has not complied with the requirements of the GDPR and the UK DP Laws (if applicable) could result in serious financial and reputational damage to the Investment Manager and IndiGrid. These laws (if applicable) also could cause costs of IndiGrid and its investments to increase and result in further administrative burden, which is likely to reduce capital and time that can be deployed for making investments.

**52. *The Investment Manager needs to comply with the AIFMD with respect to any delegation of its AIFMD management function.***

The Trustee has appointed the Investment Manager as the investment manager of IndiGrid. The Investment Manager does not intend to delegate all or any part of its AIFMD management function as of the date of this Draft Shelf Prospectus, although it reserves the right to do so if and to the extent permitted by the AIFMD, the Amended and Restated Trust Deed and the documents governing the Investment Manager's investment management relationship with IndiGrid (each as amended and/or restated from time to time). To the extent that the Investment Manager does delegate any part of its AIFMD management function, a description of any management function that is delegated by the Investment Manager, including the identity of the relevant delegate and any potential conflicts of interest that may arise from such delegation, will be disclosed to investors in accordance with the requirements of the AIFMD.

**53. *The Investment Strategy may only be amended with respect to the Trust Deed.***

The Amended and Restated Trust Deed sets out specific parameters and restrictions in respect of IndiGrid's investment strategy and investment policy. The Investment Manager does not presently intend, as of the date of this Draft Shelf Prospectus, to seek to make any change to IndiGrid's investment strategy or investment policy. Except as otherwise provided in the Amended and Restated Trust Deed, and subject to the requirements therein, any amendment to the Amended and Restated Trust Deed will be carried out as described in the Amended and Restated Trust Deed and in accordance with the InvIT Regulations.

**54. *Compliance with AIFMD and UK AIFMR may increase administrative and regulatory burdens on the Investment Manager and IndiGrid.***

The AIFMD imposes requirements on AIFMs that market AIFs to professional investors who are domiciled or have a registered office within the EEA. For these purposes IndiGrid is a non-EEA AIF and the Investment Manager is a non-EEA AIFM. The AIFMD allows member states to permit the marketing of non-EEA AIFs by non-EEA AIFMs in accordance with local laws, provided that local laws meet the requirements of Article 42 of the AIFMD. There is no requirement for member states to operate or maintain a national private placement regime and, if they do, the member state is free to impose stricter rules than the minimum requirements of Article 42 of the AIFMD. Where national private placement is permitted, the Investment Manager must comply with Article 22 (requirements relating to an annual report), Article 23 (prescriptive pre-investment and periodic disclosure to investors), Article 24 (relating to periodic reporting to regulators) and Articles 26 to 30 if applicable (the provisions relating to the acquisition and control of non-listed companies and issuers, including the asset-stripping rules). In addition to these minimum requirements, some jurisdictions require a non-EEA AIFM to comply with substantially all of the AIFMD or certain additional compliance requirements, such as the appointment of a depositary. Given that national private placement regimes are, by definition, a matter of national law, a non-EEA AIFM must comply with different regulatory requirements in different member states, both in respect of the initial process for seeking to market in that member state and with respect to ongoing compliance. Since the Investment Manager, as a non-EEA AIFM, is not currently eligible for authorisation and therefore cannot have the benefit of a marketing "passport", it is required to comply with the national private placement regimes and other applicable rules of those EEA member states that allow private placement and in

which Units in IndiGrid are marketed and sold. Where the Investment Manager has marketed IndiGrid in a member state in compliance with the national private placement regime and that marketing has resulted in investors in that member state investing in IndiGrid, the Investment Manager's ongoing compliance with the laws of that member state will continue at least until all of such investors dispose of their interests in IndiGrid. Compliance with these requirements may therefore result in significant additional costs over the life of IndiGrid and may reduce returns to investors. The rules, regulations and guidance related to the marketing of Units to investors domiciled or having their registered office in the EEA continue to evolve. The Investment Manager and/or its affiliates and agents has endeavored and/or will endeavor (as applicable) to comply with these evolving rules as interpreted as of the date of this Draft Shelf Prospectus, but there is not absolute certainty as to their successful compliance. In the event that the Investment Manager and/or its affiliates or agents is found to have breached the provisions of the AIFMD or the national private placement regimes and other applicable rules of relevant EEA member states (inadvertently or otherwise), the Investment Manager (and/or IndiGrid indirectly) may face regulatory sanctions as a result of such non-compliance. Such activities and sanctions may impact the enforceability of any subscriptions received from investors domiciled or with a registered office in such EEA member state (each an "EEA Investor") (including potential rescission rights with respect to such investors), result in significant costs and ultimately materially and adversely affect IndiGrid, its financial condition, liquidity, reputation and operations. Certain EEA member states have indicated that they will cease to operate national private placement regimes when or shortly after the passport becomes available to non-EEA AIFMs, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. The abolition of such regimes would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, the Investment Manager may not seek to market Units in IndiGrid in those jurisdictions, which may lead to a reduction in the aggregate Commitments made to IndiGrid. Alternatively, if the Investment Manager sought to comply with the requirements to use the passport, this could have adverse effects including, amongst other things, increasing the regulatory burden and costs of operating and managing IndiGrid and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting the Investment Manager's ability to recruit and retain such personnel.

The Investment Manager is established outside of the EEA. As a non-EEA AIFM marketing a non-EEA AIF without an AIFMD "passport," if the Investment Manager markets IndiGrid in an EEA member state it shall only be subject to the individual EEA member state rules and the requirements identified in Article 42 of the AIFMD. As a result, EEA Investors should be aware that the Investment Manager will not be required to comply with all of the requirements of the AIFMD with which an EEA AIFM is otherwise required to comply and that EEA Investors may not receive all the protections or disclosures that might be available with respect to investments managed by an EEA AIFM in and/or marketed into their home EEA member state. As a non-EEA AIFM, the Investment Manager is not subject to, for example, Article 9(7) of the AIFMD, which requires EEA AIFMs to cover professional liability risks (i.e. the Investment Manager shall not be required to maintain professional indemnity insurance pursuant to the application of the AIFMD). As a non-EEA AIFM, the Investment Manager is also not subject to, for example, the requirements with respect to the management of liquidity risk set out in Article 47 of the AIFMD. As a non-EEA AIFM, the Investment Manager is not required to appoint a depositary as contemplated in Article 21 of AIFMD unless the national private placement regime of an EEA member state requires otherwise and an EEA Investor is admitted to IndiGrid following active marketing of Units. The AIFMD requires disclosures to be made to investors (e.g. details of an investor's rights with respect to certain service providers, such as auditors). While certain details of IndiGrid's arrangements with such service providers may be set out in the Amended and Restated Trust Deed, any such descriptions may not address the governing law, dispute resolution mechanisms and similar provisions of such arrangements. In addition, although IndiGrid has negotiated certain protections with these service providers, such as the ability to terminate certain arrangements, investors in IndiGrid generally do not have a direct ability to enforce such provisions. The Amended and Restated Trust Deed describes the preferential treatment which certain investors in IndiGrid may receive and the types of investors who may receive such treatment. In addition, such investors may have legal or economic links with IndiGrid and the Investment Manager or their respective affiliates.

As a non-EEA AIFM marketing a non-EEA AIF in the EEA (if applicable), the Investment Manager may be required pursuant to the AIFMD to notify periodically and, in any event, at least once a year, EEA Investors of information regarding IndiGrid's illiquid assets and special arrangements arising from their illiquid nature and certain changes to the maximum amounts of leverage and total amounts of leverage employed by IndiGrid. When required to do so, the Investment Manager will make this information available to EEA Investors as part of any regular, periodic, extraordinary or annual reports which the Investment Manager would otherwise make to EEA Investors. In addition, the Investment Manager will make available to EEA Investors in IndiGrid at their request an annual report for each financial year no later than six months following the end of the financial year as required by the AIFMD.

Following Brexit and subject to compliance with the UK AIFMR, AIFMs may market AIFs to professional investors who are domiciled or have a registered office within the UK pursuant to the UK national private placement regime. The UK AIFMR currently imposes compliance obligations that are broadly similar to those detailed in the above paragraph in connection with a non-EEA AIFM marketing a non-EEA AIF pursuant to the national private placement regimes of certain EEA member states. If within scope of the UK AIFMR, an AIFM must comply with rule 3.3 of the Investment Funds sourcebook (requirements relating to an annual report), rule 3.2 of the Investment Funds sourcebook (prescriptive pre-investment and periodic disclosure to investors), rule 3.4 of the Investment Funds sourcebook (relating to periodic reporting to regulators) and Part 5 of the UK AIFMR if applicable (the provisions relating to the acquisition and control of non-listed companies and issuers, including the asset-stripping rules).

In connection with IndiGrid's initial public offering in 2017, IndiGrid registered with the UK Financial Conduct Authority ("FCA") as an AIF whose units were to be marketed in the UK. However, as of the date of this Draft Shelf Prospectus, the Investment Manager, in its capacity as a Non-UK AIFM, has not complied with certain ongoing reporting obligations to the FCA. Any failure to make these past filings, or continued non-compliance, could expose IndiGrid and the Investment Manager to penalties. If the non-compliance continues, their registration as an AIF and AIFM, respectively could be cancelled.

**55. *Investors generally have no direct rights against IndiGrid's service providers.***

Investors in IndiGrid generally have no direct rights against IndiGrid's service providers, including without limitation an auditor and a depositary (if appointed). Where wrongdoing is alleged to have been committed against IndiGrid, such wrongdoing would generally only be actionable by the Trustee in its capacity as trustee of IndiGrid and/or the Investment Manager as AIFM and investment manager of IndiGrid. In the absence of any direct contractual relationship between the investors and IndiGrid's service providers, there are only very limited circumstances in which an investor may bring a direct claim against any such service provider.

**56. *The AIFMD and UK AIFMR may impose requirements on or restrict the use of leverage by IndiGrid and the Investment Manager.***

Although the Investment Manager will seek to use leverage in relation to IndiGrid in a manner it believes is prudent, the use of leverage will generally magnify both the opportunities for gain and risk of loss from any given asset. The cost and availability of leverage is highly variable and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs that may not be covered by distributions made to IndiGrid or appreciation of its investments. An increase in interest rates may decrease the profitability of IndiGrid or its portfolio companies. The use of leverage also may impose restrictive financial and operating covenants on a portfolio company, in addition to the burden of debt service, and may impair its ability to carry out business operations or to finance future operations and capital needs. A leveraged capital structure will increase a portfolio company's exposure to any deterioration in market conditions, competitive pressures, an adverse economic environment or rising interest rates, which could accelerate and magnify declines in the value of IndiGrid's investments. If a portfolio company is not able to generate adequate cash flow to meet debt service, IndiGrid may suffer a partial or total loss of capital invested in such portfolio company.

To the extent required by applicable law and regulation, the Investment Manager will disclose any change to its leverage policy (such information being contained in IndiGrid's Financial Policy and its Amended and Restated Trust Deed) in the first annual reports of IndiGrid (or by other means) to be delivered after such change and, accordingly, will disclose in such reports (or by such other means) the maximum level of leverage permitted. Thereafter and to the extent required by applicable law and regulation, the Investment Manager will disclose to Unitholders and NCD Holders on an annual basis any change to the maximum level of leverage permitted as well as any re-hypothecation rights or any guarantee granted under the leveraging arrangement and the total amount of leverage employed by IndiGrid. The Investment Manager will also disclose to Unitholders and NCD Holders on an annual basis (whether in the annual reports of IndiGrid or otherwise) the percentage of IndiGrid's assets which are subject to special arrangements arising from their illiquid nature, any new liquidity management arrangements, the current risk profile of IndiGrid and the risk management systems employed to manage those risks.

**57. *It may be difficult for the Unitholders to remove the Trustee or the Investment Manager.***

Under the InvIT Regulations, the Trustee or the Investment Manager cannot be removed without the approval of Unitholders where the votes cast in favour of the resolution shall not be less than one and a half times the votes cast against such resolution.

58. ***The registered office of the Investment Manager is not owned by the Investment Manager. Further, the applications filed by some of our Portfolio Assets for the change in their respective registered offices may not be approved in a timely manner or at all.***

The registered office of the Investment Manager is located on premises which are not owned by Investment Manager. In the event the use of such premises by the Investment Manager is conducted in a manner that amounts to a breach of the lease arrangements with the owners of such property, the Investment Manager could be subject to adverse consequences. Any such action may adversely affect Investment Manager's business operations, financial condition and results of operations.

Further, some of our Portfolio Assets, namely, BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, ENICL, GPTL, NTL and OGPTL, have filed applications before the Regional Director, Northern Region, New Delhi, Ministry of Corporate Affairs seeking confirmation of shifting of the registered office from the Union Territory of Delhi to Maharashtra to ensure administrative and operational convenience. In the event any of the Portfolio Assets specified above fail to comply with the undertakings provided in the application or fails to comply with the directions of the Regional Director, such Portfolio could be subject to adverse consequences. Any such action may adversely affect the concerned Portfolio Asset's business, operations, financial condition and results of operations.

## **RISKS RELATED TO INDIA**

59. ***We are exposed to risks associated with the power industry in India.***

We derive, and expect to continue to derive in the foreseeable future, most of our revenues and operating profits from India. Changes in macroeconomic conditions generally impact the power industry and could negatively impact our business. Accordingly, our business is highly dependent on the state of development of the Indian economy and the macroeconomic environment prevailing in India. Changes in government policies that favor the development of power generation, including large-scale power projects that generally require increased transmission facilities for evacuating the electricity they generate, may have an adverse impact on demand for transmission facilities. Since the use of our transmission systems and our Proposed Solar Projects, our expansion plans and future projects depend or will depend on the operation of power generation projects, the financial health of distribution companies ("DISCOMs"), macroeconomic factors that may negatively impact demand for electricity or more generally the development of power generation projects in India or the timely commencement of their operations (such as fuel price fluctuations, volatility and other market conditions that may adversely impact power generation projects), could in turn have a material adverse effect on our growth prospects, business and cash flows. For instance, due to the current COVID-19 pandemic, the CERC issued an order, directing amongst others, the reduction in late payment surcharge for payments overdue from DISCOMS. For further details, please see the section entitled "*Risk Factors - The extent to which the recent coronavirus (COVID-19) outbreak impacts the business, cash flows, results of the operations and financial condition of our Portfolio Assets will depend on future developments, which are highly uncertain and cannot be predicted*". In addition, access to financing may be more expensive or not available on commercially acceptable terms during economic downturns. Any of these factors and other factors beyond our control could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

60. ***Our performance and growth are dependent on the factors affecting the Indian economy.***

Our performance and the growth are dependent on the performance of the Indian economy, which, in turn, depends on various factors. The Indian economy has been affected by global economic uncertainties, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture and various other macroeconomic factors as well as regulatory changes.

Conditions outside India, such as a slowdown or recession in the economic growth of other major countries and regions, especially in Europe and China, also have an impact on the growth of the Indian economy, and GoI policy may change in response to such conditions. While recent Indian governments have been focused on encouraging private participation in the industrial sector, any adverse change in policy could result in a further slowdown of the Indian economy. GoI corruption, scandals and protests against certain economic reforms have occurred in the past, and could in the future slow the pace of liberalization and deregulation. The rate of economic liberalization could decrease, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. In the power industry, there can be no assurance that the GoI's engagement with and outreach to private sector operators, including us, will continue in the future. A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the power industry, could disrupt business and economic conditions in India generally and our business in particular.

Additionally, an increase in trade deficit or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any downturn in the macroeconomic environment in India could materially and adversely affect the business, prospects, financial condition, results of operations and cash flows.

**61. *We may be exposed to variations in foreign exchange rates.***

While our revenues are in Indian rupees, we may also borrow funds from outside India in foreign currencies to finance capital expenditure and working capital requirements. As of December 31, 2020, IndiGrid on a combined basis had an aggregate of US\$ 31.39 million equivalent of foreign currency loan from financial institution, which represented approximately 3% of our total borrowings (including current maturities and interest accrued). We may also purchase equipment from suppliers located outside India, and payment for such equipment is typically denominated in U.S. dollars. The Indian rupee has depreciated in recent years, and in the future may continue to depreciate, against the U.S. dollar, leading to increases in the Indian rupee cost for us to service and repay foreign currency borrowings. In addition, in the event of disputes under any of our foreign currency borrowings, we may be required by the terms of those borrowings to defend ourselves in foreign courts or arbitration proceedings, which could result in additional costs. A depreciation of the Indian rupee would also increase the costs of imports and may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. In addition, our hedging policy and arrangements with respect to our foreign currency exposure may not, when implemented, fully protect us from foreign exchange rate fluctuations and there can be no assurance that we will be able to renew our current hedging arrangements, which have a five-year term, on satisfactory terms or at all upon expiry.

**62. *A decline in India's foreign exchange reserves may reduce liquidity and increase interest rates in India, which could have an adverse impact on us.***

Though India's current account balance recorded a surplus of 3.9% of the gross domestic product in the first quarter of Financial Year ended March 31, 2021 as compared to a deficit of 2.1% in the first quarter of the previous Financial Year, flows to foreign exchange reserves can be volatile, and past declines have adversely affected the valuation of the Indian rupee. The surplus was primarily on account of a sharp contraction in the trade deficit due to steeper decline in merchandise imports relative to exports. Any increased intervention by the RBI in the foreign exchange market or other measures by the RBI to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves, reduced liquidity and higher interest rates in the Indian economy, which could adversely affect our ability to obtain financing on adequate terms or at all, which in turn could affect our business and future financial performance.

**63. *Social, economic and political conditions and natural disasters could have a negative effect on our business.***

Each of the Portfolio Assets is incorporated in India and they derive all of their revenue from India. In addition, all of our assets are located in India. Consequently, our business may be adversely affected by social, economic and political conditions in India and its neighboring countries. Specific risks, such as the following could adversely influence the Indian economy, thereby having a material adverse effect on our business, financial condition, results of operations and cash flows:

- political instability, riots or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion or revolution;
- government interventions, including expropriation or nationalization of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing regulatory regimes;
- underdeveloped industrial and economic infrastructure;
- changes in exchange rates and controls, interest rates, government policies, taxation and economic and political developments;
- changes in policies such as, fiscal and economic policy, industrial policy, direct and indirect taxes and the export-import policy; and
- changes in state-specific regulation and conditions.

Natural disasters such as floods, earthquakes or famines have in the past had a negative impact on the Indian economy. Potential effects may include damage to infrastructure and the loss of business continuity and business information. If our facilities are affected by any of these events, our operations may be significantly interrupted, which could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

**64. *Any downgrading of India's debt rating by rating agencies could have a negative impact on our business.***

Any adverse revisions to India's credit ratings by rating agencies may adversely affect our ability to raise additional financing and the interest rates and other terms at which such additional financing is available. In June 2020, Moody's Investors Service has downgraded India's rating to Baa3 with a negative outlook while Fitch Ratings revised its outlook on India's credit ratings to BBB- with a negative outlook. In September 2020, the rating agency Standard and Poor's reaffirmed India's credit rating at BBB- with a stable outlook. This could materially and adversely affect our ability to obtain financing for capital expenditure, which could in turn materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange resources, which are outside our control.

**65. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in the past has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector as well as us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively impact the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the European sovereign debt crisis, has led to increased liquidity and credit concerns and volatility in the global credit and financial markets. In Europe, Brexit, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

Further, an outbreak of a novel strain of COVID-19, has resulted in protracted volatility in international markets and may result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. In particular, in February 2020, the COVID-19 outbreak caused stock markets worldwide to lose significant value and impacted economic activity in Asia and worldwide. A number of governments revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession. The Indian GDP, which had contracted by 23.9% in the first quarter of the Financial Year ended March 31, 2021, contracted by 7.5% in the second quarter of the Financial Year ended March 31, 2021. Any of these factors may have a material adverse effect on our financial condition, cash flows and results of operations.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**66. *If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses. While the escalable component of the tariff is linked to the wholesale price index and consumer price index, there can be no assurance that an increased escalable tariff will sufficiently offset our increased costs due to inflation which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.



**67. *Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

The summary financial information of the Trust included in the sections entitled “*Summary Financial Information*” on page 52 are derived from the Reformatted Ind AS Consolidated Financial Information which are in turn derived from the audited consolidated financial statements of the Trust prepared in accordance with Ind AS and the InvIT Regulations. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, such as IFRS, Indian GAAP and U.S. GAAP. Accordingly, the degree to which the Financial Information included in this Draft Shelf Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices.

**68. *Changing laws, rules and regulations and legal uncertainties including adverse application of tax laws and regulations, may adversely affect our business results of operations, cash flows and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. There can be no assurance that the central or the state governments may not implement new regulations or policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations. Any new regulations and policies and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially affect our results of operations.

The GoI implemented a comprehensive goods and service tax regime which has combined taxes and levies collected by the central and state governments into a unified rate structure from July 1, 2017. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the implementation of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST. Given that the implementation of GST is still fairly recent, there can be no assurance that we will not be required to comply with additional procedures and/or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our financial condition, cash flows and results of operations. Further, any future increases or amendments to the GST may affect our overall tax efficiency and we may be liable to pay additional taxes.

The Government has implemented reforms in Indian tax laws with respect to the provisions relating to the general anti-avoidance rule (“**GAAR**”). GAAR is a broad set of provisions which grant powers to India tax authorities to invalidate any arrangement for tax purposes if the main purpose of entering into the transaction by the taxpayer is to obtain a tax benefit. Besides the “tax benefit”, the transaction should meet any one of the following specified additional tests:

- creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length;
- results, directly or indirectly, in the misuse, or abuse, of the provisions of the Income Tax Act;
- lacks commercial substance or is deemed to lack commercial substance as prescribed under the Income Tax Act in whole or in part; and
- is entered into, or carried out, by means which are, or in a manner which is, not ordinarily employed for bona fide purposes.

Such transactions are declared as impermissible avoidance arrangements. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are invoked, it may have an adverse tax impact on us.

Additionally, the GoI has also prescribed that an entity may avail of the benefit of lower rate of tax under the IT Act, subject to certain conditions specified therein, while availing a corresponding exemption from the applicability of the provisions in relation to minimum alternate tax (“**MAT**”). In the event an entity opts to pay tax under such regime, such option cannot be subsequently withdrawn for the same or any other year. Such changes in the tax regime and the decisions of our Portfolio Assets to opt for a particular tax regime over another may affect our overall tax efficiency and any further changes in relevant tax laws may result in our inability to avail future benefits.

Taxes in India are revised every year and Indian courts may interpret such changes with a retroactive effect. The

government may also change tax laws with a retrospective effect. The uncertainty surrounding the Indian tax system, combined with significant penalties for default could expose us to tax risks which may be higher than expected.

Further, the Government of India has announced the union budget for Fiscal 2022 and the Finance Bill, 2021 (“**Finance Bill**”) has been introduced in the Lok Sabha on February 1, 2021. The Finance Bill is scheduled to be passed in the ongoing budget session of the Parliament. There is no certainty on the impact that the Finance Bill may have on our business, prospects, financial condition, results of operations and cash flows or the industry that we operate in. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Further, uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. We cannot predict whether any new tax laws or regulations impacting the industry in which we operate will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Additionally, any decisions in the future by any judicial, governmental, statutory or regulatory authority or any changes in the interpretation of laws by any such authority may have an impact on our business, prospects, financial condition, results of operations and cash flows. For example, SEBI may interpret ‘completed and revenue generating project’ under the InvIT Regulations in a manner that may have an impact on our business, prospects, financial condition, results of operations and cash flows.

**69. *Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations and growth prospects.***

The current tax laws and regulations in India provide certain exemptions to interest income earned by business trusts from a special purpose vehicle as a result of which IndiGrid is subject to relatively lower tax liabilities. These exemptions could be modified or removed at any time or clarified in a manner adverse to IndiGrid, which could adversely affect our profitability and financial condition.

Tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action, including by retrospective legislation, by the governmental or tax authorities, may result in tax risks in the jurisdictions in which we operate being significantly higher than expected. For instance, while the Investment Manager intends to take measures to ensure that it is in compliance with all relevant tax laws, there is no assurance that the tax authorities will not take a position that differs from the position taken by us with regard to our tax treatment of various items. Any of the above events may result in a material, adverse effect on our business, financial condition, results of operations and/or prospects. Tax authorities in India may also introduce additional or new regulations applicable to our business which could adversely affect our business and profitability.

**70. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act, 2002, as amended (the “**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition in India, is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which, directly or indirectly, involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or, directly or indirectly, results in bid-rigging or collusive bidding, is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Commission of India (“**CCI**”) has extra-territorial powers and can investigate any agreements, abusive conduct or combinations occurring outside India if such agreements, conduct or combinations have an

appreciable adverse effect on competition in India. However, there can be no assurance as to the impact of the provisions of the Competition Act on the agreements that the Portfolio Assets have entered into. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements they have entered into. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or any prohibition or substantial penalties are levied under the Competition Act. This could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

## **RISKS RELATED TO THE ISSUE AND THE NCDS**

### **71. *Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus to raise further debt.***

The NCDs proposed to be issued pursuant to this Issue have been rated 'CRISIL AAA/Stable' by CRISIL Ratings Limited for an amount of up to ₹1,000 crore by way of its letter bearing reference number RL/INGRTR/265928/NCD/0321/03708/91579517/1 and dated March 30, 2021 and 'IND AAA/Stable' by India Ratings for an amount of up to ₹1,000 crore by way of its letter dated March 26, 2021. Any downgrade of our credit ratings would increase borrowing costs and constraint our access to capital and debt markets. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. There is a possibility of increase in forced sale of our NCDs by the investors resulting in sharp decline in their market price. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

### **72. *Security provided for the NCDs as part of the Issue, may not be enforceable if the security provided for the NCDs as part of the Issue is classified as "Assets" under the IT Act and may be void as against any claim in respect of any other sum payable by the Investment Manager (on behalf of the Trust).***

Under Section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, the Investment Manager (on behalf of the Trust) is required to obtain prior consent of the assessing officer to create the Security provided for the NCDs as part of the Issue to the extent classified as 'Assets' under Section 281 of the IT Act. We have made an application to the relevant assessing officer seeking such prior consent on March 1, 2021. In the event that such consent is not granted, the security provided for the Issue to the extent classified as 'Assets' under Section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by the Investment Manager (on behalf of the Trust).

### **73. *There are other lenders and debenture trustees who have pari passu charge over the Security provided.***

There are other lenders and debenture trustees of the Trust who have *pari passu* charge over the Security provided for this Issue. While the Trust is required to maintain 100% asset cover for the outstanding amount of the NCDs and interest thereon, upon the Trust's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD Holders and to that extent, may reduce the amounts recoverable by the NCD Holders.

### **74. *Changes in interest rate may affect the price of our NCDs. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk and the price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

### **75. *There may be a delay in making refund / unblocking of funds to the Applicants.***

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of this Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

**76. *The fund requirement mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending to the Portfolio Assets, financing and for repayment /prepayment of interest and principal of existing borrowings of the Trust, and general corporate purpose, subject to applicable statutory and/or regulatory requirements (in particular, not more than 25% of our net proceeds being utilized for general corporate purposes). For further details, please see the section entitled “*Objects of the Issue*” on page 79. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The Board of Directors of the Investment Manager will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI ILDS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

**77. *There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.***

In accordance with applicable law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, the Trust (through the Investment Manager will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

**78. *There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected***

There can be no assurance that an active market for the NCDs will develop or at what price will the NCDs trade in the secondary market or whether such market will be liquid or illiquid. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, *inter alia*, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial performance, growth prospects and results of operations. In addition, the trading of the NCDs may be impacted by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes, among others. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

**79. *The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors *inter-alia* including our financial condition, cash flows, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although the Investment Manager will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover on the outstanding amount of the NCDs, the realizable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

**80. *NCD Holders may be subject to Indian taxes arising out of capital gains on the sale of the Debt Securities and on any interest component of any returns from the Debt Securities.***

The returns received by the investors from Debt Securities issued by IndiGrid in the form of interest and the gains on the sale/ transfer of the Debt Securities may be subject to tax liabilities under the Income Tax Act, 1961. For details

of possible tax benefits available to the trust and NCD Holders under the applicable laws in India, please see the section entitled “*Statement of Tax Benefits*” on page 81.

**81. *The Trust may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders, wherever applicable.***

The Trust may, subject to the InvIT Regulations, the Amended and Restated trust Deed, receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, wherever applicable raise further borrowings and charge its assets. The Trust is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the NCD Holders will rank *pari passu* with other charge holder and to that extent, this may reduce the amounts recoverable by the NCD Holders.

**82. *The Trust, being an infrastructure investment trust is not required to maintain debenture redemption reserve (“DRR”) for the Debt Securities.***

The provisions of the Companies Act, 2013 require maintenance of a DRR by an issuer of debt securities, upon availability of distributable profits in the company. However, such provisions are not applicable to the Trust in accordance with the SEBI Debt Issue Guidelines.

### **SECTION III: SUMMARY FINANCIAL INFORMATION**

#### **SUMMARY CONSOLIDATED FINANCIAL INFORMATION**

*The following tables set forth the summary financial information derived from the Reformatted Ind AS Consolidated Financial Information of IGT which have been derived from the Consolidated Financial Statements of IGT and its subsidiaries which were prepared in accordance with Ind AS and the InvIT Regulations, as of and for the Fiscals 2020, 2019 and 2018.*

*The degree to which the summary financial information included herein below will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the InvIT Regulations. Accordingly, any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the InvIT Regulations on the summary financial information presented below should be limited.*

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**INDIA GRID TRUST**  
**SUMMARY OF REFORMATTED CONSOLIDATED ASSETS AND LIABILITIES**

(All amounts in ₹ million unless otherwise stated)

	31 March 2020	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,08,163.16	49,827.62	50,264.53
Financial assets			
i. Other financial assets	9.86	3.57	12.79
Other assets	382.34	192.25	150.21
	<b>1,08,555.36</b>	<b>50,023.44</b>	<b>50,427.53</b>
<b>Current assets</b>			
Financial assets			
i. Investments	-	75.72	-
ii. Trade receivables	2,458.33	1,140.61	1,061.89
iii. Cash and cash equivalents	4,088.41	1,603.66	1,672.92
iv. Bank balances other than (iii) above	1,299.74	19.66	10.50
v. Other financial assets	1,282.63	553.26	498.85
Other current assets	235.72	45.91	115.25
	<b>9,364.83</b>	<b>3,438.82</b>	<b>3,359.41</b>
<b>Total assets</b>	<b>1,17,920.19</b>	<b>53,462.26</b>	<b>53,786.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Unit capital	53,145.69	28,380.00	28,380.00
Other equity			
Retained earnings/ (accumulated deficit)	(2,659.44)	(1,613.89)	252.56
<b>Total Unit holders' equity</b>	<b>50,486.25</b>	<b>26,766.11</b>	<b>28,632.56</b>
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	62,637.00	25,902.00	19,112.50
ii. Other financial liabilities	-	156.72	579.50
Deferred tax liabilities (net)	602.06	-	-
	<b>63,239.06</b>	<b>26,058.72</b>	<b>19,692.00</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	-	-	4,230.00
ii. Trade payables	332.91	161.96	130.17
iii. Other financial liabilities	3,617.60	462.98	1,088.51
Other current liabilities	240.27	12.42	13.70
Current tax liability	4.10	0.07	-
	<b>4,194.88</b>	<b>637.43</b>	<b>5,462.38</b>
<b>Total liabilities</b>	<b>67,433.94</b>	<b>26,696.15</b>	<b>25,154.38</b>
<b>Total equity and liabilities</b>	<b>1,17,920.19</b>	<b>53,462.26</b>	<b>53,786.94</b>

**INDIA GRID TRUST**  
**SUMMARY OF REFORMATTED CONSOLIDATED PROFIT AND LOSS**

*(All amounts in ₹ million unless otherwise stated)*

	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>INCOME</b>			
Revenue from contracts with customers	12,427.13	6,655.70	4,475.69
Income from investment in mutual funds	190.89	48.64	49.94
Interest income on investment in fixed deposits	102.09	22.63	0.86
Other finance income	0.32	-	-
Other income	65.51	12.08	78.51
<b>Total income (I)</b>	<b>12,785.94</b>	<b>6,739.05</b>	<b>4,605.00</b>
<b>EXPENSES</b>			
Transmission infrastructure maintenance charges	240.38	175.57	107.58
Insurance expenses	147.02	87.00	65.92
Investment manager fees	238.79	130.53	87.54
Project manager fees	63.66	39.54	26.44
Legal and professional fees	117.85	82.34	41.55
Valuation expenses	4.89	3.70	4.06
Trustee fee	3.60	2.16	2.94
Vehicle hire charges	13.51	7.26	-
Travelling and conveyance expenses	-	-	5.20
Rates & taxes	37.76	34.68	33.43
Payment to auditors (including for subsidiaries)	11.00	9.52	4.69
Other expenses	110.07	59.24	19.99
Depreciation expense	3,101.12	1,809.22	1,157.41
Impairment / (reversal of impairment) of property, plant and equipment	(456.96)	456.96	-
Finance costs	4,153.38	2,295.83	1,012.57
<b>Total expenses (II)</b>	<b>7,786.07</b>	<b>5,193.55</b>	<b>2,569.32</b>
<b>Profit before tax (I-II)</b>	<b>4,999.87</b>	<b>1,545.50</b>	<b>2,035.68</b>
<b>Tax expense</b>			
Current tax (a)	56.96	6.08	-
Deferred tax (b)	(114.29)	-	-
Income tax for earlier years (c)	-	0.28	(67.82)
<b>Total tax expense (a + b + c)</b>	<b>(57.33)</b>	<b>6.36</b>	<b>(67.82)</b>
<b>Total comprehensive income for the year</b>	<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>



**INDIA GRID TRUST**  
**SUMMARY OF REFORMATTED CONSOLIDATED CASH FLOWS**

(All amounts in ₹ million unless otherwise stated)

	31 March 2020	31 March 2019	31 March 2018
<b>A. Cash flow from operating activities</b>			
<b>Net Profit as per statement of profit and loss</b>	<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>
Adjustment for taxation	(57.33)	6.36	(67.82)
<b>Profit before tax</b>	<b>4,999.87</b>	<b>1,545.50</b>	<b>2,035.68</b>
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation expenses	3,101.12	1,809.22	1,157.41
Impairment /(reversal of impairment) of property plant & equipment	(456.96)	456.96	-
Reversal of prepayment charges	-	(2.37)	(63.85)
Foreign exchange loss on borrowing	62.85	-	-
Finance costs	4,090.53	2,295.83	1,012.57
Income from investment in mutual funds	(190.89)	(48.64)	(49.94)
Interest income on investment in fixed deposits	(102.09)	(22.63)	(0.86)
Gain on sale of property, plant and equipment	-	(7.00)	-
<b>Operating profit before working capital changes</b>	<b>11,504.43</b>	<b>6,026.87</b>	<b>4,091.01</b>
Movements in working capital:			
- Increase/(decrease) in trade payables	3.08	31.83	106.32
- Increase/(decrease) in other current financial liabilities	194.12	5.10	72.99
- Increase/(decrease) in other current liabilities	(378.88)	(9.41)	13.71
- Decrease/(increase) in trade receivables	31.07	(236.38)	101.45
- Decrease/(increase) in other non current financial asset	(5.82)	9.45	(7.90)
- Decrease/(increase) in other non current asset	(10.72)	6.79	-
- Decrease/(increase) in other current financial asset	49.71	(50.54)	(49.40)
- Decrease/(increase) in other current assets	(12.03)	22.73	4.37
<b>Changes in working capital</b>	<b>(129.47)</b>	<b>(220.43)</b>	<b>241.54</b>
<b>Cash generated from operations</b>	<b>11,374.96</b>	<b>5,806.44</b>	<b>4,332.55</b>
Direct taxes paid (net of refunds)	(125.92)	(6.29)	-
<b>Net cash flow from operating activities (A)</b>	<b>11,249.04</b>	<b>5,800.15</b>	<b>4,332.55</b>
<b>B. Cash flow from investing activities</b>			
Acquisition of property, plant and equipment	(59,156.47)	(2,252.05)	(44,740.74)
Acquisition of other assets (net of other liabilities)	(779.36)	(51.69)	(1,551.21)
Proceeds from sale of property plant and equipment	-	8.40	-
Acquisition of mutual fund investments	(2,604.21)	-	(7,904.77)

**INDIA GRID TRUST**  
**SUMMARY OF REFORMATTED CONSOLIDATED CASH FLOWS**

(All amounts in ₹ million unless otherwise stated)

	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Interest income on investment in fixed deposits	41.91	18.76	3.27
Income from investment in mutual funds	190.89	48.64	49.94
Purchase of mutual fund investments	(28,774.82)	(11,309.26)	(11,636.16)
Redemption of mutual fund investments	31,454.75	11,233.54	19,540.93
Investment in fixed deposits (net)	(1,280.08)	-	-
<b>Net cash flow used in investing activities (B)</b>	<b>(60,907.39)</b>	<b>(2,303.66)</b>	<b>(46,238.74)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of unit capital	25,140.48	-	22,500.00
Unit issue expenses	(374.79)	-	-
Proceeds from issue of debentures / long term borrowings	28,248.58	6,850.00	14,230.00
Repayment of long term borrowings	(273.91)	-	-
Repayment of borrowings	-	(6,520.21)	(32,546.46)
Acquisition of borrowings	9,600.00	1,675.00	42,345.56
Payment of upfront fees of long term borrowings	(272.91)	-	-
Finance costs	(3,823.19)	(2,170.70)	(1,099.05)
Distributions to unit holders	(6,101.16)	(3,399.84)	(1,850.94)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>52,143.10</b>	<b>(3,565.75)</b>	<b>43,579.11</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>2,484.75</b>	<b>(69.26)</b>	<b>1,672.92</b>
Cash and cash equivalents as at beginning of year	1,603.66	1,672.92	-
<b>Cash and cash equivalents as at year end</b>	<b>4,088.41</b>	<b>1,603.66</b>	<b>1,672.92</b>
<b>Components of cash and cash equivalents:</b>			
<b>Balances with banks:</b>			
- On current accounts	3,467.87	519.10	1,672.92
- Deposit with original maturity of less than 3 months	620.54	1,084.56	-
<b>Total cash and cash equivalents</b>	<b>4,088.41</b>	<b>1,603.66</b>	<b>1,672.92</b>

## SUMMARY FINANCIAL INFORMATION OF THE INVESTMENT MANAGER

*The following tables set forth the summary financial information derived from the audited financial statements of the Investment Manager, which was prepared in accordance with Ind AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act, as of and for the Fiscals 2020, 2019 and 2018.*

*The degree to which the summary financial information included herein below will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS and the Companies Act. Accordingly, any reliance by persons not familiar with Indian accounting practices, Ind AS and the Companies Act on the summary financial information presented below should be limited.*

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**INDIGRID INVESTMENT MANAGERS LIMITED (Formerly known as Sterlite Investment Managers Limited)**  
**SUMMARY OF ASSETS AND LIABILITIES**

(All amounts in ₹ million unless otherwise stated)

	31 March 2020	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	41.38	1.71	-
Financial assets			
i. Other financial assets	3.34	-	-
Other non current assets	27.49	19.79	-
	<b>72.21</b>	<b>21.50</b>	<b>-</b>
<b>Current assets</b>			
Financial assets			
i. Investments	2.56	108.38	100.56
ii. Trade receivables	105.11	51.19	41.01
iii. Cash and cash equivalents	36.88	0.66	14.52
iv. Other financial assets	4.08	2.68	0.01
Other current assets	5.86	5.19	21.41
<b>Total current assets</b>	<b>154.49</b>	<b>168.10</b>	<b>177.51</b>
<b>TOTAL ASSETS</b>	<b>226.70</b>	<b>189.60</b>	<b>177.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12.50	28.13	28.13
Other equity			
Capital reserve	28.13	-	-
Equity component of redeemable preference shares	-	27.17	21.22
Securities premium	117.50	-	-
Retained earnings	(16.16)	(32.74)	(32.58)
<b>Total equity</b>	<b>141.98</b>	<b>22.56</b>	<b>16.77</b>
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	30.58	85.54	84.42
Employee benefit obligations	6.15	-	-
Deferred tax liabilities (net)	-	4.24	4.54
<b>Total non-current liabilities</b>	<b>36.73</b>	<b>89.78</b>	<b>88.96</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	14.56	61.79	58.55
ii. Other financial liabilities	23.91	7.64	4.88
Employee benefit obligations	4.42	-	-
Other current liabilities	5.11	7.83	8.35
<b>Total current liabilities</b>	<b>48.00</b>	<b>77.26</b>	<b>71.78</b>
<b>Total liabilities</b>	<b>84.73</b>	<b>167.04</b>	<b>160.75</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>226.71</b>	<b>189.60</b>	<b>177.51</b>

**INDIGRID INVESTMENT MANAGERS LIMITED (Formerly known as Sterlite Investment Managers Limited)**  
**SUMMARY OF PROFIT AND LOSS**

(All amounts in ₹ million unless otherwise stated)

	31 March 2020	31 March 2019	31 March 2018
<b>INCOME</b>			
Revenue from contracts with customers	202.36	110.62	74.19
<b>Income (I)</b>	<b>202.36</b>	<b>110.62</b>	<b>74.19</b>
<b>EXPENSES</b>			
Employee benefits expense	108.78	-	-
Other expenses	94.98	109.69	70.51
<b>Total expenses (II)</b>	<b>203.76</b>	<b>109.69</b>	<b>70.51</b>
<b>Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>	<b>(1.39)</b>	<b>0.93</b>	<b>3.68</b>
Depreciation expense	3.27	0.00*	-
Finance costs	15.28	9.17	9.80
Finance income	(5.32)	(5.94)	(3.92)
<b>Loss before tax</b>	<b>(14.63)</b>	<b>(2.30)</b>	<b>(2.20)</b>
<b>Tax expenses</b>			
Current tax (a)	0.20	0.24	0.12
Deferred tax (b)	(4.24)	(2.38)	(2.85)
<b>Total tax expense (a + b)</b>	<b>(4.04)</b>	<b>(2.14)</b>	<b>(2.73)</b>
<b>Profit/ (loss) for the year</b>	<b>(10.58)</b>	<b>(0.16)</b>	<b>0.53</b>

\* Amounts less than ₹ 0.01 million.

**INDIGRID INVESTMENT MANAGERS LIMITED (Formerly known as Sterlite Investment Managers Limited)**  
**SUMMARY OF CASH FLOWS**

(All amounts in ₹ million unless otherwise stated)

	31 March 2020	31 March 2019	31 March 2018
<b>A. Cash flow from operating activities</b>			
<b>Net Profit/ (loss) as per the statement of profit and loss</b>	(10.58)	(0.16)	0.53
Adjustment for taxation	(4.04)	(2.14)	(2.73)
<b>Loss before tax</b>	<b>(14.63)</b>	<b>(2.30)</b>	<b>(2.20)</b>
Non-cash adjustments to reconcile loss before tax to net cash flows:			
Depreciation expense	3.27	0.00*	-
Finance cost	15.28	9.17	9.80
Finance income	(5.32)	(5.94)	(3.92)
	<b>13.23</b>	<b>3.23</b>	<b>5.88</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>(1.39)</b>	<b>0.93</b>	<b>3.68</b>
Change in assets and liabilities:			
-Decrease/(increase) in other non-current financial assets	(4.31)	-	-
-Decrease/(increase) in other current assets	(0.67)	7.25	(12.43)
-Decrease/(increase) in other current financial assets	(1.40)	(2.68)	(0.01)
-Decrease/(increase) in trade receivables	(53.93)	(10.17)	(41.01)
-Increase/(decrease) in trade payables	(47.28)	3.24	58.22
-Increase/(decrease) in other current financial liability	11.29	2.76	3.41
-Increase/(decrease) in employee benefit obligations	10.56	-	-
-Increase/(decrease) in other current liability	(2.72)	(0.52)	8.34
<b>Changes in working capital</b>	<b>(88.46)</b>	<b>(0.12)</b>	<b>16.51</b>
Direct taxes paid	(7.90)	(11.08)	(9.03)
<b>Net cash flow used in operating activities (A)</b>	<b>(97.75)</b>	<b>(10.27)</b>	<b>11.16</b>
<b>B. Cash flow from investing activities</b>			
Interest received on bank deposit/ Dividend income on Mutual Fund	5.32	5.94	3.92
Investment in mutual fund	(571.73)	(7.82)	(100.56)
Proceeds from mutual fund	677.55	-	-
Purchase of property, plant and equipment	(7.16)	(1.71)	-
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>103.98</b>	<b>(3.59)</b>	<b>(96.64)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of share capital	30.00	-	-
<b>Net cash flow from financing activities (C)</b>	<b>30.00</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>36.22</b>	<b>(13.86)</b>	<b>(85.48)</b>
Cash and cash equivalents as at beginning of the year	0.66	14.52	100.00
<b>Cash and cash equivalents as at end of the year</b>	<b>36.88</b>	<b>0.66</b>	<b>14.52</b>
<b>Components of cash and cash equivalents:</b>			
<b>Balances with banks:</b>			
- On current accounts	36.88	0.66	14.52
<b>Total cash and cash equivalents</b>	<b>36.88</b>	<b>0.66</b>	<b>14.52</b>

\* Amounts less than ₹ 0.01 million.

## SECTION IV: INTRODUCTION

### GENERAL INFORMATION

#### **IndiGrid**

IndiGrid was settled on October 21, 2016, in New Delhi, pursuant to the Trust Deed, as an irrevocable trust in accordance with the Indian Trusts Act, 1882. IndiGrid was registered with SEBI on November 28, 2016 under Regulation 3(1) of the InvIT Regulations and has obtained a certificate of registration from SEBI bearing number IN/InvIT/16-17/0005. The principal place of business of IndiGrid is situated at Unit No. 101, First Floor, Windsor, Village Kolkalyan, Off CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400 098.

IndiGrid is an infrastructure investment trust established to hold assets in completed and revenue generating projects and under-construction projects in terms of Regulation 18(5) of the InvIT Regulations. For information on the background of IndiGrid and the description of the Portfolio Assets, please see the sections entitled “*Overview of IndiGrid*”, “*Description of Portfolio Assets*” and “*Our Business*” on pages 183, 185 and 134, respectively.

#### ***Compliance Officer of IndiGrid***

The compliance officer of IndiGrid is Swapnil Patil. His contact details are as follows:

##### **Swapnil Patil**

Unit No. 101  
First Floor, Windsor  
Village Kolkalyan  
Off CST Road  
Vidyanagari Marg, Kalina  
Santacruz East  
Mumbai 400 098  
ICSI Membership No.: ACS 24861  
Tel: +91 72084 93885  
Fax: Not Applicable  
E-mail: [complianceofficer@indigrid.co.in](mailto:complianceofficer@indigrid.co.in)

Investors can contact the Compliance Officer of IndiGrid in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice/letter of Allotment, non-receipt of refund orders, non-credit of Allotted NCDs in the respective beneficiary account and non-receipt of funds by electronic mode.

#### **The KKR Sponsor – Esoteric II Pte. Ltd.**

##### ***Registered office:***

10 Changi Business Park  
Central-2  
#05-01, Hansapoint  
Singapore 486030

##### ***Contact Person of the KKR Sponsor***

The directors of the KKR Sponsor serve as the contact persons of the KKR Sponsor. The contact details are as follows:

##### **Board of Directors**

10 Changi Business Park Central 2  
#05-01 Hansapoint  
Singapore 486030  
Tel: +65 6922 5800  
Fax: +65 6922 5801  
E-mail: [sgfunds@kkf.com](mailto:sgfunds@kkf.com)

## **The Sterlite Sponsor - Sterlite Power Transmission Limited**

### ***Registered office:***

4<sup>th</sup> Floor, Godrej Millennium  
9 Koregaon Road  
Pune, Maharashtra 411 001

### ***Correspondence address:***

F-1, The Mira Corporate Suites  
1 & 2, Ishwar Nagar, Mathura Road  
New Delhi 110 065

### ***Contact Person of the Sterlite Sponsor***

Ashok Ganesan is the contact person of the Sterlite Sponsor. His contact details are as follows:

#### **Ashok Ganesan**

F-1, The Mira Corporate Suites  
1 & 2, Ishwar Nagar, Mathura Road  
New Delhi 110 065  
Tel: +91 11 4996 2200  
Fax: +91 11 4996 2288  
E-mail: ashok.ganesan@sterlite.com  
Website: www.sterlitepower.com

## **The Investment Manager - IndiGrid Investment Managers Limited**

### ***Registered office:***

Unit No. 101  
First Floor, Windsor  
Village Kolkalyan  
Off CST Road  
Vidyanagari Marg  
Kalina, Santacruz East  
Mumbai 400 098

### ***Correspondence Address:***

Unit No. 101  
First Floor, Windsor  
Village Kolkalyan  
Off CST Road  
Vidyanagari Marg, Kalina  
Santacruz East  
Mumbai 400 098  
Tel: +91 72084 93885  
E-mail: swapnil.patil@indigrid.com  
Contact Person: Swapnil Patil  
Website: www.indigrid.co.in

### ***Chief Financial Officer of the Investment Manager***

The chief financial officer of the Investment Manager is Jyoti Kumar Agarwal. His contact details are as follows:

#### **Jyoti Kumar Agarwal**

Unit No. 101  
First Floor, Windsor  
Village Kolkalyan



Off CST Road  
Vidyanagari Marg, Kalina  
Santacruz East  
Mumbai 400 098  
Tel: +91 84509 96408  
Fax: Not Applicable  
E-mail: jyoti.agarwal@indigrid.com

### **The Project Manager**

Sterlite Power Transmission Limited is the Project Manager for all Portfolio Assets other than JKTPL and PrKTCL. The details of Sterlite Power Transmission Limited are provided below:

#### ***Registered office:***

4<sup>th</sup> Floor, Godrej Millennium  
9 Koregaon Road  
Pune, Maharashtra 411 001

#### ***Correspondence address:***

F-1, The Mira Corporate Suites  
1 & 2, Ishwar Nagar, Mathura Road  
New Delhi 110 065  
Tel: +91 11 4996 2200  
Fax: +91 11 4996 2288  
E-mail: ashok.ganesan@sterlite.com  
Website: www.sterlitepower.com

IndiGrid Limited is the Project Manager for JKTPL and PrKTCL. The details of IndiGrid Limited are provided below:

#### ***Registered office:***

Unit No. 101  
First Floor, Windsor  
Village Kolkalyan  
Off CST Road  
Vidyanagari Marg, Kalina  
Santacruz East  
Mumbai 400 098

#### ***Correspondence Address:***

Unit No. 101  
First Floor, Windsor  
Village Kolkalyan  
Off CST Road  
Vidyanagari Marg, Kalina  
Santacruz East  
Mumbai 400 098  
Tel: +91 72084 93885  
E-mail: satish.talmale@indigrid.com  
Contact Person: Satish Talmale

### **The Trustee – Axis Trustee Services Limited**

#### ***Registered Office***

Axis Trustee Services Limited  
Axis House Bombay Dyeing Mills Compound

Pandurang Budhkar Marg  
Worli  
Mumbai 400 025

***Correspondence Address***

Axis Trustee Services Limited  
2<sup>nd</sup> Floor, The Ruby, SW 29  
Senapati Bapat Marg  
Dadar West  
Mumbai 400 028  
Tel : +91 22 6230 0605  
Fax : +91 22 6230 0700  
E-mail: debenturetrustee@axistrustee.com  
Contact Person: Deputy General Manager – Operations Head  
Website: www.axistrustee.com

**Other Parties involved in IndiGrid**

**Auditor**

**S R B C & CO LLP, Chartered Accountants**

Ground Floor  
Panchshil Tech Park  
Yerwada  
Pune 411 006  
Tel: + 91 20 6603 6000  
Fax: + 91 20 6603 5900  
E-mail: srbc.co@srb.in  
Firm Registration No: 324982E/E300003

**Valuer**

**S Sundararaman**

5B, “A” Block  
5th Floor, Mena Kampala Arcade  
New #18 & 20, Thiagaraya Road, T.Nagar,  
Chennai 600 017  
Tel: +91 44 2815 4192  
Fax: +91 44 4213 2024  
E-mail: chennaissr@gmail.com  
IBBI Registration No.: IBBI/RV/06/2018/10238

**Lead Manager**

**JM Financial Limited**

7th Floor, Cnergy  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai 400 025  
Tel: (91 22) 6630 3030  
Fax: (91 22) 6630 3330  
E-mail: Inddiagrid.bondissue2021@jmfl.com  
Investor Grievance Email: grievance.ibd@jmfl.com  
Website: www.jmfl.com  
Contact Person: Ms. Prachee Dhuri  
Compliance Officer: Mr. Sunny Shah  
SEBI Registration No.: INM000010361  
CIN: L67120MH1986PLC038784

## **Debenture Trustee**

### **IDBI Trusteeship Services Limited**

Asian Building, Ground Floor  
17, R. Kamani Marg  
Ballard Estate  
Mumbai 400 001  
Tel.: +91 22 4080 7000  
Fax: 6631 1776 / 4080 7080  
E-mail: itsl@idbitrustee.com  
Investor Grievance E-mail: response@idbitrustee.com  
Website: <http://www.idbitrustee.com>  
Contact Person: Mr. Ritobrata Mitra / Mr. Jatin Bhat

SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has, pursuant to Regulation 4(4) of SEBI ILDS Regulations, by its letter dated March 30, 2021 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Such consent has been annexed as Annexure F entitled “*Consent of the Debenture Trustee*”.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by the Investment Manager (acting on behalf of the Trust) for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Investment Manager to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge the Investment Manager and the Sponsors pro tanto from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed please see the section entitled “*Issue Related Information*” on page 249.

## **Registrar to the Issue**

### **KFin Technologies Private Limited**

(formerly known as “*Karvy Fintech Private Limited*”)

Selenium, Tower B  
Plot No- 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad 500 032  
Telangana, India  
Tel.: +91 40 3321 1000  
E-mail: indigrid.ncdipo@kfintech.com  
Investor Grievance E-mail: einward.ris@kfintech.com  
Website: [www.kfintech.com](http://www.kfintech.com)  
Contact Person: M. Murali Krishna  
SEBI Registration No.: INR000000221  
CIN: U72400TG2017PTC117649  
Compliance Officer: Vivek Thakur

KFin Technologies Private Limited has by its letter dated March 30, 2021 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post-Issue related problems or grievances, such as non-receipt of Allotment Advice, demat credit, transfers, etc. All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant ID, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual

Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the acknowledgement slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (i) the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or (ii) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs and series/option applied for and amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of Stock Exchanges or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the online mechanism of the Stock Exchanges or through Trading Members may be addressed directly to the respective Stock Exchanges.

### **Legal Counsel to the Issue**

#### **Cyril Amarchand Mangaldas**

5<sup>th</sup> Floor, Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg, Lower Parel  
Mumbai 400 013  
Tel: +91 22 2496 4455  
Fax: +91 22 2496 3666

### **Consortium Members**

As specified in the relevant Tranche Prospectus

### **Credit Rating Agency**

#### **CRISIL Ratings Limited**

CRISIL House, Central Avenue  
Hiranandani Business Park, Powai  
Mumbai 400 706  
Tel: +91 22 3342 3000 (B)  
Fax: +91 22 3342 3050  
E-mail: [crisilratingdesk@crisil.com](mailto:crisilratingdesk@crisil.com)  
Contact person: Nitesh Jain  
SEBI registration no.: INCRA0011999

#### **India Ratings and Research Private Limited**

Wokhardt Tower, Level 4  
West Wing, Bandra Kurla Complex  
Bandra (E)  
Mumbai 400 051  
Tel: +91 22 4000 1700  
Fax: + 91 22 4000 1701  
Contact Person E-mail: [divya.charen@indiaratings.co.in](mailto:divya.charen@indiaratings.co.in)  
Investor grievance email: [investor.services@indiaratings.co.in](mailto:investor.services@indiaratings.co.in)  
Website: [www.indiaratings.co.in](http://www.indiaratings.co.in)  
Contact person: Divya Charen C  
Compliance officer: Arunima Basu  
SEBI registration no.: IN/CRA/002/1999

## Credit Rating and Rationale

The NCDs proposed to be issued pursuant to this Issue have been rated 'CRISIL AAA/Stable' by CRISIL Ratings Limited for an amount of up to ₹ 1,000 crore by way of the letter bearing reference numbers RL/INGRTR/265928/NCD/0321/03708/91579517/1 dated March 30, 2021 and 'IND AAA/Stable' by India Ratings and Research Private Limited for an amount of up to ₹ 1,000 crore by way of the letter dated March 26, 2021. The rating of the NCDs by CRISIL Ratings Limited and India Ratings and Research Private Limited indicate the highest degree of safety regarding timely servicing of financial obligation and lowest credit risk. The ratings provided by CRISIL Ratings Limited and India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding rating letters and rationale for the aforementioned rating, please see the "CRISIL Rating Letter and Rationale" and "India Ratings Rating Letter and Rationale" attached as Annexure B1 and Annexure B2, respectively.

## Disclaimer clause of credit rating agencies

### Disclaimer from CRISIL:

*CRISIL Ratings Limited (CRISIL Ratings) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL Ratings from sources which it considers reliable (Information). A rating by CRISIL Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL Ratings especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. India Grid Trust will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings' rating criteria are available without charge to the public on the website, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800-267-1301.*

### Disclaimer from India Ratings:

*All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website [www.indiaratings.co.in](http://www.indiaratings.co.in). Published ratings, criteria, and methodologies are available from this site at all times. India Ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.*

## Bankers to the Issue

### Public Issue Account Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### Refund Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### Sponsor Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche Issue.

## **Underwriting**

This Issue will not be underwritten.

## **Minimum subscription**

In terms of the SEBI ILDS Regulations, the minimum subscription for public issue of debt securities for an issuer undertaking a public issue of debt securities shall be 75% of the Base Issue Size. If the Trust does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the ASBA Accounts of the Applicants within six Working Days from the Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, the Trust shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

If the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Trust, the Investment Manager and /or Registrar, refunds will be made to the account prescribed. However, where the Trust, the Investment Manager and/or Registrar to the Issue does not have the necessary information for making such refunds, the Trust, the Investment Manager and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

## **Arrangers to the Issue**

There are no arrangers to the Issue.

## **Designated Intermediaries**

### *Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

### *Syndicate SCSB Branches*

In relation to bids submitted under the ASBA process to a Member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms and Application Forms where investors have opted for payment through the UPI Mechanism, from the Members of the Consortium is available on the website of SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### *Registered Brokers / RTAs / CDPs*

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the ASBA Circular, applicants can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges.

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) for Registered Brokers and <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> for RTAs and CDPs, as updated from time to time.

In relation to Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and updated from time to time.

For further details, please see the section entitled “*Issue Procedure*” on page 263.

### Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, please see the section entitled “*Objects of the Issue*” on page 79.

### Issue Programme

<b>ISSUE OPENS ON</b>	As specified in the relevant Tranche Prospectus
<b>ISSUE CLOSES ON</b>	As specified in the relevant Tranche Prospectus

This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated above, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or a duly authorized committee thereof). In the event of such an early closure or extension the Issue, the Investment Manager shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Issue has been published on or before such earlier date or extended date of closure.

Application Forms for this Issue will be accepted only from 10:00 A.M. to 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 P.M. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date. For further details, please see the section entitled “*General Information – Issue Programme*” on page 69.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchanges on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 P.M. on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. None of the Sponsors, the Investment Manager, the Lead Manager, the Trustee and the Members of the Consortium are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the Prospectus. In this regard, as per the circular bearing reference CIR/IMD/DF/18/2013 titled “*Issues pertaining to primary issuance of debt securities – Amendment to Simplified Debt Listing Agreement*” dated October 29, 2013 issued by SEBI, the allotment in this Issue would be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, in the event of oversubscription, on such date, the allotments would be made to the applicants on proportionate basis.

## THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, for further details regarding the Issue, please see the section entitled “*General Terms of the Issue*” on page 249.

### Common terms of NCDs

Particulars	Details
Issuer	India Grid Trust
Lead Manager	JM Financial Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	KFin Technologies Private Limited (formerly known as “Karvy Fintech Private Limited”)
Type and nature of instrument	Secured, redeemable, listed non-convertible debt securities of face value of ₹ 1,000 each.
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements)
Mode of Issue	Public Issue.
Issue	Public issue by the Trust of secured, redeemable, non-convertible debt securities of face value of ₹ 1,000 each for an amount aggregating up to ₹ 10,000 million
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Total Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue
In multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue
Listing	The NCDs are proposed to be listed on BSE and NSE. BSE shall be the Designated Stock Exchange for this Issue.  The NCDs shall be listed within six Working Days from the Issue Closing Date.
Mode of Payment	For further details, please see the section entitled “ <i>Issue Structure</i> ” on page 258.
Mode of Allotment and Trading*	Compulsorily in dematerialised form.
Mode of settlement	For further details, please see the section entitled “ <i>Issue Structure</i> ” on page 258.
Market / Trading Lot	One NCD.
Depositories	NSDL and CDSL.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.) type of charge (pledge/hypothecation/mortgage etc.), date of creation of security, minimum security cover, revaluation, replacement of security, interest of the NCD Holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft Shelf Prospectus	<p>The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by a (i) first and <i>pari passu</i> charge on all current assets of the Issuer, including loans and advances and any receivables accrued/realized from loans and advances extended by the Issuer to its Hold Cos/SPVs. It being understood that loans and advances extended by the Issuer will be subordinate to any senior debt availed or to be availed at the Hold Cos/SPVs level; and (ii) first and <i>pari passu</i> pledge over equity shares to the extent of at least 99% of the paid up equity share capital of JTCL, MTL, RTCL, PKTCL, NRSS, JKTPCL and IGL1 and at least 73% of the paid up equity share capital of PTCL. The Issuer may provide higher pledge also as an additional security with intimation to the Security Trustee. It is clarified that by virtue of pledge creation of IGL1, IndiGrid lenders would not have any direct recourse or rights against the subsidiaries of IGL1. The Trust may provide additional security as may be required if stipulated by the Debenture Trustee (in accordance with the Debenture Documents). The Trust shall maintain a minimum 100% security cover on the outstanding balance of the NCDs plus accrued interest thereon.</p> <p>The Trust is required to obtain permissions / consents from existing lenders, debenture trustees and security trustees for ceding <i>pari passu</i> charge in favour of the Debenture Trustee in relation to the NCDs. We have received necessary consents from the relevant debenture trustees and security trustees for ceding <i>pari passu</i> charge in favour of the Debenture Trustee in relation to the NCDs.</p> <p>In the event, the Trust fails to execute the Debenture Trust Deed within the period specified in Regulation 15(1) of the SEBI ILDS Regulations or such other time frame as may be</p>



Particulars	Details																		
	<p>stipulated from time to time, it shall pay interest of at least 2% per annum to the NCD Holders, over and above the interest rate on the NCDs specified in the relevant Tranche Prospectus, till the execution of the Debenture Trust Deed.</p> <p>For further details in relation to the Security, such as the date of creation of security/likely date of creation of security, minimum security cover and interest of NCD Holders, please see the section entitled “<i>General Terms of the Issue</i>” on page 249.</p>																		
Who can apply/ Eligible Investors	For further details, please see the section entitled “ <i>Issue Procedure – Procedure for Application</i> ” on page 264.																		
Credit Ratings	<table><tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated (in INR crore)</th><th>Rating definition</th></tr><tr><td>India Ratings</td><td>NCDs</td><td>IND AAA/Stable</td><td>March 26, 2021</td><td>1,000</td><td>Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk</td></tr><tr><td>CRISIL</td><td>NCDs</td><td>CRISIL AAA/ Stable</td><td>March 30, 2021</td><td>1,000</td><td>Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk</td></tr></table> <p>Please see Annexure B1 and Annexure B2 for rating letter and rationale for the above ratings. For further details regarding the disclaimer clause of CRISIL and India Ratings, please see the section entitled “<i>General Information</i>” on page 61.</p>	Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in INR crore)	Rating definition	India Ratings	NCDs	IND AAA/Stable	March 26, 2021	1,000	Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk	CRISIL	NCDs	CRISIL AAA/ Stable	March 30, 2021	1,000	Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk
Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in INR crore)	Rating definition														
India Ratings	NCDs	IND AAA/Stable	March 26, 2021	1,000	Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk														
CRISIL	NCDs	CRISIL AAA/ Stable	March 30, 2021	1,000	Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk														
Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue																		
Application money	The entire application amount is payable on submitting the application.																		
Record Date	<p>The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or in case of redemption, the relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus or such other date as may be determined by the Board of Directors / Committee of Directors from time to time in accordance with the applicable law. Provided that in case of redemption of NCDs, trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.</p> <p>In case Record Date falls on a day when the Stock Exchanges is having a trading holiday, the immediate subsequent trading day or a date notified by the Investment Manager to the Stock Exchanges, will be deemed as the Record Date.</p> <p>Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.</p>																		
Issue Schedule	As specified in the relevant Tranche Prospectus for each Tranche Issue																		

Particulars	Details
All covenants of the issue (including side letters, accelerated payment clause, etc.)	The applicable covenants to the Issue shall be in accordance with the Debenture Trust Deed.
Objects of the Issue	For further details, please see the section entitled “ <i>Objects of the Issue</i> ” on page 79.
Details of the utilisation of Issue proceeds	For further details, please see the section entitled “ <i>Objects of the Issue</i> ” on page 79.
Interest rate, Interest payment date, Interest type and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest on application money	Please see the section titled “ <i>General Terms of the Issue</i> ” on page 249
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	The Trust shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Premium / Discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face Value (in ₹ per NCD)	₹ 1,000
Issue Price (in ₹ per NCD)	₹ 1,000
Discount at which security is issued and the effective yield as a result of such discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual.
Working Days convention/Day count convention / Effect of holidays on payment/ Business Day Convention	<p>Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai. . During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p> <p>Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the circular issued by SEBI dated November 11, 2016 bearing no. CIR/IMD/DF-1/122/2016.</p> <p>If the date of payment of interest specified (“<b>Interest Payment Date</b>”) does not fall on a Working Day, then the immediately succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the “<b>Effective Date</b>”), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income-tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last interest payment date) falls on a holiday, the interest/redemption payments shall be made only on the immediately preceding Working Day, along with interest accrued on the NCDs until such date, however, excluding the date of such payment.</p>
Issue Agreement	Agreement dated April 7, 2021 entered into by the Investment Manager ( <i>acting on behalf of the Trust</i> ), the Trustee ( <i>acting on behalf of the Trust</i> ) and the Lead Manager.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue

Particulars	Details
Issue Closing Date**	As specified in the relevant Tranche Prospectus for each Tranche Issue
Pay-in Date	Application Date. The entire Application Amount is payable on Application
Deemed Date of Allotment	The date on which the Board of Directors/Committee of Directors of the Investment Manager approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors /Committee of Directors and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.
Put/Call Option	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put/Call Option Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put/Call Option Price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call Notification Time / Put Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Transaction documents	Transaction documents shall mean Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus read with any notices, corrigenda, addenda thereto the Issue Agreement, Registrar Agreement, Consortium Agreement, Abridged Prospectus, Debenture Trustee Agreement, Tripartite Agreements and the Debenture Trust Deed to be executed between the Trustee (acting on behalf of the Trust), the Investment Manager and the Debenture Trustee. For further details, please see the section entitled “ <i>Material Contracts and Documents for Inspection</i> ” on page 325.
Conditions precedent and subsequent to this Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI ILDS Regulations, there are no conditions precedent to disbursement.
Events of default (including manner of voting /conditions of joining Inter Creditor Agreement)	For further details, please see the section entitled “ <i>General Terms of the Issue – Events of Default</i> ” on page 252.
Creation of recovery expense fund	Pursuant to the SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 (“ <b>SEBI Circular</b> ”), the requirement of creation of the Recovery Expense Fund shall be in accordance with the SEBI Circular. For further details, please see the section entitled “ <i>General Terms of the Issue – Recovery Expense Fund</i> ” on page 250. The Investment Manager (acting on behalf of the Trust) has deposited an amount in a Recovery Expense Fund in the manner as may be specified by SEBI and undertakes to inform the Debenture Trustee regarding the creation of such fund. The Recovery Expense Fund may be utilised by Debenture Trustee, in the event of default by the Investment Manager and the Trustee under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	In accordance with the Debenture Trust Deed  Please refer to the section titled “ <i>General Terms of the Issue — Events of default</i> ” on page 252 of this Draft Shelf Prospectus.
Cross Default	For further details, please see the section entitled “ <i>General Terms of the Issue – Events of Default</i> ” on page 252.
Risk Factors pertaining to the Issue	For further details, please see the section entitled “ <i>Risk Factors</i> ” on page 18.
Roles and responsibilities of the Debenture Trustee	For further details, please see the section entitled “ <i>General Terms of the Issue</i> ” on page 249.
Governing law and jurisdiction	This Issue shall be governed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the courts of New Delhi and Mumbai.

\*In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Trust will undertake this public issue of NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

\*\*The Issue shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M., except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or duly authorized committee thereof). In the event of such an early closure or extension of the Issue, the Investment Manager, in consultation with the Trustee, shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Issue have been published on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 A.M. till 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 p.m. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one

*Working Day post the Issue Closing Date. The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus. For further details, please see the section entitled "Issue Procedure" on page 263 for details of category wise eligibility and allotment in the Issue. NCDs shall be considered as secured only if the charged asset is registered with CERSAI or the Depositories or any other regulatory authority, as applicable, or is independently verifiable by the Debenture Trustee.*

*# While the NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Draft Shelf Prospectus, in favour of Debenture Trustee, the Debenture Trustee shall monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the Security.*

In terms of Regulation 4(2)(d) of the SEBI ILDS Regulations, the Trust will make public issue of NCDs in the dematerialised form. However, the NCD Holder who wish to hold the NCDs post allotment in physical form may rematerialize their NCDs subject to applicable law and in the manner provided under applicable law.

## INFORMATION CONCERNING THE UNITS

### 1. Details of Unit Capital as on April 2, 2021:

The following is the Unit capital of the Trust as on April 2, 2021:

Units	
Unit Capital	₹ 53,520,400,777*
Units issued and outstanding	583,483,081

\* This amount includes issue expenses of ₹ 374.8 million. Unit capital net of issue expenses as on April 2, 2021 stands at ₹ 53,145.6 million.

### 2. Unit capital history as on April 2, 2021 and for the last five years:

The following is the Unit capital history of the Trust as on April 2, 2021, since registration as an infrastructure investment trust:

Date of Allotment	No. of Units	Issue Price (in ₹)	Type of Issue/ Nature of Allotment	Consideration (Cash, other than cash, etc.)	Cumulative			Remarks
					No. of units	Unit Capital (in ₹)	Premium	
May 31, 2017	270,200,000	100	Initial Public Offer <sup>1</sup>	₹ 27,020,000,000, Cash	270,200,000	27,020,000,000	Not Applicable	Listed
October 26, 2017	13,599,200	100	Further Allotment to the Sterlite Sponsor <sup>2</sup>	₹ 1,359,920,000, Other than Cash	283,799,200	28,379,920,000	Not Applicable	Listed
May 7, 2019	299,683,881	83.89	Preferential Issue of Units <sup>3</sup>	₹ 25,140,480,777, Cash	583,483,081	53,520,400,777*	Not Applicable	Listed
<b>Total</b>	<b>583,483,081</b>							

<sup>1</sup> Pursuant to the resolution of the Board of Directors of the Investment Manager dated November 7, 2016, the Board of Directors approved the issue of Units to various investors by way of an initial public offering.

<sup>2</sup> Pursuant to the order of the CERC dated May 8, 2017 and the resolution of the Board of Directors of the Investment Manager dated October 26, 2017, the Board of Directors approved allotment of Units to the Sterlite Sponsor.

<sup>3</sup> Pursuant to the resolution the Board of Directors of the Investment Manager dated April 24, 2018 and the resolution of the Unitholders of the Trust dated July 26, 2018 the issuance of Units by way of a preferential issue, was approved.

\* This amount includes issue expenses of ₹ 374.8 million. Unit capital net of issue expenses as on April 2, 2021 stands at ₹ 53,145.6 million.

Note: Face Value is not applicable for Units of the Trust.

### 3. Unitholding of IndiGrid as at March 31, 2021

All the Units are in dematerialized form.

Category	Category of Unitholders/ Particulars	Total Number of Units held	As a percentage of total outstanding Units (%)	Number of units pledged or otherwise encumbered	
				No. of Units	As a percentage of Units held (%)
(A)	<b>Sponsor(s)/ Investment Manager/ Project Manager(s) and their associates/related parties</b>				
(1)	<b>Indian</b>	-	0	-	0
(a)	Individuals / HUF	-	0	-	0
(b)	Central/State Govt.	-	0	-	0
(c)	Financial Institutions/Banks	-	0	-	0
(d)	Any Other (specify)	-	0	-	0
(e)	<b>STERLITE POWER TRANSMISSION LIMITED</b>	2,040,457	0.35	-	0
	<b>Sub- Total (A) (1)</b>	<b>2,040,457</b>	<b>0.35</b>	-	0
(2)	<b>Foreign</b>				
(a)	Individuals (Non-Resident Indians / Foreign Individuals)	-	0	-	0
(b)	Foreign government	-	0	-	0
(c)	Institutions	-	0	-	0
(d)	Foreign Portfolio Investors	136,035,774	23.31	-	0
(e)	Any Other (specify)	-	0	-	0
	<b>Sub- Total (A) (2)</b>	<b>136,035,774</b>	<b>23.31</b>	-	0

	<b>Total unit holding of Sponsor &amp; Sponsor Group (A) = (A)(1)+(A)(2)</b>	<b>138,076,231</b>	<b>23.66</b>	-	0
<b>(B)</b>	<b>Public Holding</b>				
<b>(1)</b>	<b>Institutions</b>				
(a)	Mutual Funds	4,007,556	0.69		
(b)	Financial Institutions/Banks	-	0		
(c)	Central/State Govt.	-	0		
(d)	Venture Capital Funds	-	0		
(e)	Insurance Companies	52,285,338	8.96		
(f)	Provident/pension funds	3,526,173	0.60		
(g)	Foreign Portfolio Investors	181,428,660	31.09		
(h)	Foreign Venture Capital investors	-	0		
(i)	Any Other (specify)	-	0		
	<b>Sub- Total (B) (1)</b>	<b>241,247,727</b>	<b>41.35</b>		
<b>(2)</b>	<b>Non-Institutions</b>				
(a)	Central Government/State Governments(s)/President of India	-	0		
(b)	Individuals	114,153,918	19.56		
(c)	NBFCs registered with RBI	782,460	0.13		
(d)	Any Other (specify)	-	0		
	Trusts	343,602	0.06		
	Alternative Investment Fund	102,060	0.02		
	Non Resident Indians	6,405,966	1.10		
	Clearing Members	878,334	0.15		
	Bodies Corporates	81,492,783	13.97		
	<b>Sub- Total (B) (2)</b>	<b>204,159,123</b>	<b>34.99</b>		
	<b>Total Public Unit holding (B) = (B)(1)+(B)(2)</b>	<b>445,406,850</b>	<b>76.34</b>		
	<b>Total Units Outstanding (C) = (A) + (B)</b>	<b>583,483,081</b>	<b>100.00</b>		

Note: Sterlite Power Grid Ventures Limited merged with Sterlite Power Transmission Limited with effect from November 15, 2020. For further details, please see the section entitled "Parties to IndiGrid – The Sterlite Sponsor – Sterlite Power Transmission Limited" on page 191.

#### 4. Top 10 Unitholders and the Units held by them as at March 31, 2021

Sr. No.	Name of Unitholders	Total Number of Units held	Number of Units in dematerialized form	As a percentage of total outstanding Units (%)
1.	Esoteric II Pte. Ltd.	136,035,774	136,035,774	23.31
2.	Government of Singapore	116,817,876	116,817,876	20.02
3.	Larsen and Toubro Limited	36,678,663	36,678,663	6.29
4.	Schroder Asian Asset Income Fund	20,777,715	20,777,715	3.56
5.	Schroder Asian Income	16,717,428	16,717,428	2.87
6.	Utilico Emerging Markets Trust PLC	13,264,398	13,264,398	2.27
7.	Reliance Nippon Life Insurance Co Limited	12,568,689	12,568,689	2.15
8.	TATA AIG General Insurance Company Limited	10,923,822	10,923,822	1.87
9.	PNB Metlife India Insurance Company Limited	6,715,548	6,715,548	1.15
10.	Max Life Insurance Co Ltd A/C Participating Fund	5,336,037	5,336,037	0.91
<b>Total</b>		<b>375,835,950</b>	<b>37,58,35,950</b>	<b>64.41</b>

#### 5. Unitholding of the Sponsors, Investment Manager, Project Manager and Trustee

For details of the Units held by the Sterlite Sponsor, who is also the Project Manager, and the KKR Sponsor, please see the sections entitled "–Unit holding of IndiGrid as at March 31, 2021" and "–Top 10 Unitholders and the Units held by them as at March 31, 2021" on pages 75 and 76, respectively.

The Trustee does not hold any Units and shall not acquire any Units in this Issue. The Investment Manager holds 340,200 Units for the benefit of its employees pursuant to the Long Term Incentive Plan 2020. For further details,

please see the section entitled “*Parties to IndiGrid – Long Term Incentive Plan 2020*” on page 204.

#### 6. **Unitholding of the directors of the Investment Manager**

As on the date of this Draft Shelf Prospectus, except as disclosed below, none of the directors of the Investment Manager hold any Units in IndiGrid.

Sr. No.	Name of Director	Number of Units
1.	Pratik Agarwal	137,781
2.	Harsh Shah	10,206

#### 7. **Sponsor lock-in**

In terms of the InvIT Regulations, as on the date of this Draft Shelf Prospectus, the Sterlite Sponsor holds 0.35% of Units, being 2,040,457 Units, of which 2,039,880 Units, allotted on October 26, 2017, against the order of the CERC dated May 8, 2017 passed in relation to the JTCL Petition, have been locked-in for a period of three years from the date of listing, until July 20, 2021.

Further, as on the date of this Draft Shelf Prospectus, the KKR Sponsor holds 23.31% of the Units, being 136,035,774 Units, of which, 129,213,063 Units were allotted pursuant to the preferential issue undertaken by India Grid Trust and 6,822,711 Units were acquired from the secondary market.

#### 8. **Details of any acquisition or amalgamation in the last one year**

Except for the acquisitions set out in the section entitled “*Our Business*” on page 134, the Trust has not made any acquisition or amalgamation in the last one year prior to filing of the Draft Shelf Prospectus.

#### 9. **Details of any reorganization or reconstruction in the last one year**

The Trust has not undergone any reorganisation or reconstruction in the last one year prior to filing of the Draft Shelf Prospectus.

#### 10. **Debt / equity ratio**

The debt / equity ratio (a “**Non-GAAP Measure**”), presented in this Draft Shelf Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with Ind AS. Further, this Non-GAAP Measure is not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, Non-GAAP Measures, are not standardised terms, hence a direct comparison of Non-GAAP Measures between different organizations may not be possible. Other organizations may calculate a Non-GAAP Measure differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measure is not a measure of performance calculated in accordance with applicable accounting standards, we believe that they are useful to an investor in evaluating us as they are widely used measures to evaluate an organization’s operating performance.

##### **(A) Consolidated Basis**

The debt/ equity ratio of the Trust, on a consolidated basis, as on December 31, 2020 (prior to this Issue) is 1.83 which is based on total borrowings (consisting of non-current borrowings and current maturities of long term borrowings) of ₹ 87,405.59 million, and total Unit holders’ equity amounting to ₹ 47,892.02 million. The debt/equity ratio post the Issue (assuming subscription aggregating to ₹ 10,000 million and there is no change in Unit holders’ equity) would be 2.03. For further details, please refer to the section entitled “*Our Business – Key Performance Indicators for the India Grid Trust*” on page 176.

(in ₹ million)

Particulars	Prior to the Issue outstanding as on December 31, 2020	Post the Issue (assuming subscription aggregating to ₹ 10,000 million and there is no change in Unit holders' equity)*
<b>Unit holder's equity</b>		
Unit capital (A)	53,145.69	53,145.69
Other equity		
Retained earnings / (accumulated deficit) (B)	(5,253.67)	(5,253.67)
<b>Total Unit holder's equity (C) = (A+B)</b>	<b>47,892.02</b>	<b>47,892.02</b>
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings (D)	86,787.60	96,787.60
<b>Short term borrowings (secured) (E)</b>	-	-
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Other Current Liabilities		
Current maturities of long term borrowings	617.99	617.99
<b>Sub-total (F)</b>	<b>617.99</b>	<b>617.99</b>
<b>Total borrowings (G) = (D+E+F)</b>	<b>87,405.59</b>	<b>97,405.59</b>
<b>Debt/Equity ratio (H)= (G/C)</b>	1.83	2.03

\* The debt / equity ratio post Issue is indicative on account of the assumed inflow of ₹ 10,000 million from the proposed Issue. The actual debt / equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

\*\* Please also refer to the section entitled "Our Business – Key Performance Indicators for the India Grid Trust – Note 9: Reconciliation of Total Unit holder's equity and Total borrowings to Debt/Equity ratio – Consolidated basis" on page 181 of this Draft Shelf Prospectus.

#### (B) Standalone Basis

The debt/ equity ratio of the Trust, on a standalone basis, as on December 31, 2020 (prior to this Issue) is 1.10 which is based on total borrowings (consisting of non-current borrowings and current maturities of long term borrowings) of ₹ 59,306.58 million, and total Unit holders' equity amounting to ₹ 53,714.39 million. The debt / equity ratio post the Issue (assuming subscription aggregating to ₹ 10,000 million and there is no change in Unit holders' equity) would be 1.29.

(in ₹ million)

Particulars	Prior to the Issue outstanding as on December 31, 2020	Post the Issue (assuming subscription aggregating to ₹ 10,000 million and there is no change in Unit holders' equity)*
<b>Unit holder's equity</b>		
Unit capital (A)	53,145.69	53,145.69
Other equity		
Retained earnings / (accumulated deficit) (B)	568.70	568.70
<b>Total Unit holder's equity (C) = (A+B)</b>	<b>53,714.39</b>	<b>53,714.39</b>
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	59,306.58	69,306.58
<b>Total borrowings (D)</b>	<b>59,306.58</b>	<b>69,306.58</b>
<b>Debt/Equity ratio (E)= (D/C)**</b>	1.10	1.29

\* The debt / equity ratio post Issue is indicative on account of the assumed inflow of 10,000 million from the proposed Issue. The actual debt / equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

\*\* Please also refer to the section entitled "Our Business – Key Performance Indicators for the India Grid Trust – Note 10: Reconciliation of Total Unit holder's equity and Total borrowings to Debt/Equity ratio – Standalone basis" on page 181 of this Draft Shelf Prospectus.



## OBJECTS OF THE ISSUE

### Issue proceeds

Public issue by the Trust of NCDs, for an amount aggregating up to the Shelf Limit. The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus. The Issue is being made pursuant to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations and the InvIT Regulations. Subject to applicable law, the Trust proposes to utilize the proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by the Trust (“**Net Proceeds**”) towards funding the objects listed under this chapter.

The investment objectives, as specified in the Amended and Restated Trust Deed, permit the Trust to undertake its existing activities as well as the activities for which the funds are being raised through this Issue. For further details, please see section entitled “*Overview of IndiGrid – Investment Objectives*” on page 183.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (in ₹ million)
Gross proceeds to be raised through each Tranche Issue	As mentioned in the relevant Tranche Prospectus
<b>Less:</b> Tranche Issue related expenses*	As mentioned in the relevant Tranche Prospectus
Net Proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus

\* The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.

### Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Issue (“**Objects**”) and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending to the Portfolio Assets, financing and for repayment /prepayment of interest and principal of existing borrowings of the Trust*	At least 75%
2.	General Corporate Purposes**	Maximum of up to 25%
<b>Total</b>		<b>100%</b>

\* The Trust shall not utilize the proceeds of this Issue towards payment of prepayment penalty, if any

\*\* The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI ILDS Regulations.

The investment objectives clause of the Amended and Restated Trust Deed permits the Trust to undertake its existing activities as well as the activities for which the funds are being raised through this Issue. For further details, please see section entitled “*Overview of IndiGrid – Investment Objectives*” on page 183. No benefit/interest will accrue to Sponsors or Directors of the Investment Manager out of the proceeds of the Issue.

### Funding plan

For the purpose of this Issue, funding plan will not be applicable.

### Summary of the project appraisal report

For the purpose of this Issue, summary of the project appraisal report will not be applicable.

### Schedule of implementation of the project

For the purpose of this Issue, schedule of implementation of the project will not be applicable

### Monitoring and reporting of utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI ILDS Regulations. The Audit Committee of the Investment Manager shall monitor the utilisation of the proceeds of the Issue. The utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue financial statements will be disclosed in the financial statements of the Trust for the relevant Fiscal commencing from Fiscal 2021. The Trust shall utilize the proceeds of the Issue

only upon the execution of the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges. Further, the Trust will furnish to the Stock Exchange(s) on a half yearly basis, a statement indicating material deviations, if any, in the use of Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results in the terms of and as per the format prescribed by the SEBI by way of its circular dated January 17, 2020 bearing reference number SEBI/HO/DDHS/08/20.

### **Interim use of proceeds**

The Investment Manager (on behalf of the Trust), in accordance with the policies formulated by it from time to time, will have the flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, the Investment Manager (on behalf of the Trust) intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board of Directors (or any committee thereof). Such investment would be in accordance with the policies adopted by the Investment Manager (on behalf the Trust) and approved by the Board of Directors (or any committee thereof) from time to time.

### **General Corporate Purposes**

The management of the Investment Manager, in accordance with the policies formulated by it from time to time, intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to the Trust as well as meeting exigencies which the Trust may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors or duly authorized committee thereof.

### **Other confirmations**

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, creation of relevant security for the NCDs, receipt of minimum subscription, i.e. 75% of base issue size relating to each Tranche Issue and upon receipt of the listing and trading approval from the Stock Exchange as stated in this Draft Shelf Prospectus. For further details, please refer to the section entitled “*General Terms of the Issue*” on page 249.

### **Benefit / interest accruing to the Trustee, the Investment Manager and the Sponsors out of the object of the Issue**

Neither the Trustee, the Investment Manager and the Sponsors are interested in the Objects of this Issue.

### **Issue related expenses**

The expenses for this Issue include, lead management fees and selling commission to the Lead Manager, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs’ commission/ fees, fee payable to the intermediaries as provided for in the UPI Mechanism Circular, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by IndiGrid.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment shall be as specified in the relevant Tranche Prospectus.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE TRUST AND ITS DEBENTURE-HOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors  
Indigrd Investment Managers Limited (as Investment Manager of India Grid Trust)  
(Previously known as Sterlite Investment Managers Limited)  
Unit No 101, First Floor,  
Windsor Village, Kole Kalyan Off CST Road,  
Vidyanagari Marg, Santacruz (East)  
Mumbai-400098  
Maharashtra

Dear Sirs/Madams,

#### **Statement of Possible Tax Benefits available to India Grid Trust (“the Trust” or “issuer” or “InvIT”) and its debenture-holders under the applicable laws in India**

We hereby confirm that the enclosed Annexure 1 (the “Annexure”), prepared by management of Indigrd Investment Managers Limited, (hereinafter referred as the “Investment Managers”), provides the possible tax benefits available to the Trust and to the debenture-holders of the Trust under the Income-tax Act, 1961 (the “Act”) as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India (together, the ‘Tax Laws’). This statement can be included in the Shelf Prospectus (the “Prospectus”) proposed to be filed with the Securities and Exchange Board of India (“SEBI”), BSE Limited and National Stock Exchange of India Limited (collectively, the “Stock Exchanges”) for the proposed offering (“the issue”) of Non-convertible debt securities (the “NCD”), by the Trust outside the United States, as required under the provisions of the Securities and Exchange Board of India (issue and listing of debt securities) Regulations, 2008, together with any amendments, circulars and guidelines issued thereunder (the “SEBI ILDS regulations”), the Securities and Exchange Board of India (Infrastructure Investment Trusts) regulations, 2014, together with any amendments, circulars and guidelines issued thereunder (the “InvIT regulations”) read with the “Guidelines for issuance of Debt securities by Real Estate Investment Trusts (REITs) and infrastructure investment trusts (InvITs)” dated April 13, 2018 issued by the Securities and Exchange Board of India (the “SEBI debt issue guidelines”) (the “Offering”). Several of these benefits are dependent on the Trust or its debenture-holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Trust and / or its debenture-holders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Trust faces in the future, the Trust or its debenture-holders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Investment Manager. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
2. We do not express any opinion or provide any assurance as to whether:
  - i) the Trust or its debenture-holders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Trust and on the basis of their understanding of the business activities and operations of the Trust.
4. This Statement is issued solely in connection with the proposed offering and is not to be used, referred to or distributed for any other purpose.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Huzefa Ginwala**

Partner

Membership Number: 111757

UDIN: 21111757AAAABS2293

Place of Signature: Pune

Date: April 7, 2021

**ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO INDIA GRID TRUST AND ITS DEBENTURE HOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

**I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as ‘the Act’)**

**1. TAX BENEFITS AVAILABLE TO INDIA GRID TRUST (‘IndiGrid’) UNDER THE ACT**

The following benefits are available to IndiGrid after fulfilling conditions as per the applicable provisions of the Act and the guidelines prescribed by the Securities and Exchange Board of India (‘SEBI’) [including the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended] (‘SEBI Regulations’).

**1.1 Tax benefit in the hands of IndiGrid in respect of income received from the Special Purpose Vehicle(s) (‘SPVs’):**

**1.1.1 Interest income and dividend income from SPVs**

Interest and dividend income received or receivable by IndiGrid from the Project SPVs should be exempt from tax, subject to satisfaction of conditions given in section 10(23FC) of the Act.

Further, in view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning the above exempt income shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by IndiGrid, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Income-tax Rules, 1961 (‘the Rules’).

**1.2 Benefits in the hands of IndiGrid in respect of income other than the income from SPVs:**

**1.2.1 Dividend income from specified units**

Finance Act, 2020 has discontinued the exemption available under section 10(35) and hence the business trusts shall be liable to pay tax on dividends received on or after April 1, 2020 at maximum marginal rate.

**1.2.2 Section 10(34A) of the Act - Income from buy back of shares**

The provisions of section 115QA mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares. Correspondingly, income arising from buy-back of shares shall not be taxable as per section 10(34A) of the Act in the hands of IndiGrid.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning such exempt income shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by IndiGrid, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Rules.

**1.2.3 Taxability of Capital Gains**

In terms of section 115UA(2) of the Act, the total income of IndiGrid shall be chargeable to tax at the maximum marginal rates in force except for

- a) Income chargeable to tax on transfer of Short Term Capital assets under section 111A
- b) Income chargeable to tax on transfer of Long Terms Capital assets under section 112A and section 112 of the Act, respectively; and
- c) income referred in para 1.1.1 above.

If the period of holding of a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond is more than 12 months, it will be considered a long term capital asset as per section 2(29A) of the Act. With respect to shares of a company not being listed on a recognized stock exchange, the determinative period of holding shall be more than 24 months for it to be regarded as long term capital asset. With respect to other assets including a unit of a mutual fund other than equity oriented mutual fund or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long term capital asset. Asset not considered as long term capital asset shall be regarded as short term capital assets.

Long term capital gain exceeding Rs. 1,00,000 on transfer of equity shares or units of equity oriented fund or units of a business trust on or after 1 April 2018 through a recognized stock exchange and subject to securities transaction tax,

shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess) as per the provisions of section 112A of the Act introduced vide Finance Act, 2018.

As per the provisions of section 111A of the Act, any income arising from transfer of short term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of an eligible business trust, transacted through a recognized stock exchange and subject to securities transaction tax, shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long term capital assets shall be chargeable to tax in the hands of IndiGrid at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of Zero Coupon Bonds shall be at the rate of 10% (plus applicable surcharge and cess) without indexation benefit.

Section 48 of the Act prescribes the mode of computation of Capital Gains and provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. Such indexation benefit would not be available on bonds and debentures.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

## **2. TAX BENEFITS AVAILABLE TO DEBENTURE HOLDERS OF INDIGRID**

### **2.1 Special Benefits available to the debenture holders of IndiGrid:**

Following tax benefit is specifically available to the debenture holders of IndiGrid subject to the fulfilment of the conditions specified in the Act and SEBI Regulations:

#### **2.1.1 Section 10(23FE) of the Act - Tax exemption in respect of specified income earned by notified Sovereign Wealth Funds and Provident Funds**

Finance Act, 2020 has introduced a specific tax exemption under section 10(23FE) of the Act to 'Specified Persons' with respect to the income in the nature of **interest, dividend or long-term capital gains** arising from direct India investments made on or after 1 April 2020 but on or before 31 March 2024, inter alia, in debt securities of an Infrastructure Investment Trust.

For the purposes of the above exemption, following investors are considered as 'Specified Persons':

- a. Wholly owned subsidiaries of Abu Dhabi Investment Authority;
- b. Notified foreign Sovereign Wealth Fund ('SWF'); and
- c. Notified foreign pension Fund ('PF').

For the purpose of claiming the aforesaid exemption, the aforesaid 'Specified Persons' need to be specifically notified under section 10(23FE) and need to satisfy the conditions specified in the notification.

### **2.2 General Benefits available to the all the debenture holders of IndiGrid:**

#### **2.1.2 Taxability under various heads of Income:**

The returns received by the investors from debentures of IndiGrid in the form of interest and the gains on the sale/ transfer of the debentures, may be characterized under the following broad heads of income for the purposes of taxation under the Act:

- Profits and gains from business;
- Income from capital gains; and
- Income from other sources.

The returns from the investment in the form of interest would generally be subject to tax under the head “income from other sources”. Under certain circumstances depending upon the facts and circumstances of the taxpayer, the interest income may be subject to tax under the head “Profits and gains from business”.

Gains from the transfer of debentures of IndiGrid may be characterised as “Capital Gains” or as “Profits and gains from business” in the hands of an investor, depending upon whether the investments in the debentures are held as ‘investments’ or as ‘stock in trade’. This can vary based on the facts of each investor’s case (taking into account factors such as the magnitude of purchases and sales, ratio between purchases and sales, the period of holding, whether the intention to earn a profit from sale or to earn interest etc.).

### **2.1.3 Taxability of interest on debentures:**

Income by way of interest received on debentures held as investments shall be charged to tax as under the head “Income from Other Sources” at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the Act, being expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income.

In case of debentures held as ‘stock in trade’, the interest accrued thereon may be charged to taxed under the head “Profits and gains from business” on a ‘net’ basis (that is, net of allowable deductions for expenses/allowances under Chapter IV – Part D of the Act). The said interest would be subject to tax at the tax rates as generally applicable to the respective investors.

In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Agreement for Avoidance for Double Taxation (‘AADT’), if any, between India and the country in which the non-resident has Fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the AADT to the extent they are more beneficial to the non-resident.

### **2.1.4 Taxability of gains from transfer of debentures:**

#### **If taxable as business income:**

The gains from the business of investing in debentures may be chargeable to tax on a ‘net’ basis (that is, net of allowable deductions for expenses/allowances under Chapter IV – Part D of the Act).

Specifically, where the gains arising on the transfer of the debentures of IndiGrid are included in the business income of an assessee and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act.

The “Profits and gains from business” so computed may be set-off against the losses in accordance with Chapter VI of the Act and unabsorbed allowances, if any.

The gains on transfer of debentures taxable under the head “Profits and gains from business” would be subject to tax at the tax rates as generally applicable to the respective investors.

#### **If taxable as capital gains:**

As per section 2(14) of the Act, transfer of any securities being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be treated as Capital Gains.

Income arising from transfer of listed debentures of IndiGrid held for more than 12 months shall be considered as long term capital assets. Assets not considered as long term capital assets shall be considered as short term capital assets.

Long-term Capital Gains from transfer of listed debentures of IndiGrid will be chargeable to tax under Section 112 of the Act at a rate 10 per cent without indexation of cost of acquisition (plus applicable surcharge and health and education cess), as the benefit of indexation of cost of acquisition is not available in case of debentures. Short-term capital gains from transfer of listed debentures of IndiGrid would be subject to tax at the tax rates as generally applicable to the respective investors.

Short term capital loss computed for the given year is allowed to be set-off against short term/ long term capital gains computed for the said year under section 70 of the Act. Further, as per Section 71 of the Act, short term capital loss for

the year cannot be set-off against income under any other heads for the same year. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising on transfer of debentures of IndiGrid is allowed to be set-off only against long term capital gains. Balance long term capital loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the AADT, if any, between India and the country in which the non-resident has Fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the AADT to the extent they are more beneficial to the non-resident.

#### **2.1.5 Non-applicability of Minimum Alternate Tax ('MAT') Provisions to non-resident debenture holders:**

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having AADT with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant AADT, or the foreign company is a resident of a country which does not have a AADT with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

#### **2.1.6 For debenture holders who are Mutual Funds:**

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

#### **2.1.7 For Venture Capital Companies/ Funds:**

VCF/VCC registered post 21 May 2012 shall be classified as a Category 1 Alternate Investment Fund which shall be governed by the SEBI (AIF) Regulations 2012. For such funds benefit of section 10(23FB) and section 115U shall not be applicable and shall be governed section 115UB read with section 10(23FBA) and 10(23FBB) which states that business income earned by such fund shall be taxable in the hands of the Fund and exempt in the hands of the unit holders, and other income earned viz. capital gains, income from other sources shall be exempt in the hands of the fund and taxable in the hands of unit holder.

## **II. TAX DEDUCTION AT SOURCE**

#### **Interest paid by the SPVs to IndiGrid on loans:**

As per Clause xi) of sub-section 3 to section 194A of the Act, interest income paid by the SPVs to IndiGrid in respect of the loans shall not be subjected to any withholding tax.

#### **Dividend distribution by the SPVs to IndiGrid:**

As per section 194 of the Act, dividend income distributed/ paid by an SPV to IndiGrid shall be subject to withholding tax at the rate of 10%.

#### **Interest payable by IndiGrid on the listed debentures:**

As per section 194A of the Act, interest income paid by IndiGrid to the resident debenture holders shall be subjected to withholding tax at the rate of 10%, if the amount of interest exceeds to Rs. 5,000 per annum.

As per section 196 of the Act, no tax is to be deducted from any income distributed/ paid by IndiGrid to a Mutual Fund specified under section 10(23D) of the Act.

When the Assessing Officer issues a certificate to the Debenture Holder for no/lower deduction of tax at source as per the provisions of Section 197 of the Act and such certificate is filed by the Debenture Holder with IndiGrid before the prescribed date of closure of books for payment of debenture interest, taxes shall be withheld by IndiGrid on the corresponding interest at such lower rate/ nil rate to the extent of amount prescribed in such certificate.



Further, when the resident Debenture Holder submits a declaration as per the requirements of section 197A of the Act in the prescribed Form 15G/ 15H before the prescribed date of closure of books for payment of debenture interest, no taxes shall be withheld by IndiGrid on the corresponding interest payable to such debenture holder.

Interest payable by IndiGrid to non-resident debenture holders (other than FIIs/ FPIs) would be subject to withholding tax at the rate of 30% (in case of investors being other than companies)/ 40% (in case of investors being companies) as per the provisions of section 195 of the Act, subject to relief under the relevant AADT, unless a lower withholding tax certificate is obtained from the tax authorities.

As per section 196D of the Act, pursuant to amendment vide Finance Act, 2021, interest payable by IndiGrid to non-resident debenture holders being FIIs/ FPIs would be subject to withholding tax at the rate of 20% or such lower rate as eligible under the relevant AADT.

#### **Applicability of withholding tax on capital gains:**

No income tax is deductible at source from income by way of capital gains arising to a resident debenture holder under the present provisions of the Act.

However, as per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the tax laws or under the AADT, whichever is beneficial to such investor, unless a lower withholding tax certificate is obtained from the tax authorities.

#### **Applicability of other provisions**

However, the non-resident investor will have to furnish a certificate of him being a tax resident in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable AADT and such other document as may be prescribed as per the provision of section 90(4) of Act.

Pursuant to amendment in section 206AA vide notification 53/2016 dated 24 June 2016 introducing Rule 37BC, requirement of quoting permanent account number (PAN) in case of certain specified income by a non-resident is eliminated by maintaining specified documents as mentioned in the said notification.

**Notes:**

1. The income-tax rates specified in this note are as applicable for the financial year 2021-22, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

**Surcharge:****Domestic companies (not opting for Section 115BAA/ 115BAB):**

If the net income does not exceed INR 10 million – Nil

If the net income exceeds INR 10 million but does not exceed INR 100 million - 7 per cent

If the net income exceeds INR 100 million - 12 per cent

**Domestic companies (opting for Section 115BAA/ 115BAB): 10%****Foreign companies:**

If the net income does not exceed INR 10 million - Nil

If the net income exceeds INR 10 million but does not exceed INR 100 million - 2 per cent

If the net income exceeds INR 100 million - 5 per cent

**Individuals, HUF, AOP and BOI:**

If the net income does not exceed INR 5 million – 10 per cent

If the net income exceeds INR 5 million but does not exceed INR 20 million – 15 per cent

If the net income exceeds INR 20 million but does not exceed INR 50 million – 25 per cent

If the net income exceeds INR 50 million – 37 per cent

The enhanced surcharge of 25% & 37%, is not levied on income chargeable to tax under sections 111A, 112A and 115AD. The maximum rate of surcharge on tax payable on such incomes shall be 15 per cent.

For other assessee's surcharge at the rate of 12% shall be applicable if the total income exceeds INR 10 million. Surcharge on dividend distribution tax shall be at the rate of 12%.

**Health and Education cess:**

In all cases, health and education cess will be levied at the rate of 4 per cent of income-tax and surcharge.

2. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares, units and other securities.
3. The stated benefits will be available only to the sole/ first named holder in case the debentures are held by joint holders.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable AADT, if any, between India and the country in which the non-resident has fiscal domicile.
5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

7. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the Finance Act, 2021. The above statement of possible Direct-tax Benefits sets out the possible tax benefits available to IndiGrid and its debenture holders under the current tax laws presently in force in India. Several of these benefits available are dependent on the taxpayers parties to the transaction fulfilling the conditions prescribed under the relevant tax laws.
8. The information provided above sets out the possible tax benefits available to the unit holders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, units, debentures and other securities, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the debentures particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation impacting the benefits, which an investor can avail.

## SECTION V: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

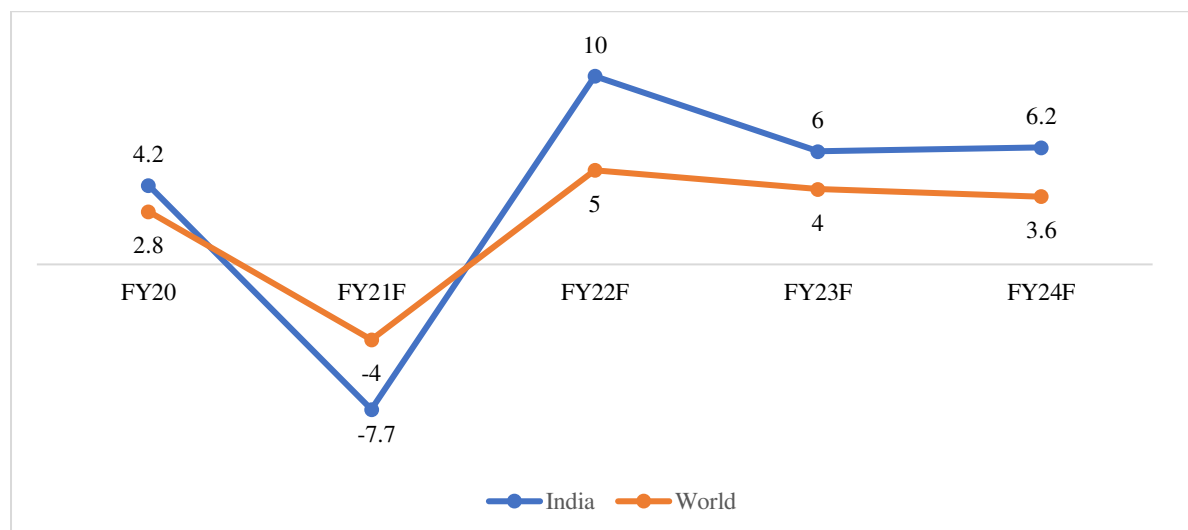
### INDUSTRY OVERVIEW

The information in this section is derived from the report entitled “Market Assessment of Indian Power Transmission Sector”, February 2021, prepared by CRISIL Research (the “CRISIL Report”) except for other publicly available information as cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither IndiGrid, the Sponsors, the Investment Manager, the Trustee, any of the Lead Manager, nor any other person connected with the Issue has verified the industry and market data in the CRISIL Report or other publicly available information cited in this section. Further, the CRISIL Report was prepared based on information as of specific dates which may no longer be current or reflect current trends and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL Research, a division of CRISIL Limited (“CRISIL”), has advised that while it has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the report. CRISIL especially states that it has no liability whatsoever to the subscribers/ users / transmitters / distributors of the CRISIL Report. CRISIL Research operates independently of and does not have access to information obtained by CRISIL’s Ratings Division or CRISIL Risk and Infrastructure Solutions Limited (“CRISL”), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL Research and not of CRISIL’s Ratings Division or CRISIL. Prospective investors are advised not to unduly rely on the CRISIL Report.

#### Indian Economy

In the next three fiscals, India’s GDP growth is expected to be above the world’s but below its own trend. For fiscal 2022, GDP growth for India is expected to shoot up to 10% supported by a very weak base and some benefit as the global economy fares better and provides a lift to India’s exports. Services will take longer to recover than manufacturing. Beyond that, growth is seen averaging at ~6.2% annually between fiscals 2023 and 2025. In this scenario, a catch-up to trend GDP is unlikely in the next three fiscals. It is estimated that the permanent loss on account of this will be ~12% in real GDP terms. Even with that, India is seen growing faster than the world beyond fiscal 2022.

#### Long term outlook for India vs. the world



Note: Forecasts for world GDP are for calendar year; FY20=2019

Source: S&P Global Ratings, CRISIL Research

#### Real GDP growth Forecast of Major Economies

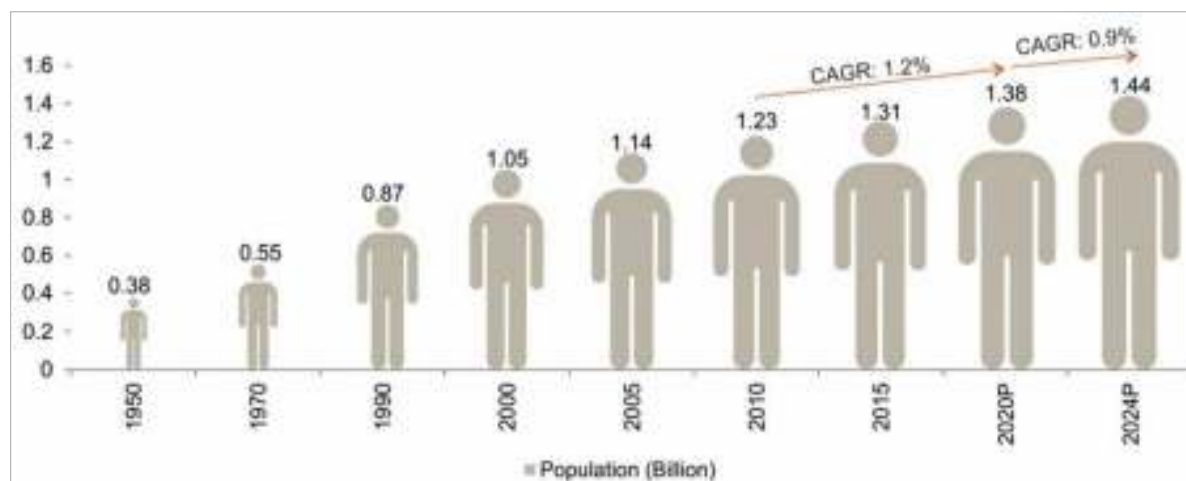
<b>Brazil</b>	Impact of pandemic, plunging investment, and soft global commodity prices will lead to fall in GDP by 4.7% in 2020. An expected recovery to 3.2% growth in 2021 is based on the assumption of a steady fading of the factors that weighed on activity in 2020, as well as a restarting of the tax and business environment reform agenda that had been put on hold to prioritize response to the pandemic.
<b>Russia</b>	Economic activity in Russia is expected to contract 3.5% in 2020, reflecting a sharp rise in domestic cases of the

	pandemic, as well as OPEC+ production cuts and the collapse in oil prices. The shortfall in government revenues from low oil prices is expected to be partly compensated by transfers from the National Wealth Fund, which was ~9% of GDP at the start of 2020.
<b>Euro Area</b>	The widespread pandemic through the Euro Area prompted the governments to impose mitigation measures. These have significantly disrupted domestic economic activity. Many Euro Area members are heavily reliant on tourism, a sector virtually shut down by government policies, and particularly prone to slow recoveries. This is likely to contract the output by 7.2% in 2020. Growth is expected to rebound to 4.8% in 2021, reflecting fading pandemic-related drag, and the eventual effects of accommodative fiscal and monetary policy.
<b>China</b>	Growth in China contracted sharply in 2020 with private consumption and non-financial services being especially hard-hit by the pandemic and an extended period of restrictions to stem it. Reflecting the major disruptions caused by the pandemic, growth is projected to decelerate sharply, from 6.1% in 2019 to 2% in 2020. Growth will likely rebound in 2021, reaching 7%, partly reflecting a projected recovery in global demand.
<b>Sub-Saharan Africa</b>	Economic activity has collapsed in Sub-Saharan Africa because of the rapid spread of the pandemic. Moreover, the region has suffered as a result of pandemic's impact on key trading partners, the disruption to global travel and supply chains, and the collapse in global commodity prices—particularly those of oil and industrial metals. Growth in the region is expected to rebound to 3.1% in 2021 when the impact of pandemic fades and commodity prices recover.
<b>Indonesia</b>	Economic activity is expected fall to 0% percent in 2020 from 5% percent in 2019 owing to the pandemic. Growth is expected to rebound to 4.8% in 2021, supported by increased spending and economic revival with the adverse impact of the pandemic withdrawing

Source: World Bank, S&P Global Economics, CRISIL Research

With a population of over 1.3 billion and an estimated GDP of Rs 145 trillion in fiscal 2020, India is the seventh largest economy. The country has favourable demographics because of one of the largest young populations, with a median age of 28 years. About 90% of Indians will be aged below 60 in calendar year 2020. Of them, 63% will be aged between 15 and 59 years, as per United Nations Department of Economic and Social affairs. Further, working population of India is more than the total population of countries, such as Russia, Brazil, and the US. The working population, which rose at a ~2% compound annual growth rate (CAGR) over 2008 to 2018, is expected to increase further, thereby driving consumption and growth.

#### India's population growth trajectory



Note: P: Projected

Source: United Nations Department of Economic and Social affairs, CRISIL Research

#### Key Projections

	2016-17	2017-18	2018-19	2019-20	2020-21F
GDP growth (%)	8.2	7.2	6.1	4.2	-7.7
CPI (% , average)	4.5	3.6	3.4	4.8	6.4
CAD/GDP (%)	0.7	1.8	2.1	0.9	-0.8
Exchange rate (Rs/USD M, March-end)	65.9	65	69.5	74.4	74
10-year G-sec yield (% , March-end)	6.8	7.6	7.5	6.2	6.2

F: Forecast

Source: Central Statistics Office (CSO), Reserve Bank of India (RBI) and CRISIL estimates

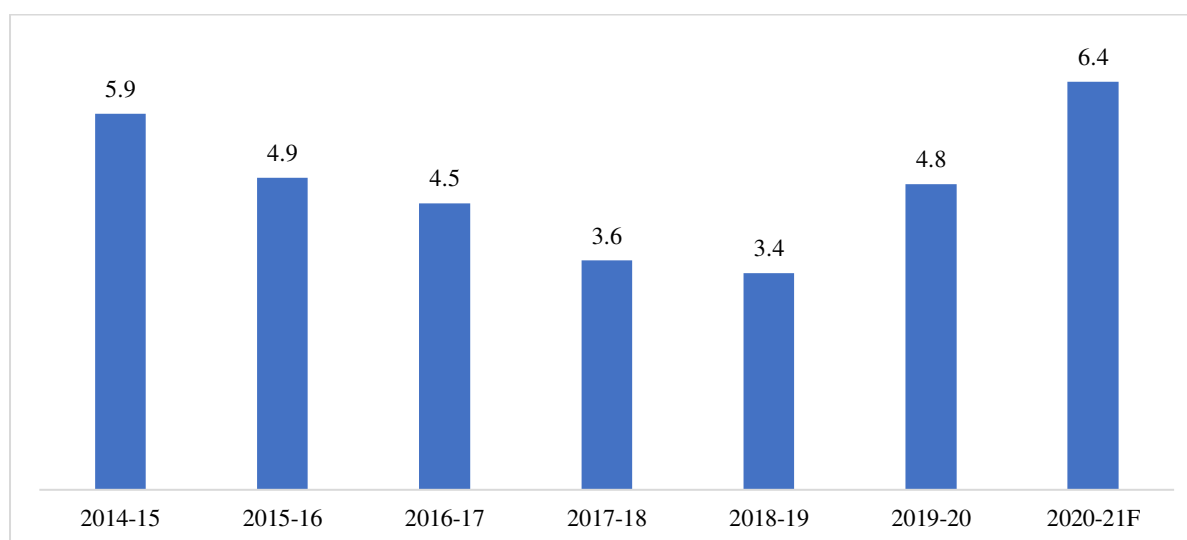
## ***Inflation***

Fiscal consolidation had helped keep inflation under check and indirectly benefitted the economy by bringing down cost of borrowing for both the government and the private sector over the past few years.

However, in fiscal 2021, the Indian economy continues to grapple with high and stubborn inflation. The Consumer Price Index (CPI) inflation rose to 7.3% in September, and further to 7.6% in October, led by double-digit food inflation and dogged core inflation. The RBI's Monetary Policy Committee (MPC) revised up its CPI inflation forecast to 6.8% for the third quarter of fiscal 2021 and 5.8% for the fourth quarter (from 5.4-4.5% for H2 fiscal 2021 earlier), which comes to 6.5% for the fiscal as a whole.

CRISIL Research expects inflation to remain at 6.4% in fiscal 2021. That said, inflation is likely to be on a downward trajectory in the third and fourth quarters, after having reached 6.9% in the second quarter. The healthy sowing trends for the rabi season augur well for food inflation control. Once inflation starts to come down in a meaningful manner, room for a further rate cut could open up.

### ***Inflation gearing up***



Source: CSO, CRISIL Research

## ***Impact of Covid-19***

The global economy is deeply hit by the widespread Covid-19 pandemic, as it represents the largest economic shock the world economy has witnessed in decades, causing a collapse in global economic activity. The World Bank, in its June 2020 Global Economic Prospects, has forecast a contraction of 5.2% in global GDP in 2020, the deepest global recession in eight decades, despite unprecedented policy support. The International Monetary Fund (IMF), in its World Economic Outlook October 2020 report, has forecasted the global economy to shrink by 4.4% in 2020. According to the IMF report, the developed economies are expected to witness a contraction of -5.8% but revive with 3.9% GDP growth in 2021. Emerging economies are expected to witness a de-growth of 3.3% in 2020 followed by a revival of 6.0% in 2021.

The global economy continues to operate under the spectre of COVID-19, though the worst of the pandemic seems to have passed in most countries. The pandemic's epicentre has shifted to emerging markets, but second waves continue to appear in the advanced economies.

Global GDP is expected to contract by 4% in 2020. As economies begin to recover from the depths of the COVID-19 crisis, the risks to baseline estimates remain on the downside.

Despite the weaker outlook in the next few quarters, meaning the global economy will limp into 2021, the exit path from COVID-19 and the associated challenges are becoming clearer. The recent vaccination drive should spell the beginning of the end of the crisis. Uncertainty will no longer be “radical.” This will decisively shift the macro focus from damage control to the recovery path, including structural changes. Although a strong recovery is envisioned in 2021, with global growth reaching 5%, output is not expected to return to its previously expected levels.

## ***Steps taken by Government***

Reviving private consumption, lowering non-performing assets (NPA) of banks, improving the investment climate and many such steps are critical to support domestic economic growth. Following are a few steps taken by the government in this regard:

*Improve investment climate through ease of doing business:* The government has initiated several measures to ease the business environment (big moves such as GST and insolvency law and a number of other steps such as introducing online single-window model for providing clearances and filing compliances, removing Foreign Investment Promotion Board (FIPB) for fast-track foreign investments, and setting up National Investment and Infrastructure Fund (NIIF). Further, India's ranking in the World Bank's Ease of Doing Business (EODB) has also improved from 134 in 2014 to 63 in 2020.

*Introduction of the Goods and Services Tax:* The GST bill was passed in both the houses of Parliament in August 2016 and was ratified by 36 states and union territories of India by the time it was rolled out from July 1, 2017. Under the GST mechanism, a four-tier tax rate structure – 5%, 12%, 18% and 28% – has been finalised with essential items of daily use attracting the lowest rate and demerit/temptation goods the highest. The impact on the power sector of GST imposition is mixed, as coal (the primary fuel used in power generation) has been brought under the 5% taxation bracket in the GST regime from ~12% in the previous regime, which included VAT and excise duties. However, the impact has been slightly adverse for the power-transmission segment, as goods and services utilised in the generation, transmission and distribution segment were earlier getting some tax credits, which are absent under the current GST regime, resulting in a rise in working capital requirement of players.

*Affordable housing:* The government has been furthering the housing sector through its Housing for All by 2022 scheme. The government has given remarkable incentives to develop affordable houses and to provide home to buyers through credit-linked subsidy schemes. With the effective implementation of RERA, the sector has seen improved transparency, timely delivery, and organised operations. These measures combined will lead to further investments in the housing sector.

*Manufacturing thrust:* The government has made some progress in improving labour market efficiency through various programmes, such as Skilling India and Make in India, which are more or less at the inception stage. Overall, the reforms process remains very gradual and states will have to take the lead in implementing these. Further, the Finance minister has recently (September 2019) announced Taxation Laws (Amendment) Ordinance 2019 to make certain amendments in the Income-Tax Act 1961 to allow any domestic company an option to pay income-tax at the rate of 22% subject to condition that they will not avail any exemption/incentive. The effective tax rate for these companies shall be 25.17% inclusive of surcharge & cess. Also, such companies shall not be required to pay Minimum Alternate Tax.

*Consumption growth:* Given favourable demographics and rising disposable income, increasing middle-class population is expected to spur consumption growth in India. However, keeping inflation and interest rates in check would be important to support consumption.

*Development of financial markets:* To develop the financial markets, the government has instituted steps such as Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), higher foreign direct investment (FDI) in insurance, a better monetary policy framework, and the passage of bankruptcy code. Further, the Securities and Exchange Board of India (SEBI), which is the capital market regulator in India, approved the framework for business trusts in India. SEBI has approved the Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) framework, both of which are new asset classes for investors. While REITs are an investment vehicle that allow monetisation of real estate assets, InvITs help promoters to monetise their completed infrastructure projects (having concessionaire/development agreement). Also, under the Union Budget 2019-20, to encourage capital inflows, foreign portfolio investors have been allowed to subscribe to listed debt securities issued by REITs and InvITs. They will also be permitted early exit from debt securities of IDf-NBFCs. Further, the non-resident Indian portfolio investment scheme route is proposed to be merged with the FPI route to channel more money into the domestic capital market. The budget also proposes to rationalise and streamline the existing know-your-customer norms for FPIs to make them more investor-friendly without compromising the integrity of cross-border capital flows. Further, tax exemptions for sovereign wealth funds with respect to investments before March 31, 2024, and increase in FPI limits on corporate bonds, announced under Union Budget 2020-21, are likely to support higher capital inflows in the country.

*Digitalisation:* The government has been quick to board the technology bandwagon with its 'Digital India' programme, which aims to speed up financial inclusion and deliver government services electronically, by increasing internet connectivity and improving online infrastructure.

*Atma Nirbhar Bharat Abhiyan:* The government has adopted several measures in order to contain the economic fallout of the Covid-19 pandemic. A relief package of nearly Rs 20.9 lakh (~ USD 290 billion) crore has been released, taking into account key sections of the economy, such as migrant labourers, small vendors, farmers and MSMEs. The scheme is focussed towards helping India recover from the pandemic while also making the nation more self-reliant.

It takes time for structural reforms to impact the economy. Hence, the quantum of improvement depends on how the repairs and reforms are carried out. This is not the first time in the past decade that India's GDP has risen from lows. This time around,

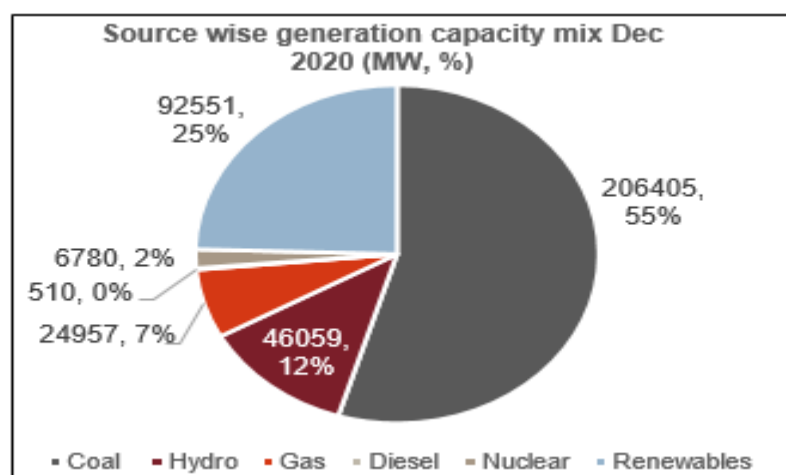
while growth has been slow to pick up, it appears sustainable and qualitatively superior since it is accompanied by prudent fiscal and monetary policies and a ‘repair-and-reform-oriented’ policy approach. However, the adverse impact of the widespread pandemic is likely to contract the Indian economy in the short term.

CRISIL Research expects India’s GDP to contract 7.7% in fiscal 2021 from an estimated growth of 4.2% in fiscal 2020. The country shrank in 7.5 per cent in the fiscal second quarter, after seeing a record contraction of 23.9 per cent in Q1. Pent-up demand, support from agriculture, and select export sectors, and cost savings for corporates, engineered this recovery in Q2. The manufacturing and construction sectors made a jump in the July-September quarter. While the fall in construction sector narrowed from 50.3 per cent in Q1 to 8.6 per cent in Q2, the manufacturing sector registered a 0.6 per cent growth in Q2, against a contraction of 39.3 per cent in Q1.

## The Indian Power Sector

### Overview

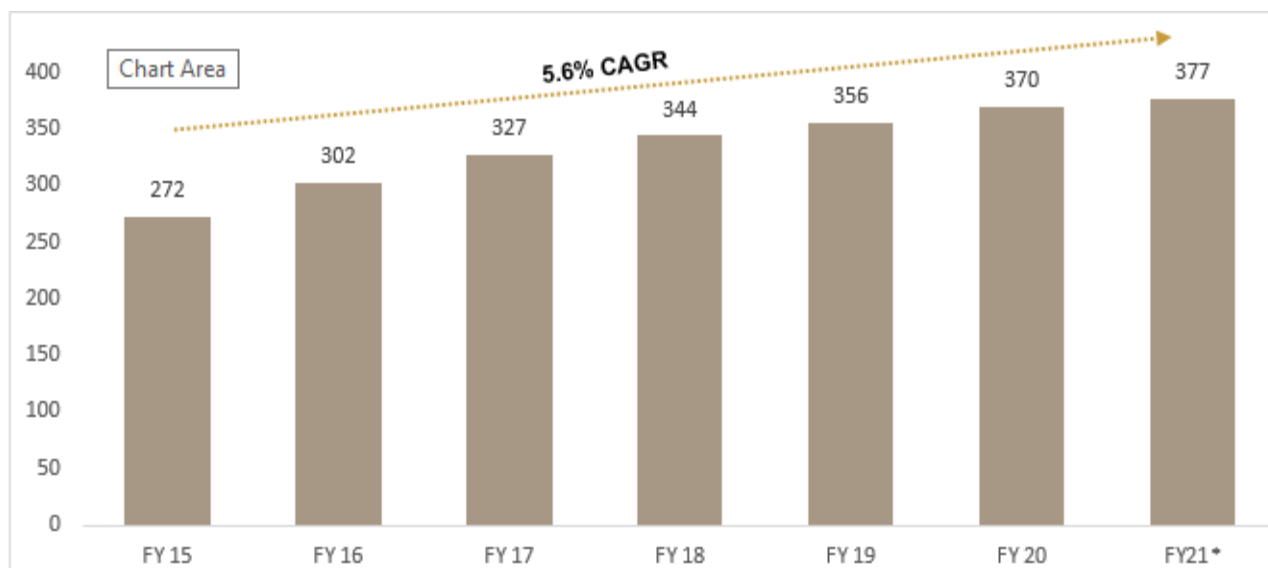
Electricity consumption in India (1201 TWh) was the third highest after China (6010 TWh) and the US (~3900 TWh), with a 5.4% global share in 2018. In line with this, India was also the third largest producer of electricity, after China and the US, with 5.92% global share in electricity generation in 2018. The total installed generation capacity at the end of December 2020 was 377 GW, of which approximately 105 GW of capacity was added over fiscals 2015-2021. Coal and lignite-based installed power generation capacity has maintained its dominant position over the years and accounts for 55% as on December 2020. However, renewable energy installations have more than tripled to ~92.5 GW capacity as on December 2020, compared with 25 GW as on March 2012 (Source: MNRE), constituting ~25% of total installed generation capacity as of date. In particular, this growth has been led by solar power, which grew at breakneck speed to ~38.7 GW from 0.9 GW over the period.



Source: CEA, CRISIL Research

### Evolution of Installed Generation Capacity (GW)





\*till Dec 2020

Note: 6.3% CAGR is for capacity additions growth between fiscal 2015-fiscal 2020

Source: CEA, CRISIL Research

The total installed generation capacity at the end of December 2020 was 377 GW, of which approximately 105 GW of capacity was added over fiscals 2015-2021. Coal and lignite-based installed power generation capacity has maintained its dominant position over the years and accounts for 55% as on December 2020. However, renewable energy installations have more than tripled to ~92.5 GW capacity as on December 2020, compared with 25 GW as on March 2012 (Source: MNRE), constituting ~25% of total installed generation capacity as of date. In particular, this growth has been led by solar power, which grew at breakneck speed to ~38.7 GW from 0.9 GW over the period.

**Growth in per capita power consumption in India rising at CAGR~4% and is in sync with per capita GDP growing at CAGR 6%**



Source: International Monetary Fund (IMF), CEA, CRISIL Research

Historically, the power demand growth has largely followed GDP growth trend. However, in the past 5 years, the power demand has remained low despite average GDP growth of ~7.5%, largely on account of following reasons:

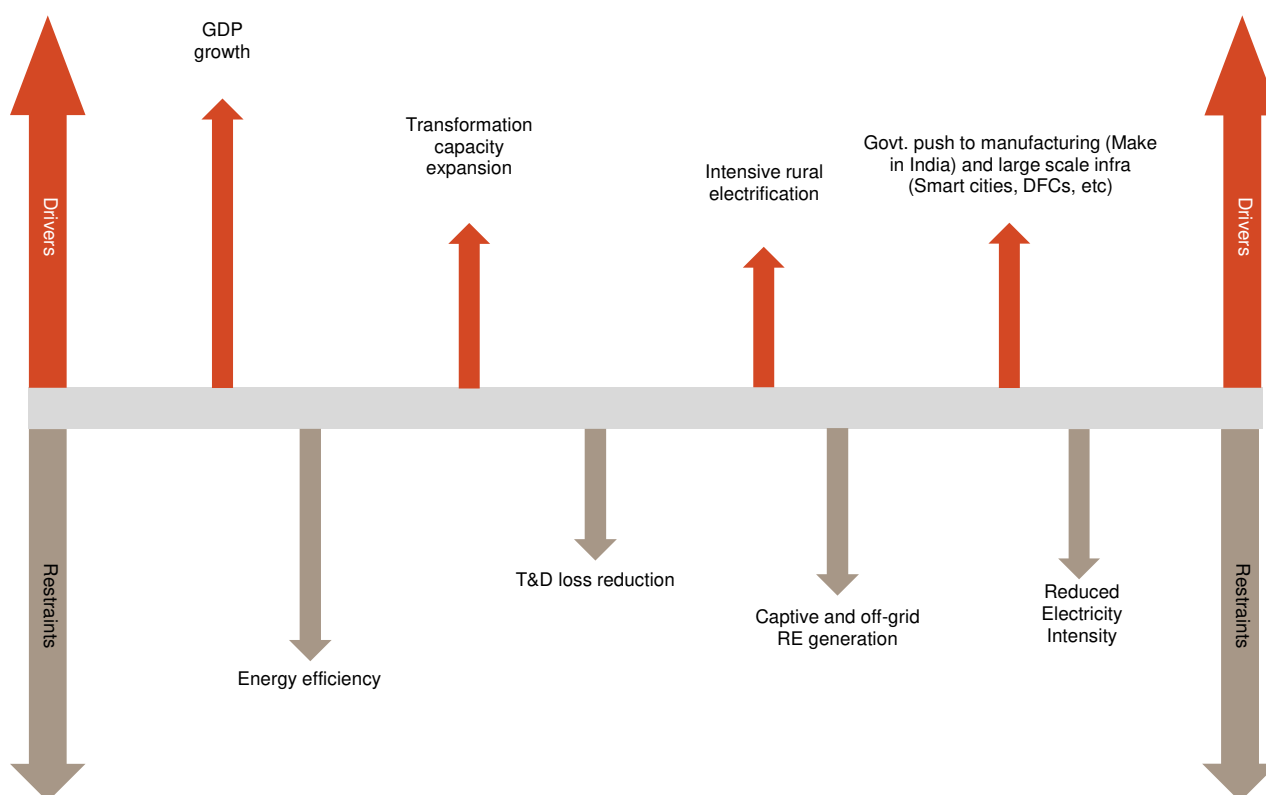
- Well-distributed and satisfactory monsoon over the period leading to lower power consumption by agricultural pumps and also lower cooling demand from urban commercial centres.
- Improvement in energy efficiency: Government distribution of LEDs and efficient appliances under the Unnat Jeevan by Affordable LEDs All (UJALA) scheme as well as streetlight national program has resulted in ~47.6 billion units of

energy savings as on November 2020, which is equivalent to ~3.6% of India's energy requirement.

- Reduction in AT&C losses- from 24.6% at the end of fiscal 2015 to 18.73% in June 2020.
- Power cuts & load shedding owing to weak financial health: At all India level, ~6 to 7 hours/day of power cuts still exist (as of June 2019) in rural areas and in states like Jharkhand, the duration is as high as 9 hours/day.

With industrial & commercial activity expected to get restored to normal and economic growth is expected to make a comeback coupled with a low base effect as well as government spending on infrastructure, the power demand is expected to return to positive territory in fiscal 2022. Demand is expected to gradually pick up on the back of healthy recovery in economic growth, expansion in reach via strengthening of transmission and distribution (T&D) infrastructure, and improved power quality, thereby registering ~3% CAGR between fiscals 2021 and 2025.

### Factors influencing power demand

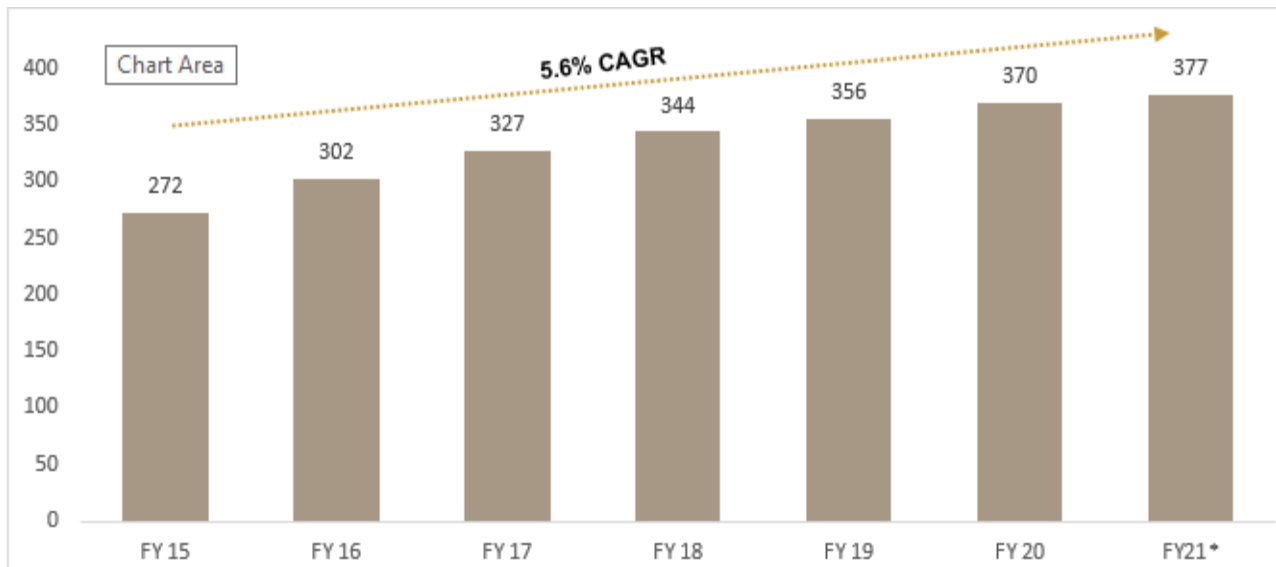


Source: CRISIL Research

With the government's focus on alleviating congestion, transmission capacities are expected to witness robust growth. About 330-350 gigavolt ampere (GVA) transformation capacity (above 220 kV level) is expected to be added between fiscals 2021 to 2025 to reach the cumulative transformation capacity of 1,300-1,350 GVA by fiscal 2025. In particular, we expect robust growth in high voltage (HV) lines of 400 kV and 765 kV due to its importance in interstate transmission lines.

Investment in the generation segment is expected to be marginally higher despite lower capacity addition. The reason for this is higher capacity addition in the nuclear segment, which is costlier on a per MW basis. Investment in distribution is likely to be subdued in the short to medium term on account of the financial stress of state utilities, which account for more than 90% share in distribution investment.

### Evolution of installed generation capacity (GW)

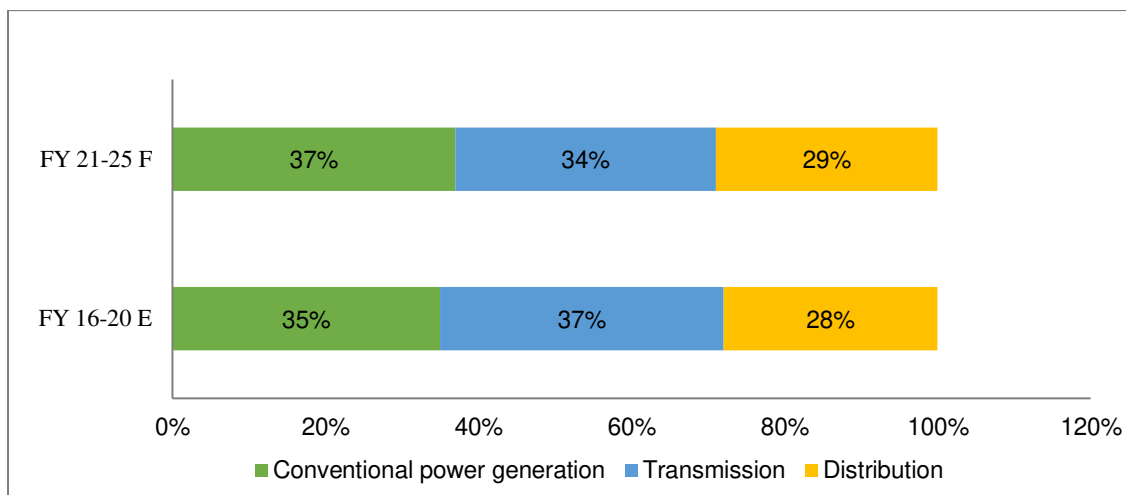


\*till Dec 2020

Note: 5.6% CAGR is for capacity additions growth between fiscal 2015-fiscal 2021

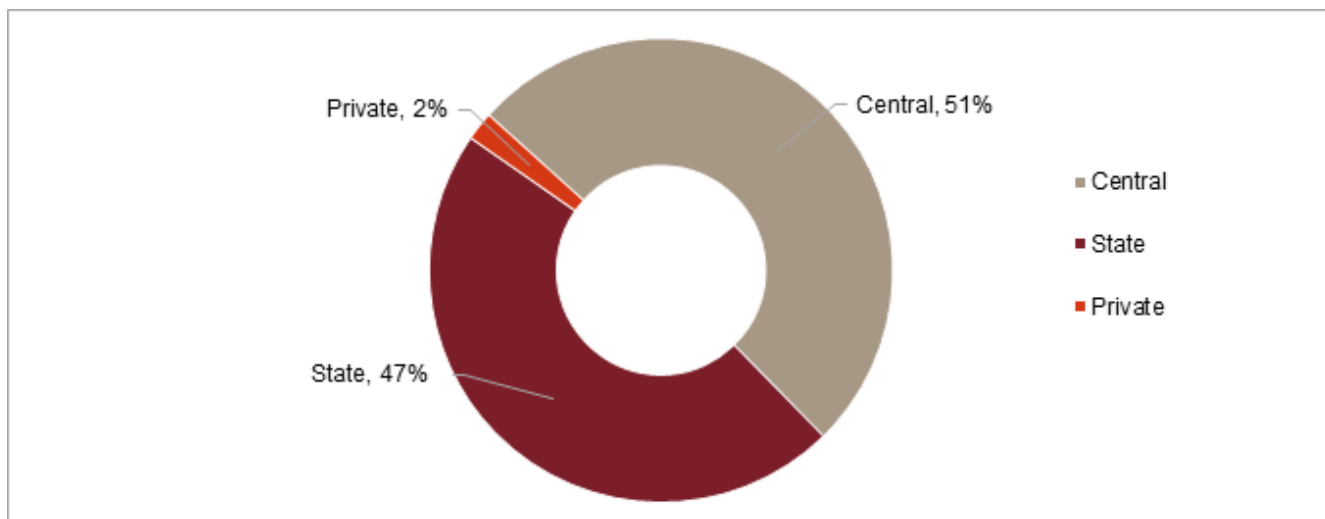
Source: CEA, CRISIL Research

#### Share of investments across power sector value chain



Source: CRISIL Research

#### Sector wise break-up of estimated cumulative capacity additions of ~37.5 GW over (fiscals 2021-2025)

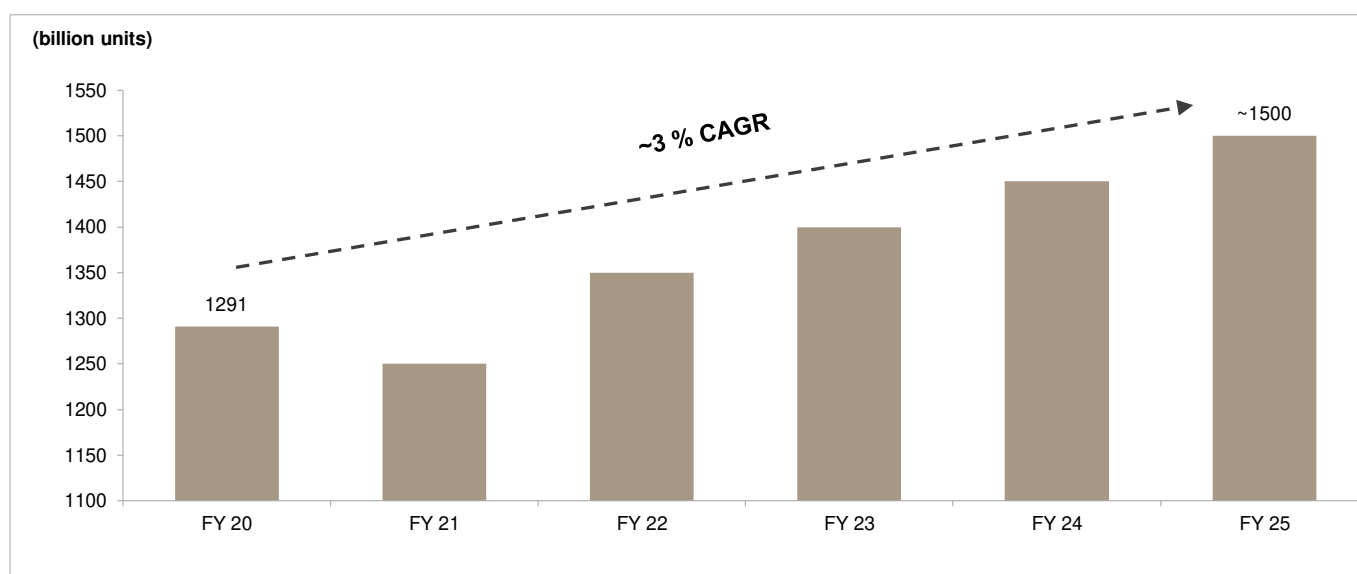


Source: CEA, CRISIL Research

### Key Trends

Energy requirement to rise at ~3% CAGR over 2020-25

### Energy requirement growth over next five years



Source: CRISIL Research

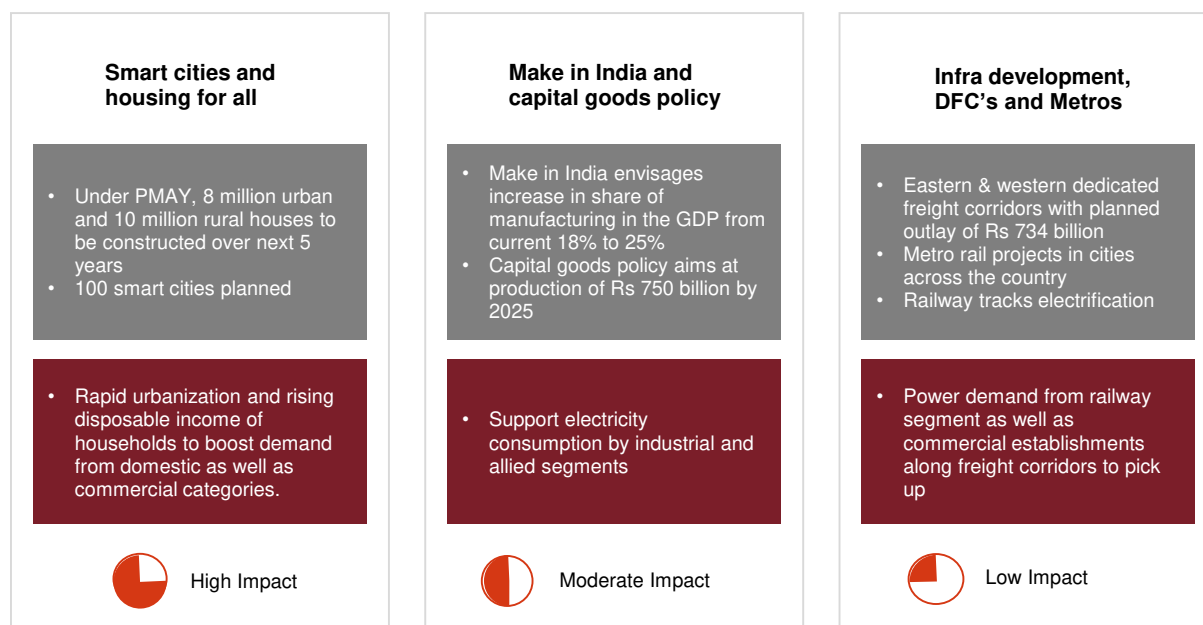
CRISIL Research expects energy requirement to grow at ~3% CAGR over fiscals 2021 to 2025. The beginning of fiscal 2021 has seen power demand slip as the nation went into lockdown to tackle the Covid-19 pandemic, bringing all economic activity to a screeching halt. With industrial & commercial activity expected to get restored to normal and economic growth is expected to make a comeback coupled with a low base effect as well as government spending on infrastructure, the power demand is expected to return to positive territory in fiscal 2022. Demand is expected to gradually pick up on the back of healthy recovery in economic growth, expansion in reach via strengthening of transmission and distribution (T&D) infrastructure, and improved power quality, thereby registering ~3% CAGR between fiscals 2021 and 2025.

### Gradual pick-up in GDP growth and infrastructure development to support power demand

India's economy is expected to recover slowly after fiscal 2021, with a gradual pick-up in industrial growth over the subsequent four years. Trickle-down effect of the Aatmanirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline (NIP), dedicated freight corridors (DFCs) infrastructure, service industry expansion, rapid urbanization, and higher farm income from agri-related reforms are key macroeconomic factors that will provide a boost. The NIP has about 128 opportunities in the electricity transmission sub-sector, out of the total 529 opportunities with NIP worth USD 412.55 billion in the energy sector. In terms of commercial infrastructure, the NIP has 633 opportunities across sub-sectors

like common infrastructure for industries, tourism infra, cold chain, etc., worth USD 82.77 billion.

### Infrastructure development to drive power demand



Source: CRISIL Research

Various government initiatives such as Make in India, Smart Cities Mission, dedicated freight corridors, metro rail projects, railway track electrification, etc, are expected to boost infrastructural development in the country, albeit towards the end of our forecast period.

### T&D network augmentation to support demand growth

With the government's focus on alleviating congestion, transmission capacities are expected to witness robust growth. About 330-350 gigavolt ampere (GVA) transformation capacity (above 220 kV level) is expected to be added between fiscals 2021 to 2025 to reach the cumulative transformation capacity of 1,300-1,350 GVA by fiscal 2025. In particular, we expect robust growth in high voltage (HV) lines of 400 kV and 765 kV due to its importance in interstate transmission lines on account of the following government targets:

- Inter-regional transmission capacity expansion to 145 gigawatts (GW) by fiscal 2024 from 102 GW in March 2020
- Ultra-high capacity green energy corridors with expected investments worth Rs 430 billion

Thus, the expected improvement in T&D infrastructure coupled with agricultural feeder separation and extensive rural electrification under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) will drive power demand upwards over the next five years.

### DDUGJY to boost rural demand

Rural electrification, segregation of agricultural and non-agricultural feeders, strengthening and augmentation of T&D infrastructure in rural areas and metering of transformers, feeders and consumers are expected to boost power demand in the agriculture sector over the next five years. While 100% rural electrification has been achieved as of April 2018, 22% villages are yet to be intensively electrified. Thus, there exists strong potential for growth in electricity consumption in rural areas, which would be achieved under DDUGJY during fiscals 2019 to 2023.

CRISIL Research expects demand from the commercial segment to improve sharply on account of rising urbanisation, which in turn will lead to growth in commercial spaces such as hospitals, educational institutions, malls and offices. The Government of India has also announced the Smart Cities Mission to develop 109 cities all over the country making them citizen friendly and sustainable. The government has already selected 100 cities which would be beneficiaries of government financing. Some of the cities selected like Bhubaneswar, Pune, and Ahmedabad have already started project preparations and implementation. This move is expected to provide a fillip to infrastructure and real estate development and spur energy demand towards the end of our forecast period. Increasing reliance on services industry for GDP growth would also increase the share of commercial

segment in overall power consumption. However, penetration of energy efficient applications in this segment will restrict growth to some extent.

*Improving energy efficiency, reducing energy intensity and fall in AT&C losses to restrict power demand*

Although power demand is expected to be healthy, we believe some factors will partly offset this growth. Energy efficiency will play a significant role in curtailing power demand. Wide-scale distribution of LEDs at a subsidized cost, use of star-rated appliances as well as other demand-side management activities by state discoms will restrict energy requirement. Energy efficiency and demand side management measures are expected to reduce power demand by 270-300 billion units by fiscal 2025. Also, with reducing AT&C losses on the back of improvement in infrastructure augmentation (through schemes including UDAY, DDUGJY), growth in power requirement from discoms will be lower. With boost to rooftop solar and the declining cost of renewable energy generation, the off-grid/captive/rooftop solar generation is expected to increase, reducing power demand from the grid. By fiscal 2025, 7-8 GW of rooftop solar capacities are expected to come up, resulting in reduction of 0.5-1% of the base demand. Other factors that would restrict grid demand include rising power tariffs. UDAY kick-started improvement in financial health of discoms.

*UDAY improved liquidity and operational efficiency of discoms to an extent*

In fiscal 2019, the ACS-ARR gap (i.e. the difference between average cost of supply and average revenue realisation) reduced to Rs 0.22 per unit while AT&C losses came down to ~19% from Rs 0.59 per unit and ~23%, respectively, in fiscal 2016. However, in fiscal 2020, the ACS-ARR gap increased to Rs 0.42 per unit and AT&C losses stood at 18.9%. Structural reforms such as timely tariff revisions and operational discipline are required to mitigate the gap on a sustainable basis. Thus operational & financial performance of utilities are expected to improve by fiscal 2022 post implementation some of the reforms planned by Central Government under proposed Electricity Act amendment bill 2020.

*Distribution reforms planned by the government to revive the sector*

The government plans to implement several policies to resolve the issues of the ailing distribution segment, as it impacts the entire value chain. Key announcements pertaining to the same are:

1. Fresh trajectory for reduction of AT&C losses to below 15%. Possible accumulation of targets and funds under DDUGJY and IPDS
2. Ensuring 24x7 power supply on a sustainable basis across India
3. Possible allocation of power subsidies via direct benefit transfer
4. A revised tariff policy to make tariff revisions more effective and cost encompassing, but at the same time, not passing on costs due to discom inefficiencies
5. Payment Security Mechanism: Power purchase agreements under the central level schemes have at least two layered payment security mechanisms (i.e. letter of credit and payment security funds). Additionally central agencies SECI & NTPC are beneficiaries to tripartite agreement between the Central government, State governments and RBI. Under this tri-partite agreement, in case of default by state-owned discoms, the Central government can withhold financial assistance payments to State governments. This has improved credit worthiness of SECI & NTPC resulting in better bid subscription from players. State level PPAs lack such multiple payment security mechanisms. This has resulted in significant rise in payment delays from state discoms over past few years. Central Government has taken following measures to address this issue:
6. Ministry of Power made it mandatory for discoms to open and maintain adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements. Letter of credit (LC) mechanism was implemented from August 2019. However, on account of its limited success, the Payment Security Mechanism has been proposed in draft The Electricity Act amendment bill 2020 to ensure strict compliance across states. This is a positive step towards reducing gencos' overdues from utilities.
7. MNRE in October 2019, amended solar competitive bidding guidelines where in it has directed State governments to provide payment security mechanism to compensate generators in case of payment delays / defaults by state discoms.

Apart from the above, the central government also introduced Rs 900 billion stimulus for state distribution utilities within the economic relief package announced by the government in relation to the Covid-19 pandemic. The relief package will help discoms clear a significant portion of their outstanding dues to power generators. The latter is expected to be provided in the form of concessional loans (moratorium, lower interest rates) to the state distribution utilities, secured by discom receivables

and state guarantees. Power Finance Corporation (PFC) / Rural Electrification Corporation (REC) have been identified as key lenders for this package. Further, the government has also directed central public sector power entities (NTPC, NHPC, NLC, PGCIL, etc) to defer payments related to fixed charges by three months (fixed charges in relation to power generation), which may lead to mounting receivables for these entities, while also asking them to provide a rebate on the same charges for the next three months.

#### *Lack of PPAs, weak financial position of players slowing down capacity additions in conventional power*

Capacity additions in conventional power generation are expected to slow down to 37.5 GW (excluding renewables) between fiscals 2021 to 2025 compared with 61.5 GW over the past five years. However, ~8.5 GW of old inefficient plants are expected to be retired, resulting in ~29 GW of net additions. There has been weak demand for fresh PPAs especially long term, and lately the movement has been towards short term PPAs. The average PLF of coal based thermal plants have declined from 64% in fiscal 2015 to around 56% in fiscal 2020. Low capacity utilisation of thermal capacities are poised to restrict future thermal capacity addition. Renewable Energy capacities on other hand are relatively better placed on account of “Must run status” awarded by the Government. As a result, projects that are at a nascent stage are expected to be postponed until the demand situation improves significantly.

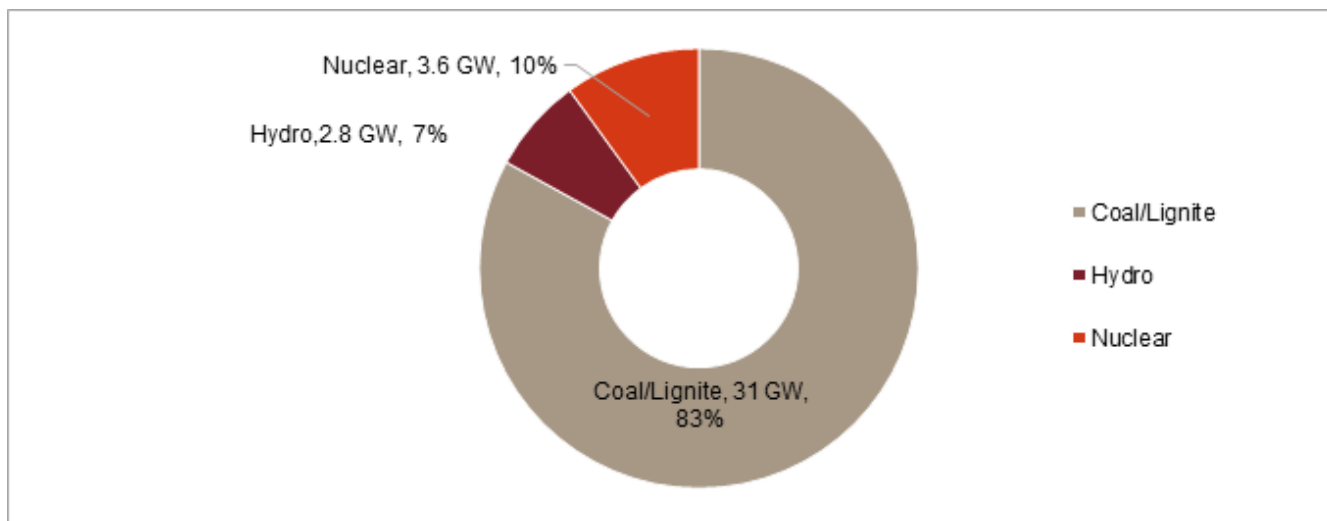
Central & state sectors are expected to drive conventional capacity additions in the next five years, whereas the share of private sector capacity addition will remain low due to weak financials of players and presence of untied capacities. NTPC will dominate capacity additions with ~13.5 GW (~11 GW fully-owned, ~2.5 GW as joint ventures with state utilities) over the next five years. The entity is backed by a strong execution track record, sound financial strength as well as assured power off-take by PPA holder discoms which insulates it from any downward risk for upcoming capacities. Moreover, nuclear power plants aggregating to ~3.6 GW (Kalpakkam and extension projects at Kakrapar, Rajasthan, and Kudankulam) of Nuclear Power Corporation of India (NPCIL) and ~3 GW of hydro plants are also expected to be commissioned over fiscals 2021-2025. In private segment the trend has already been visible over the last three years when the private sector capacity additions declined to 5 GW in fiscal 2017, 4 GW in fiscal 2018, and ~1 GW in fiscal 2019, and further down to a minuscule 45 MW in fiscal 2020, compared with an average 12 GW being added annually in the preceding five years. Thus, private players would account for only ~1 GW (~2% of capacity additions) between fiscals 2021 and 2025.

On the other hand, capacity additions by the state sector are expected to pick up over the next five years owing to a large number of under-construction projects by major state generating companies (gencos). Of the 15-16 GW expected capacity additions by the gencos, majority are expansion projects, which will leverage on existing land banks. In particular, states such as Uttar Pradesh, Telangana, Tamil Nadu, Jharkhand and Bihar would drive capacity additions. Also, fresh project announcements are limited as players are opting for the inorganic route for expansion, given the availability of assets at reasonable valuations.

*Source: CEA, CRISIL Research*

CRISIL Research expects ~31 GW of new coal-based capacities to commission between fiscals 2021 and 2025, led by a large number of planned projects and the fact that coal continues to remain the most widely available and economic source of fuel among the conventional sources. Moreover, the government’s policy for flexibility in utilisation of domestic coal, new linkage policy (SHAKTI), and higher domestic coal production aimed at coal import substitution would lead to significant improvement in coal availability over the next three-five years for power plants. On the other hand, there will not be any significant gas-based capacity additions over the next five years on account of severe constraints in domestic gas availability. However, nuclear capacity addition of ~3.6 GW is expected by fiscal 2025 as major projects under construction (Kalpakkam, Kakrapar, and Kudankulam extension) are likely to be commissioned. Also, hydropower capacity additions are estimated at only ~2.8 GW between fiscal 2021 and 2025 on account of long gestation period owing to geographical and socioeconomic challenges at projects sites.

#### **Fuel-wise break-up of conventional capacity addition over fiscals 2021 to 2025**

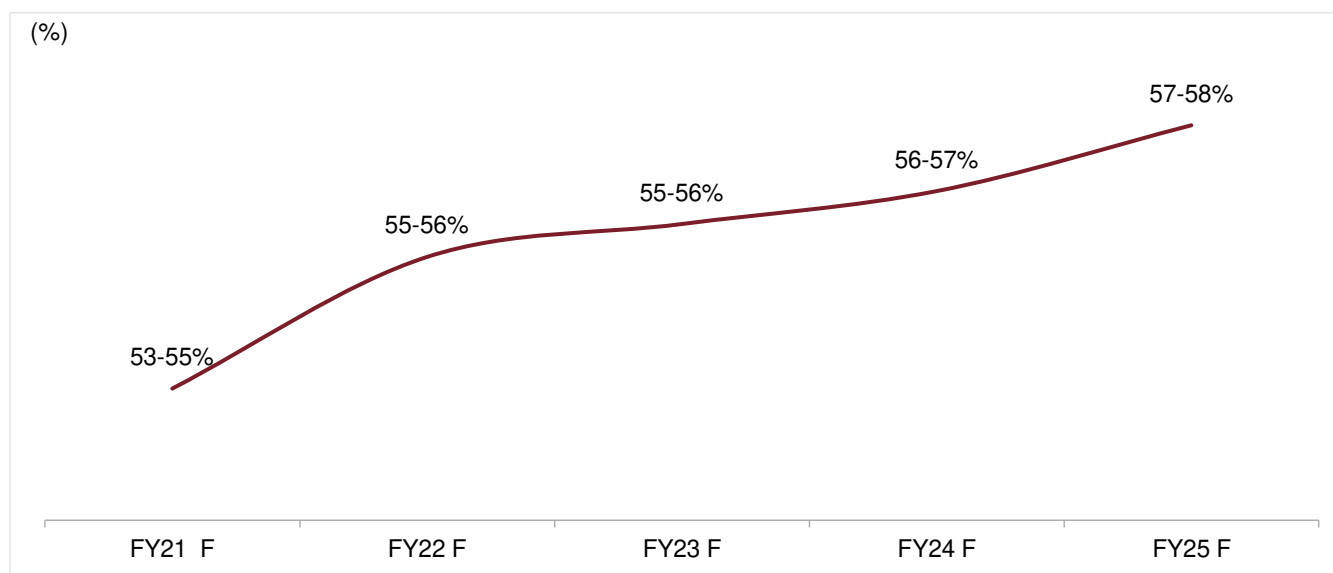


Source: CRISIL Research

#### Strong growth in renewable capacity additions to continue

CRISIL Research expects ~73-77 GW of renewable power generation capacities to be added between fiscals 2021-25 of which around 59-61 GW are estimated from solar followed by ~14-16 GW through wind. Capacity additions in the renewable energy segment are expected to witness robust growth. Additions in both wind and solar power are expected to be driven by strong government focus, which is evident from the fiscal and regulatory incentives, viability gap funding and execution support in terms of land and evacuation infrastructure. Improved availability of low-cost finance through various instruments / sources would also support renewable energy capacity additions. In solar power, in particular, a further drop in capital costs, and consequently tariffs, are expected to drive capacity additions.

#### Outlook on PLFs of coal-based power plants



Source: CRISIL Research

#### F: Forecast

Coal-based PLFs, which had fallen from 61% in fiscal 2019 to 56% in fiscal 2020 due to weakening power demand and extended monsoon, are expected to dip further in fiscal 2021 on account of weakened economic activity in the aftermath of the Covid-19 pandemic. Industrial and commercial activity had stalled in April-May 2020. Reopening manufacturing facilities has been difficult in certain industries due to weak end-use demand, broken supply chains, and labour issues. Although domestic and



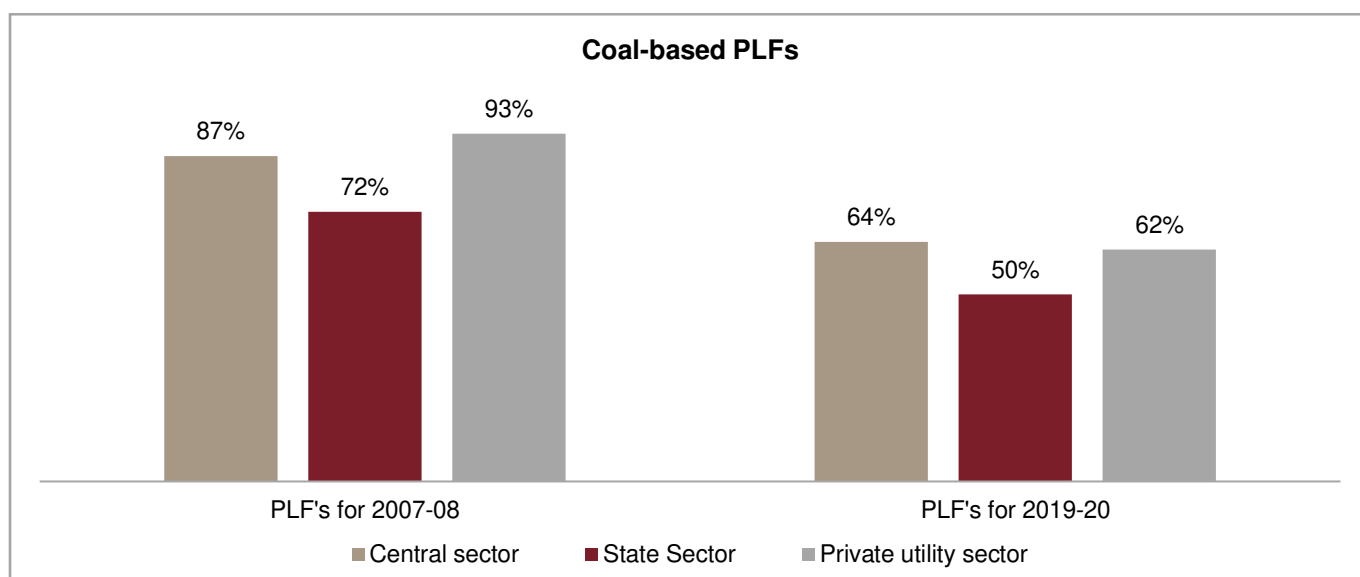
agricultural demand has sustained during the lockdown period, power distribution companies (discoms) could resort to power cuts to reduce supply to these subsidised consumers in a bid to address financial stress arising from lower collections. Consequently, lower power demand could force power generation companies (gencos) to curtail generation, thereby pulling PLFs down to 53-55% in fiscal 2021.

However, from fiscal 2022 onwards, we expect an improvement in coal-based PLFs with a strong uptick in power demand, retirement of old plants, and a slowdown in capacity additions with completion of planned projects and no further announcements owing to stretched financials of developers, especially private. Improvement in coal supply over the medium term due to ramp-up in domestic production could aid PLFs, although large non-contracted capacities (~16 GW of operational projects not tied up with discoms) and lack of fresh PPAs are expected to limit growth in PLF. CRISIL Research believes that plants (especially owned by the private sector) will operate at lower PLFs due to lack of long-term PPAs. Additionally, with likely improvement in power offtake from renewable power plants due to accordance of 'must-run' status, discoms will likely have to reduce offtake from conventional power capacities, thereby posing a challenge to recovery in PLFs. Consequently, coal-based PLFs are expected to gradually inch up to around 57-58% by fiscal 2025.

#### *Rising renewable energy capacity additions resulted in fall of thermal power plant PLFs*

The total installed capacity of power plants in India as of March 2020 stands at 370 GW, of which, ~205.3 GW capacity is coal-based. Due to tepid growth in demand and rise in renewable energy capacity additions, the PLFs of coal-based power plants declined from ~79% in fiscal 2008 (i.e. at the start of the Eleventh Five Year Plan) to ~56% as of fiscal 2020. Further, the situation is worse for many state and private players as they have far lower PLFs. In fact, the year-round average in fiscal 2020 for PLFs of thermal power plants under the state and private categories is 50% and 62%, respectively.

#### **Coal-based PLFs**



Source: CEA; CRISIL Research

This has resulted in operational inefficiencies for many coal-based plants as they were designed to operate at minimum ~55% PLF and have to be retrofitted for increased ramping requirements in order to integrate more renewable energy sources. Further, continued ramp-up in the renewable energy supplied on account of reducing grid constraints, rising renewable purchaser obligations and improvement in technology have resulted in decline of PLFs of coal-based power plants.

**Increase in Energy Requirement and drop in power deficit** - Energy requirement grew at 3.8% CAGR over fiscals 2015-20. Power demand stagnated in fiscal 2014 on account of lower off take owing to the weak financial health of discoms as well as slowing GDP growth. In fiscal 2015, demand growth revived to 6.7%, led by a pick-up in economic activity. Moreover, implementation of the financial restructuring plan for discoms in seven states in fiscals 2014 and 2015 supported power offtake in these states. The growth tapered subsequently to 4.3% during fiscal 2016 and 2.6% in fiscal 2017 owing to slowdown in manufacturing activity. It improved to 6.2% in fiscal 2018, mainly driven by rising electrical connections under the rural electrification and Saubhagya schemes. Power demand growth was subdued at 1.3% on-year in fiscal 2020 owing to a slowing economy, with an extended monsoon till October 2019 further dampening demand. The extended monsoon resulted in lower cooling demand from domestic consumers as well as reducing irrigation demand from agricultural consumers. Demand recovered slightly in January-February 2020 with the onset of summer, but the pandemic downed the shutters on economic activity in March 2020, thereby pulling power demand growth into negative territory.

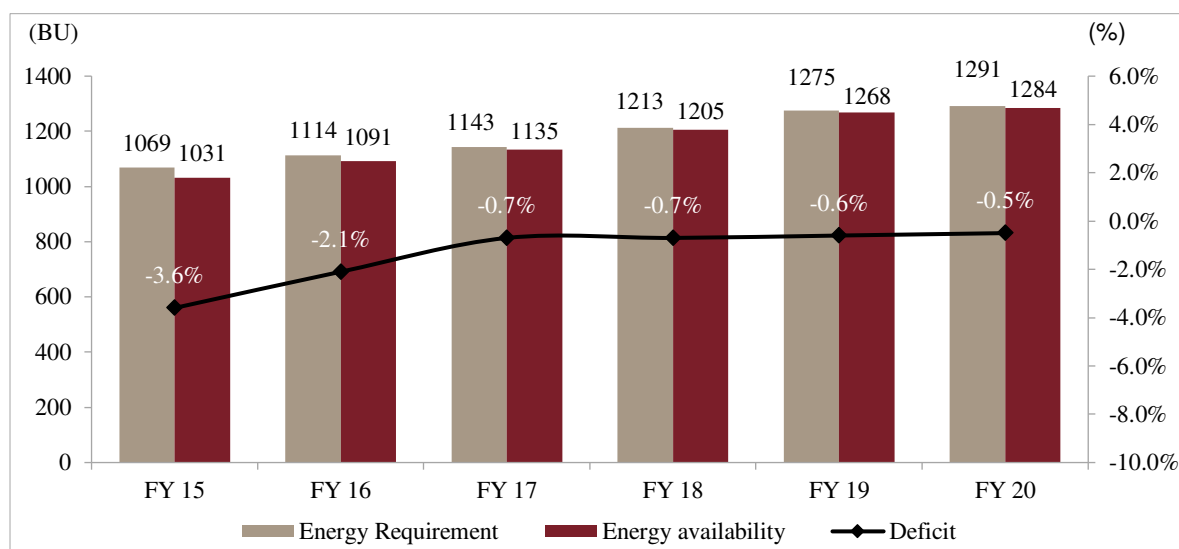
### Trend in energy requirement - Energy requirement grew at 3.8% CAGR over fiscals 2015-20.



Note: CAGR is calculated between fiscal 15 and fiscal 20

Source: CEA, CRISIL Research

### Aggregate power demand supply (in billion units)



Source: CEA, CRISIL Research

Energy demand grew at 3.8% CAGR while power supply increased at a faster 4.5% CAGR over fiscals 2015-20 on the back of strong capacity additions and improving transmission infrastructure. Thus, while energy deficit has been on a downward spiral, India remains a marginally power-deficit country in a growing demand scenario. The decline was sharp, particularly in fiscal 2017, on account of muted demand growth of 2.5%. The low demand was the result of a decline in consumption across categories owing to energy efficiency measures, transmission, and distribution (T&D) loss reduction in key states driven by adoption of UDAY scheme.

In fiscals 2018 and 2019, power demand grew at 6.2% and 5% on-year, respectively, led by a low base and gradual pickup in consumption across categories with impetus from electrification of un-electrified households, transmission and distribution network expansions, healthy economic activity, etc. Strengthening of inter-regional power transmission capacity over the past five years has supported the rapid fall in deficit levels as it reduced supply constraints on account of congestion and lower transmission corridor availability, thereby lowering the deficit to 0.6% in fiscal 2019. Poor demand growth in fiscal 2020 owing to weakening economic activity and extended monsoon further improved the deficit to 0.5%

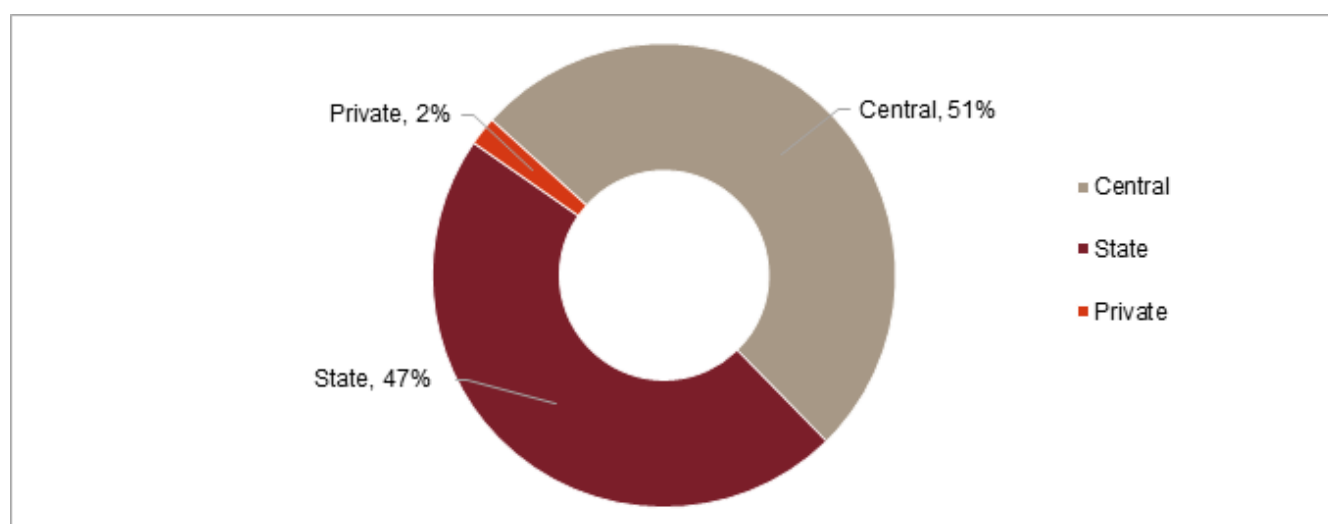
However, the energy deficit across regions is different, which implies that transmission capacity augmentation would be critical

to effectively utilize assets. Energy deficit in the southern region declined to ~0% in fiscal 2020 from 4.1% in fiscal 2015. Considerable deficit still exists (3.7% in fiscal 2020) in the north-eastern region, largely on account of transmission constraints and poor connectivity in Assam post the floods in fiscal 2020. Even the northern region had a higher deficit at 1.4% in fiscal 2020 as compared with a 0% deficit for the western and southern region and 0.2% for eastern regions during the fiscal.

However, this does not imply that the power deficit is negligible since off-grid untapped latent demand still persists and intensive rural electrification as well as '24X7 power supply to all' is yet to be achieved. Further, many towns and villages in the country are deprived of the 24 x 7 electricity supply on account of multiple technical (*such as highly loaded power line frequently tripping*) and commercial (*theft and pilferage, subsidized consumers, etc.*) issues.

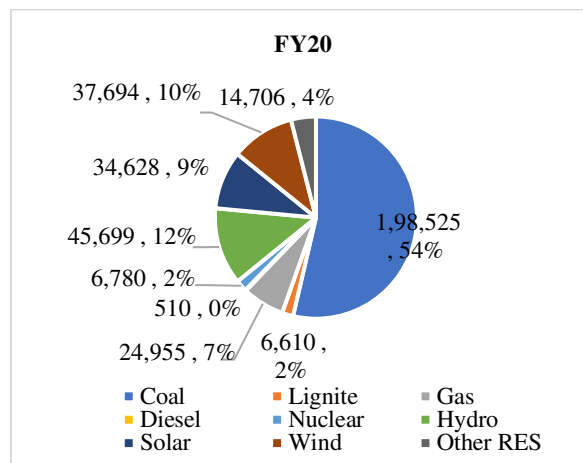
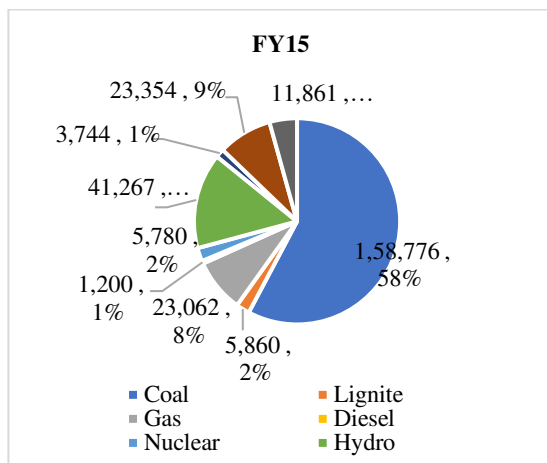
### Investments in Power sector

**Central, State, Private Sector Participation** - Central & state sectors are expected to drive conventional capacity additions in the next five years, whereas the share of private sector capacity addition will remain low due to weak financials of players and presence of untied capacities. NTPC will dominate capacity additions with ~13.5 GW (~11 GW fully owned, ~2.5 GW as joint ventures with state utilities) over the next five years. The entity is backed by a strong execution track record, sound financial strength as well as assured power off-take by PPA holder discoms which insulates it from any downward risk for upcoming capacities. Moreover, nuclear power plants aggregating to ~3.6 GW (Kalpakkam and extension projects at Kakrapar, Rajasthan, and Kudankulam) of Nuclear Power Corporation of India (NPCIL) and ~3 GW of hydro plants are also expected to be commissioned over fiscals 2021-2025. In private segment the trend has already been visible over the last three years when the private sector capacity additions declined to 5 GW in fiscal 2017, 4 GW in fiscal 2018, and ~1 GW in fiscal 2019, and further down to a minuscule 45 MW in fiscal 2020, compared with an average 12 GW being added annually in the preceding five years. Thus, private players would account for only ~1 GW (~2% of capacity additions) between fiscals 2021 and 2025.



Source: CEA, CRISIL Research

**Increase in Renewable energy generation capacity:** Renewable energy installations have more than tripled to ~92.5 GW capacity as on December 2020, compared with 25 GW as on March 2012 (Source: MNRE), constituting ~25% of total installed generation capacity as of date. In particular, this growth has been led by solar power, which grew at breakneck speed to ~38.7 GW from 0.9 GW over the period.



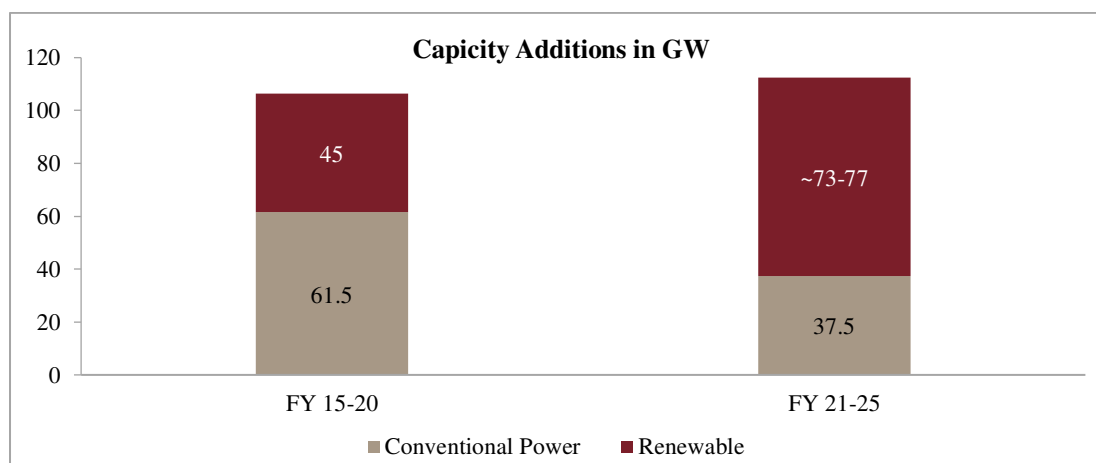
**Total installed capacity: 274.9 GW**

**Total installed capacity: 370.1 GW**

Source: CEA, CRISIL Research

CRISIL Research expects ~73-77 GW of renewable power generation capacities to be added between fiscals 2021-25 of which around 59-61 GW are estimated from solar followed by ~14-16 GW through wind. Capacity additions in the renewable energy segment are expected to witness robust growth. Additions in both wind and solar power are expected to be driven by strong government focus, which is evident from the fiscal and regulatory incentives, viability gap funding and execution support in terms of land and evacuation infrastructure. Improved availability of low-cost finance through various instruments / sources would also support renewable energy capacity additions. In solar power, in particular, a further drop in capital costs, and consequently tariffs, are expected to drive capacity additions.

#### Expected trend in power generation capacity addition



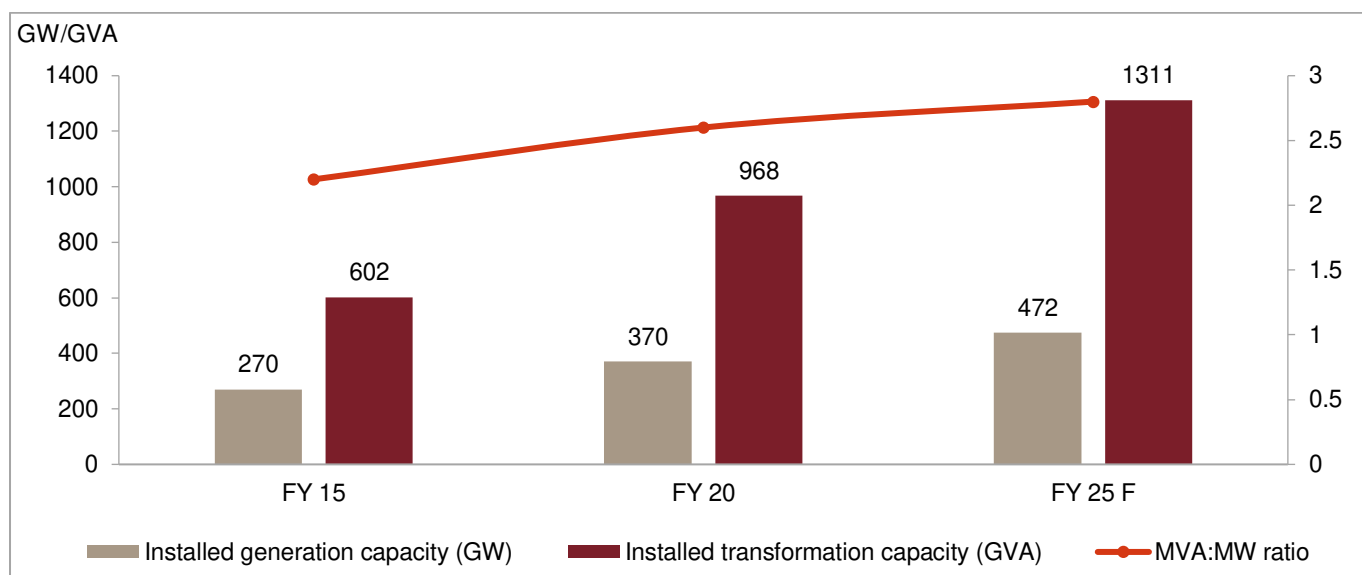
Note: Renewables consists of Solar and Wind power capacities only.

Source: CEA, CRISIL Research

**Paris climate deal to push investments in renewable energy capacity:** The growth in renewable energy will also be on account of India's commitment to curb carbon emissions. The country targets to achieve 175 GW of renewable energy by fiscal 2022. As part of the Paris climate deal, it has further committed to increase renewable share in total generation to 40% by fiscal 2030.

**Transmission segment investment to rise to ~Rs 3.35 trillion over next five years -** In order to service a large generation installed base, the investment requirement of the transmission sector is estimated at ~Rs 3.35 trillion over the next five years. Investment in the sector is expected to be driven by the need for a robust and reliable transmission system to support continued addition of generation capacity and a strong push for the renewable energy sector and rural electrification. Increasing private sector participation, with favourable risk-return profile of transmission projects will also boost the investment. It could slow down slightly in fiscal 2021 due to the Covid-19 pandemic but is expected to rebound strongly in the subsequent years. Transformation capacity of 330-350 GVA is expected to be commissioned in the next five years. In the transmission line segment, we expect moderate growth in HV lines of 400 and 765 kV due to their importance in inter-state transmission lines. Thus, CRISIL Research believes the MVA-MW ratio would further improve to ~2.8 by fiscal 2025.

## Outlook for transmission capacity addition



Source: CEA, Power Finance Corporation, CRISIL Research  
F: Forecast

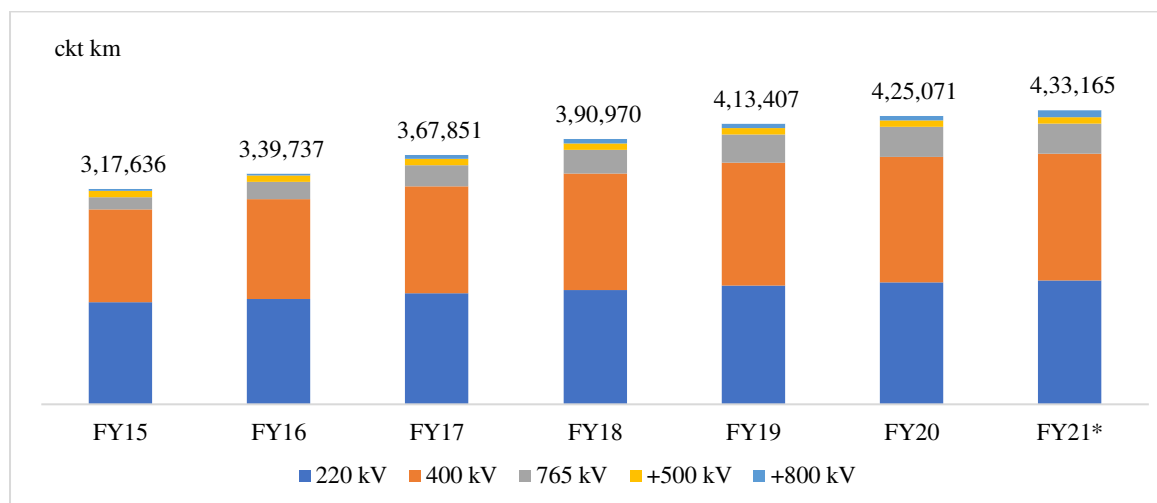
## Power Transmission and Distribution Sector in India

The transmission segment plays a key role in transmitting power continuously to various distribution entities across the country. The transmission sector needs concomitant capacity addition, in line with generation capacity addition, in order to enable seamless flow of power. In India, the T&D system is a three-tier structure comprising distribution networks, state grids, and regional grids. The distribution networks and state grids are owned and operated by the respective state transmission utilities or state governments (through state electricity departments). Most inter-state and inter-regional transmission links are owned and operated by the Power Grid Corporation of India Ltd (PGCIL) which facilitates the transfer of power from a surplus region to one with deficit. The T&D system in India operates at several voltage levels:

- Extra high voltage (EHV): 765 kV, 400 kV and 220 kV
- High voltage: 132 kV and 66 kV
- Medium voltage: 33 kV, 11 kV, 6.6 kV and 3.3 kV
- Low voltage: 1.1 kV, 220 volts and below

There has been strong growth in the transmission system at higher voltage levels and substation capacities. This is a result of increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability.

### Strong growth in the length of high voltage transmission lines (220 kV and above)



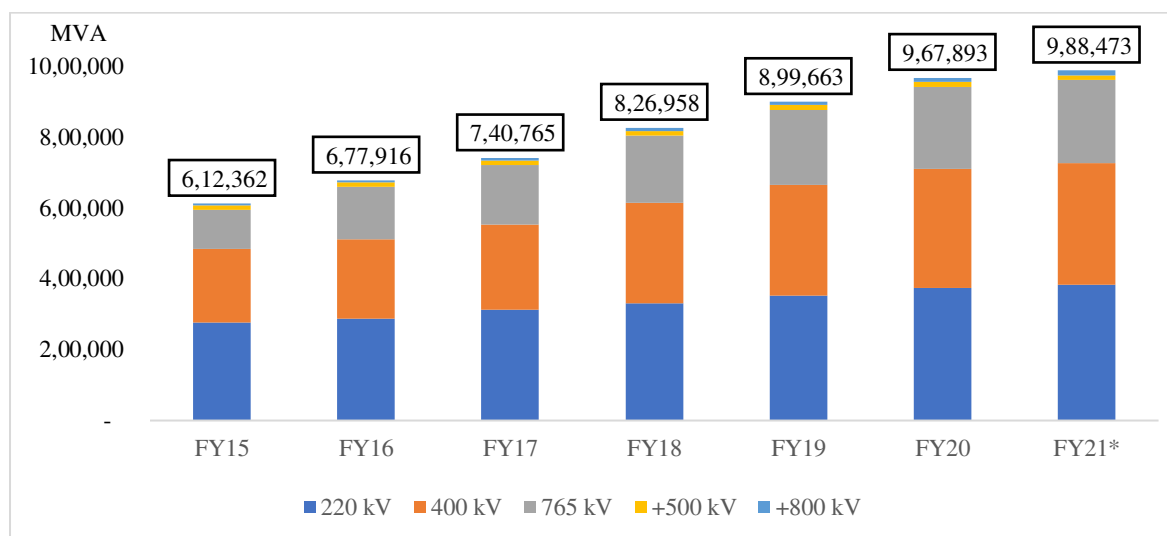
\* Note: Till Dec 2020  
Source: CEA, CRISIL Research

The Electricity Act, 2003 coupled with tariff based competitive bidding or Tariff-Based Competitive Bidding (TBCB) for power procurement, encouraged private participation in the power transmission sector and has supported the growth of transmission lines in India sector.

The total transmission line length (above 220 kV) has increased at 5.4% CAGR from fiscal 2015 to fiscal 2021\*. This increase can also be attributed to an increase in the commissioning of the 765-KV lines, growing at a CAGR of 19.9% over the same time period. 765 kV lines have higher transfer capacity and lower technical losses thereby reducing the overall number of lines and rights of way required to deliver equivalent capacity. Performance in a transmission line improves as voltage increases and as 765 kV lines use one of the highest voltage levels, they experience comparatively lesser amount of line loss. 800 kV lines have also shown strong growth momentum, rising at 18.5% CAGR over the last 6 fiscals, majorly owing to strong investments by the central sector.

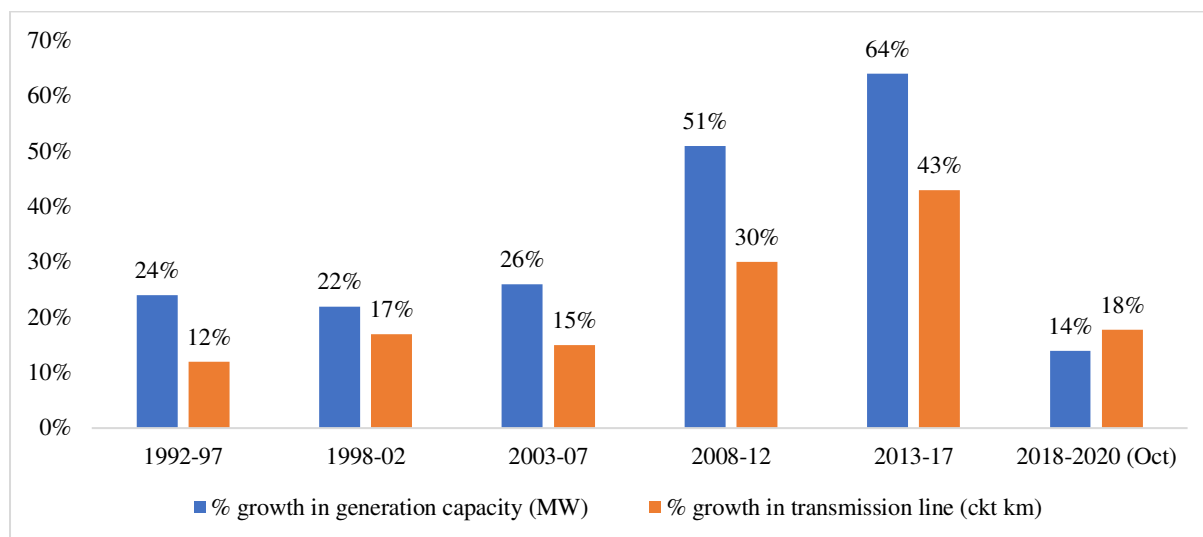
Sub-station capacities in the country have grown from 612,362 MVA in fiscal 2015 to reach 997,843 MVA in fiscal 2021\*, at a CAGR of 8.4%.. The growth in sub-station capacities have majorly seen traction in 220 kV, 400 kV and 765 kV segments, contributing to 28%, 36% and 33% of the incremental additions between fiscals 2015 and 2021 (up to December 2020).

#### Robust growth in high voltage sub-station capacity (above 220 kV)



Note: \*Up to Dec 2020  
Source: CEA, CRISIL Research

#### Transmission line growth has lagged generation capacity

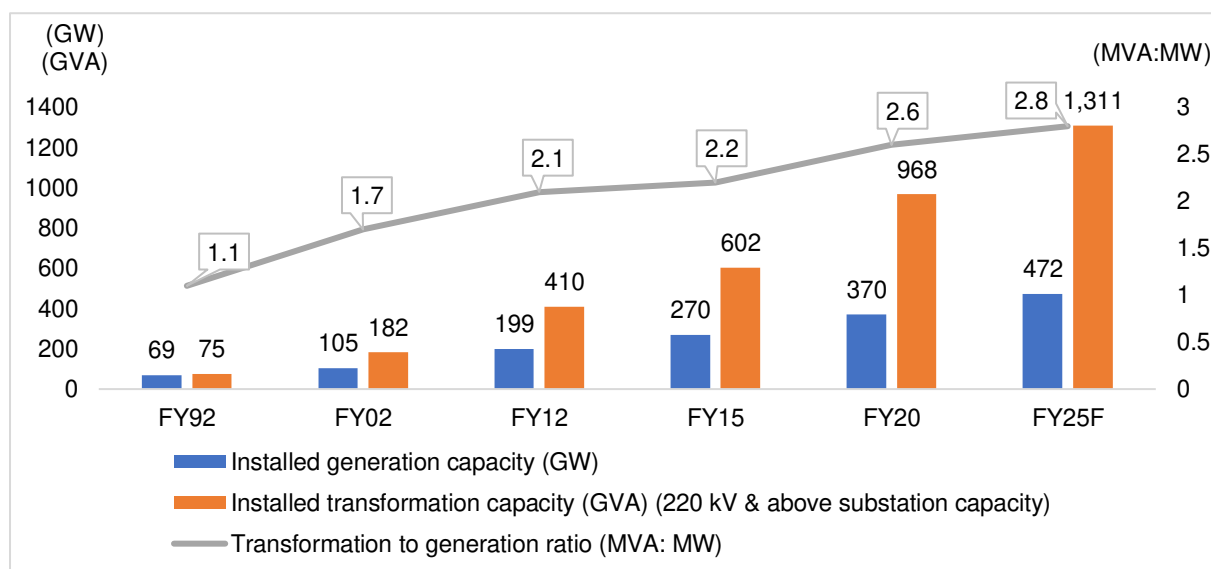


Source: CEA, CRISIL Research

In the 13th 5-year plan (2018-22), generation growth has slowed down owing to oversupply situation, lack of fresh power purchase agreements, stretched financials of private players in the conventional power segment and delays in commissioning of large hydro and nuclear projects.

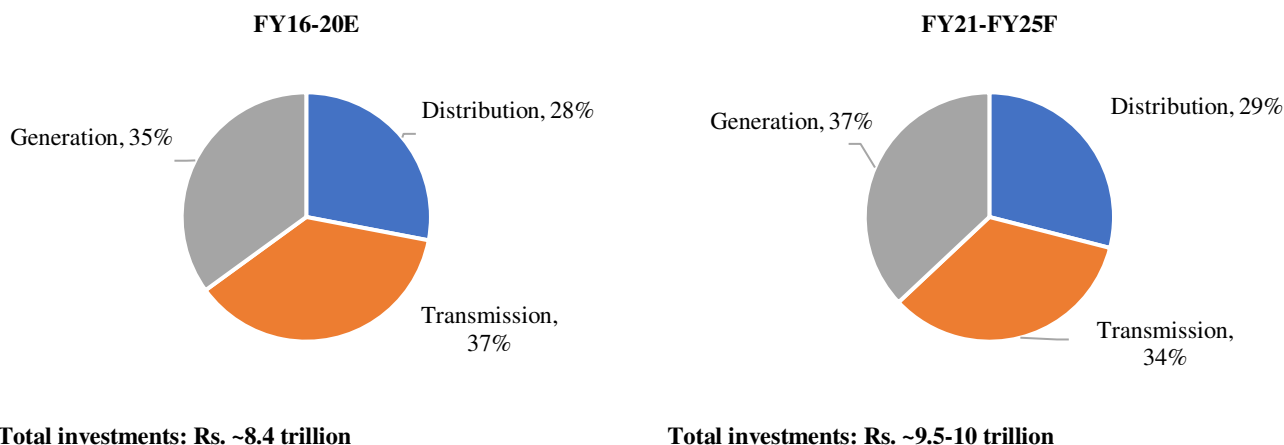
To ensure free and uninterrupted flow of power, every megawatt of new generation capacity needs a certain transformation capacity added to the system. In the Indian context, 220 kV and above level transformation to generation addition ratio (MVA: MW) has remained low over the years. At the end of March 1985, this ratio was 1.1 times and has only improved to 2.6 times by the end of March 2020. Lower transformation capacity results in line congestion, which has been visible particularly in inter-state transmission of power. With government's focus on alleviating congestion, transmission capacities are expected to witness robust growth in transformation capacity additions during the 13th Five Year Plan.

#### Outlook on transformation capacity additions



Source: CEA, Power Finance Corporation (PFC), CRISIL Research

#### Segment-wise break-up of total investments



Based on the 19th Electrical Power survey conducted by CEA, the total installed capacity by the end of fiscal 2022 is expected to reach ~480.4 GW. This would necessitate ~110,000 ckm of transmission lines and ~383,000 MVA of transformation capacity in substations at 220 kV and above.

#### Planned Transmission capacity additions by CEA during period 2017-2022

Transmission system type/ voltage class	Unit	At the end of 12th plan (March 2017)	Required to be added during the plan period 2017-22	Required ckm/ MVA (cumulative) at the end of plan period i.e. by 2021-22
<b>Transmission lines</b>				
(a) HVDC + 500 kV/ 800 kV bipole	ckm	15,556	4,040	19,596
(b) 765 kV	ckm	31,240	21,603	52,843
(c) 400 kV	ckm	1,57,787	48,092	2,05,879
(d) 230/ 220 kV	ckm	1,63,268	36,546	1,99,814
Total transmission lines	ckm	3,67,851	1,10,281	4,78,132
<b>Substations</b>				
(a) 765 kV	MVA	1,67,500	1,09,500	2,77,000
(b) 400 kV	MVA	2,40,807	1,78,610	4,19,417
(c) 230/ 220 kV	MVA	3,12,958	95,580	4,08,538
Total substations		7,21,265	3,83,690	1,104,955
<b>HVDC</b>				
(a) Bi-pole link capacity	MW	16,500	14,000	30,500
(b) Back to back capacity	MW	3,000	0	3,000
Total HVDC		19,500	14,000	33,500

Source: National Electricity Plan, CEA, CRISIL Research

As a result, investments in the T&D segments are expected to witness a growth of 12% in fiscals 2021-25 over fiscals 2016-20. Strong execution capability, coupled with healthy financials of PGCIL, will drive investments. Moreover, the rising private-sector participation with favourable risk-return profile of transmission projects will also support growth in investments. In the 13th FYP, the private sector investment in power transmission sector is expected to be steady at ~10% of the total investment. Further in the 13th year plan, share of private player investments in the freshly bid transmission lines are expected to be over 50%. This is expected to mobilize ~Rs. 1.7-2 trillion of private player investments in over the next 5 fiscals.

Transformation capacity of 330-350 GVA is expected to be commissioned in the next five years. In the transmission line segment, we expect moderate growth (~5%-7%) in HV lines of 400 and 765 kV due to their importance in inter-state transmission lines. Higher voltage level enhances power density, reduces losses and efficiently delivers bulk power. Moreover, it reduces requirement of right of way, a key challenge facing the transmission sector. Thus, CRISIL Research believes the MVA:MW ratio would further improve to ~2.8 by fiscal 2025.

Investments in the transmission sector grew at ~9.5% CAGR over the last five years and aggregated to ~Rs 3.1 trillion. While installed transformation capacity (220 kV and above) increased to 968 giga volt ampere (GVA) as of March 2020, from 602 GVA in March 2015, the total installed capacity of transmission lines at 220 kV and above increased to 425,071 circuit kilometres (ckm) from 313,437 ckm over the period. This was led by robust line additions by Power Grid Corporation of India Limited (PGCIL). Also, a few state transcos, particularly in Maharashtra, Haryana, Andhra Pradesh and Rajasthan, witnessed healthy additions to transmission lines.



Going forward, installed transformation capacity is expected to reach 1,311 GVA by March 2025 and grow at a CAGR of ~6.2%. In the transmission line segment, moderate growth in HV lines of 400 and 765 kV due to their importance in inter-state transmission lines.

The following will also drive investments in the transmission sector:

*Inter-regional transmission capacity to rise led by regional system strengthening schemes*

CRISIL Research believes that the northern and southern regions would be required to import power and the other three regions would be in a position to export power in fiscal 2025. To cater to this import/export requirement, a number of inter-regional transmission corridors have been planned, and some of these high capacity transmission corridors are in various stages of implementation. Newly sanctioned projects under the North-Eastern System Strengthening Scheme and system strengthening schemes focused in the Ladakh region are also expected to augment investments in the transmission segment.

In addition, the following schemes in the North-East and Kashmir are funded by the Centre, with an estimated cumulative cost of Rs 116 billion:

- North-Eastern region power system improvement project
- Comprehensive scheme of transmission and distribution system in Arunachal Pradesh and Sikkim
- 220 kV transmission system from Alusteng (Srinagar) to Leh (via Drass, Kargil, Khalsti and Leh Sub-stations in Jammu and Kashmir)

Overall, the inter-regional transmission capacity is expected to increase from 102 GW in March 2020 to ~145 GW by fiscal 2024.

*Inter-connection with neighbouring countries to boost investments*

In order to ensure effective utilisation of regional resources, India is actively planning to inter-connect the national grid with neighbouring countries like Nepal, Bhutan, Sri Lanka and Bangladesh. Nepal is radially connected with India through 11, 33 and 132 kV lines. India and Bhutan have transmission lines of 400, 220 and 132 kV to import ~2,850 MW of power. Further, for transfer of power from upcoming hydroelectric projects in Bhutan, India is implementing two cross-border inter-connection lines of 400 kV each. Between India and Bangladesh, 400 kV DC line connecting Baharampur (India) to Bheramara (Bangladesh) and 765 kV DC line connecting Katihar (India) to Parbotipur (Bangladesh) along with 500 MW HVDC back-to-back terminal at Parbotipur are planned. A feasibility study has been carried out for two 500 MW bi-pole lines between Madurai (India) and New Anuradhapura (Sri Lanka) including submarine cable for the sea portion. Implementation of these transmission projects is expected to support investments in T&D segments over the next five years.

*Rising private sector participation to support transmission segment investments*

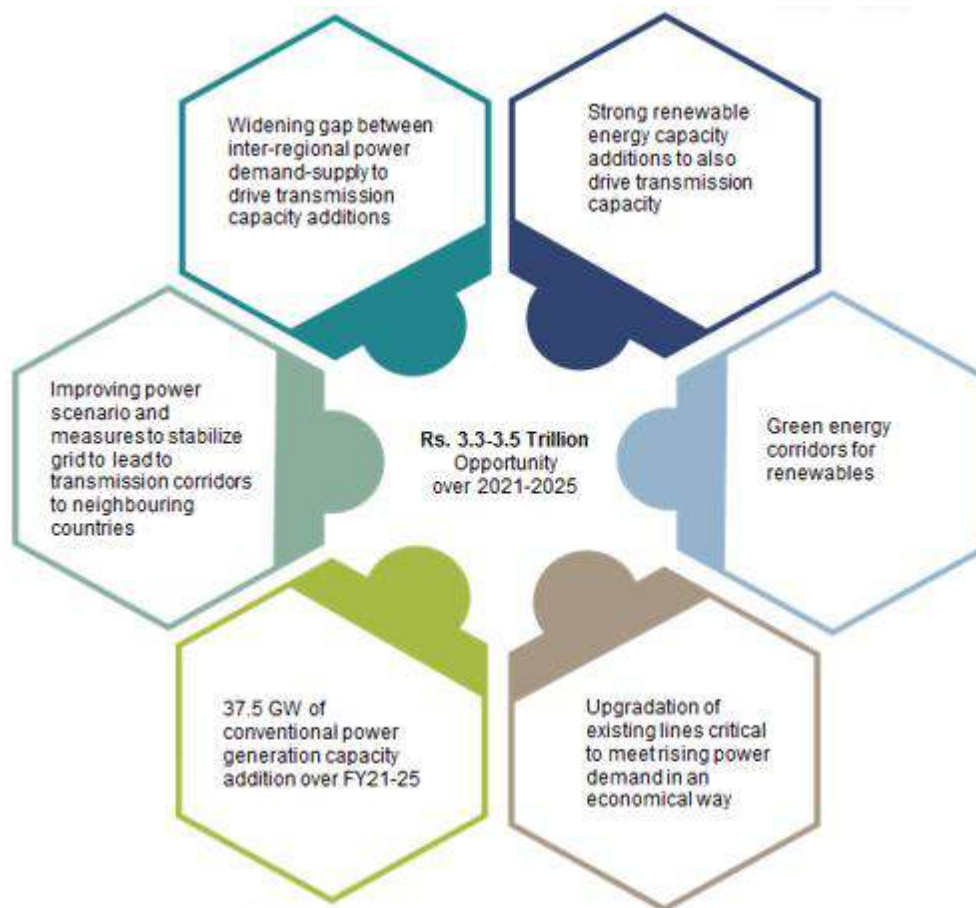
With a view to encourage participation of the private sector in building transmission capacity in India, procurement of transmission has been made mandatory on competitive bidding basis, except for urgent projects, which are required to be commissioned within 2-3-years and continue to be allotted on a cost plus basis to PGCIL. Under TBCB, interested parties are required to quote a levelised tariff through the life of the asset. Transmission schemes including 765 and 400 kV transmission system strengthening schemes in the northern, western, southern, north-eastern regions, would facilitate transfer of power from power surplus states such as Chhattisgarh and Odisha and new hydro-electric projects in Bhutan.

As of October 2020, of the 56 transmission projects envisaged under TBCB, 28 have already been commissioned/ready for commissioning, while 22 are under construction/ partly commissioned. Construction of two projects could not be started due to litigations, while one project has been cancelled by CERC and another one is expected to be cancelled as per the request of the transmission service provider.

Along with such inter-state projects, there will be steady investments in transmission from the state sector as well, primarily driven by the construction of associated transmission systems for upcoming power projects. States such as Maharashtra, Gujarat, Rajasthan, Chhattisgarh, Andhra Pradesh and Karnataka are expected to witness significant investments in the transmission space.

***Key Growth Drivers for growth in transmission sector***

Some of the key growth drivers for the transmission segment in India are:



Source: CRISIL Research

#### 1. *Widening gap between inter-regional power demand-supply to drive transmission capacity additions*

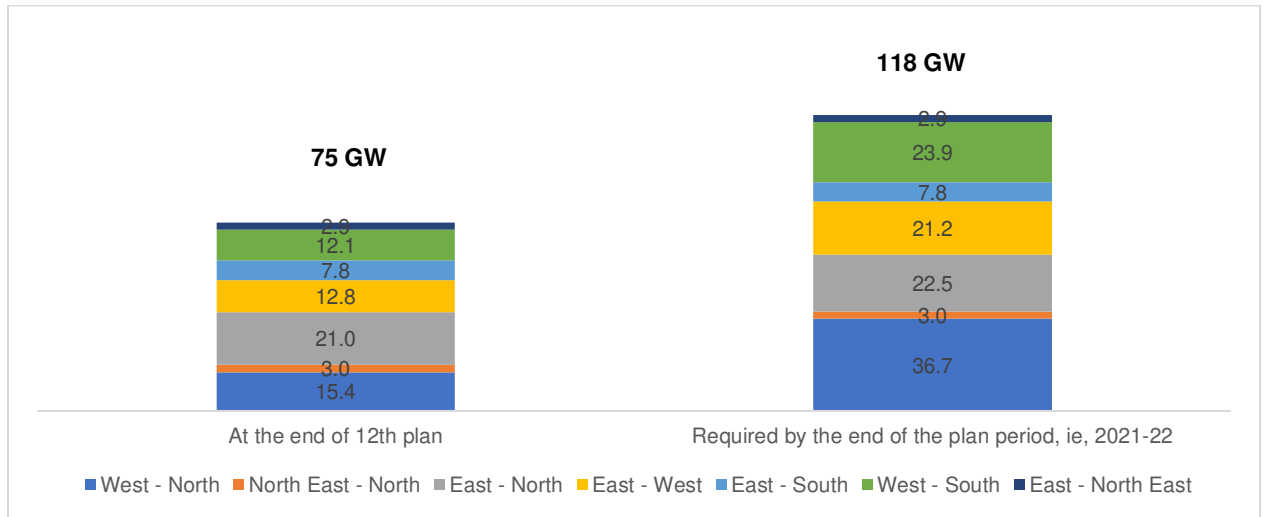
CRISIL Research believes that the total power generation capacity (including renewable energy) at a pan India would rise to ~472 GW in fiscal 2025 from ~370 GW in fiscal 2020. However, the upcoming generation capacity will not be spread evenly across India. Most of the upcoming renewable capacities would be concentrated in the western and southern regions of India, while significant thermal capacities would commission close to the coal mines in eastern and central regions of India. The addition of such large quantity of generation capacities would necessitate the investments in transmission segment to supply power to different demand centres.

Further, the infirm nature of renewable energy (extreme variations in the power output) would give rise to grid issues unless the generated power is distributed over longer distances and to multiple demand centres via transmission lines. Moreover, there exists significant variation in demand on account of seasonal differences and time of day demand differences, which will necessitate large inter-regional transmission capacities to prevent grid fluctuations.

As a result, to reduce the demand-supply mismatch, government has planned to increase the interregional power transfer capacity at 9.5% CAGR to 118,050 MW by FY 2022. Moreover the share of inter-regional transmission capacity is expected to increase from 13.9% in fiscal 2012 to 27% in fiscal 2022 (inter-regional transmission capacity as a fraction of total installed generation capacity), resulting in three times growth of investment in the power transmission sector.

To facilitate inter-regional power transfer capabilities from power surplus regions to deficit regions, CEA estimates regional power transmission capacity by 2021-22 at 118,050 MW.

#### **Inter-regional transmission links and capacity (MW)**



Despite healthy inter-regional transmission additions, on account of seasonal differences and time of day demand differences large inter-regional transmission capacities would be required to prevent grid fluctuations. As per Ministry of Power (Perspective Transmission Plan for Twenty Years, 2014-2034), it is estimated that the northern region would have a deficit of about 18,500 – 22,200 MW depending on the season, while the southern region will have a deficit of about 13,000 to 19,100 MW depending on the season at the end of fiscal 2022. Surplus in the western region is expected to be 11,500-15,900 MW in the summer peak, winter peak and winter-off peak conditions, while during the monsoon peak, the surplus is expected to drop to about 2,000 MW.

2. *Short-term open access availability limited; to drive further transmission capacity additions*

India has added ~26% (95 GW) of its total power capacity in the past six years (fiscals 2015 to 2020) itself, of which a reasonable proportion of capacity do not have long term PPAs. Consequently, there are under-utilized capacities, especially in the conventional power segment. Improved and enhanced transmission corridors, which should help evacuate power from surplus region through power trading, is an important requirement to bridge this gap and support PLFs. Further there exist significant transmission constraints for availing short-term open access between two regions. Despite overall inter-regional transmission capacity having increased 2.2 times to ~102 GW in fiscal 2020 from fiscal 2014, that available for short-term open access has remained range bound between 15-35% across the period. This is reflected from the significant disparity in merchant prices on power exchanges across various regions of India.

3. *Strong renewable energy capacity additions to also drive transmission capacity*

There has been a staggering growth in installed capacity of Renewable energy sources from 15.5 GW in fiscal 2010 to 87 GW in fiscal 20, further reaching 89.6 GW in October 2020. Furthermore, government has planned to achieve a total renewable capacity of 175 GW by fiscal 2022 which primarily includes wind and solar capacities. The share of renewable energy in the power generation mix is expected to reach ~19% in fiscal 2025 from 10% in fiscal 2020.

4. *Conventional power generation capacity additions of 37.5 GW to necessitate concomitant transmission capacity*

As discussed in the previous section, CRISIL Research expects ~37.5 GW worth of conventional power generation projects are expected to be commissioned over fiscals 2021-25. This coupled with estimated increase of ~3% in power demand is expected to necessitate augmenting of transmission capacities. Moreover, several upcoming capacities have long-term power purchase agreements with outside states, which will require inter-state transmission corridors.

5. *Several measures taken by government to facilitate execution of transmission projects*

Government has also eased norms to cut down approval time and administrative delays that could arise during the project execution period of a transmission line. To avoid the delay in Transmission line projects due to forest clearances and right of way issues, the government has steps such as an entity having stage I forest clearance can commence construction of the project even if approval for its stage II clearance is pending, the regional offices of Ministry of Environment and Forest (MoEF) are empowered to issue clearances for up to 20 hectares of forest land as compared to 5 hectares earlier, faster approval of the planned transmission route etc. As per the section 164 of the act, the transmission licensee shall publish the route plan in the two local newspapers. The service provider would have to wait for two months to take into consideration the objection and representation of the stakeholder. Post which the licensee

will submit all the necessary document to CEA and details will be published in government of India Gazette. The entire procedure currently takes only 6-9 months of time, which is a huge reduction as compared to more than 12 months earlier.

The transmission line developer does not require any special approval of Wildlife clearance for the project from a bench of the Supreme Court bench.

6. *Upgradation of existing lines critical to meet rising power demand in an economical way*

India has ~4.33 lakh ckm of transmission network as on October 2020 of which most of the lines are using the Aluminium core steel reinforced (ACSR) conductor. This type of conductor is having lower current carrying capacity and also lower withstand temperature (85 degree Celsius) capacity as compared to other latest available technology and substitutes.

7. *Improving power scenario and measures to stabilize grid to lead to transmission corridors to neighbouring countries*

Power deficit in India has been on a declining trajectory with base deficit shrinking to 1% for fiscal 2020 as compared 3.6% in fiscal 2015. India is expected to further expand its generation capacity (conventional power) by ~37.5 GW over the next 5 years. Thus, with healthy availability of power, India is evaluating opportunities to tap neighbouring countries for better integration and synergies. Currently India is trading electricity with Nepal, Bhutan and Bangladesh with 1,000 MW line capacity (~150 MW with Nepal, 500 MW with Bangladesh and ~300-400 MW with Bhutan), while it has plans to increase the inter-national exchange capacity to 3600 MW.

8. *Strong government support to also drive transmission investments*

Government support to power transmission is expected to continue. In the past, it has supported the transmission segment through several measures – increasing the concession period of a transmission asset, relaxation of norms to speed up project construction and implementation of UDAY scheme to boost power demand, which in turn, will eventually result in rise in transmission requirements.

## **Regulatory**

### ***Overview***

The electricity sector in India, since independence, was largely controlled by government owned vertically integrated entities. With opening up of the Indian economy and rapid industrialization, demand for power witnessed an upsurge. This necessitated significant investments which compelled the government to open up the power sector for the private sector. In the below sections, we have elaborated the evolution of the regulatory framework and key provisions in the major reforms undertaken.

1. *Electricity Act 2003*

Key features and its impact on the Generation segment:

- No license required for generation;
- Competition to be encouraged through international competitive bidding;
- Captive power generation and sales to third party encouraged; and
- Direct access to retail consumers due to open access in Transmission & Distribution (T&D).

Key features and its impact on the transmission and distribution segment

- Open access in the T&D sector, thus providing choice to consumers
- Higher investments to improve existing infrastructure and
- Opportunities for competition in the distribution segment.

Other key features of the Electricity Act 2003 are as mentioned below:

- Regulators to play an important role in promoting competition, fixing tariffs of generation, transmission, and in determination of the open access charges.

- Increased in competition among various sources of players, leading to increase in efficiency and improving customer service standards

## 2. *National Tariff Policy, 2006*

Subsequent to the enactment of Electricity Act 2003, the Central government prepared the national electricity policy as per section 3 of the Electricity Act 2003, which led to formulation of National Tariff Policy in January 2006. Some of the key features of the policy include competitive bidding for the power to be procured by the distribution licensee, framework for determining tariffs for cost plus regulated return projects under generation, transmission as well as distribution, adoption of multi-year tariff framework for tariff determination process and increase in private sector investment in transmission through competitive bidding route.

## 3. *National Tariff Policy, 2016*

In January 2016, the Cabinet approved the proposal of the Ministry of Power for amendments in the Tariff Policy. It provides a holistic view of the power sector and comprehensive amendments have been made in the Tariff policy 2006. The amendments are also aimed at achieving the objectives of Ujwal Discom Assurance Yojana (UDAY).

Highlights of the amendments are:

- 24X7 supply of power to all consumers for which state governments and regulators will devise a power supply trajectory
- Power to be provided to remote unconnected villages through micro grids with provision for purchase of power into the grid as and when the grid reaches there
- Affordable power for people near coal mines by enabling procurement of power from coal washery reject based plants
- Reduce power cost to consumers through expansion of existing power plants
- Benefit from sale of un-requisitioned power to be shared allowing for reduction in overall power cost
- Transmission projects to be developed through competitive bidding process to ensure faster completion at lower cost
- Faster installation of Smart meters to enable Time of Day• metering, reduce theft and allow net-metering
- Lower power cost by creating transmission capacity for accessing power from across India
- Renewable purchase obligation (RPO): In order to promote renewable energy and energy security, 8% of electricity consumption excluding hydro power, shall be from solar energy by March 2022
- Renewable generation obligation (RGO): New coal/lignite based thermal plants after specified date to also establish/procure/purchase renewable capacity
- Affordable renewable power through bundling of renewable power with power from plants whose power purchase agreements (PPA) have expired or completed their useful life
- No inter-state transmission charges and losses to be levied for solar and wind power
- Remove market uncertainty by allowing pass through for impact of any change in domestic duties, levies, cess and taxes in competitively bid projects.

## 4. *CERC tariff regulations, 2019*

In February 2019, CERC notified final tariff regulations for the period over fiscals 2020 to 2024 for determination of tariff for power generation and transmission projects operating under the fixed-returns model.

*Key policies for the transmission segment:*

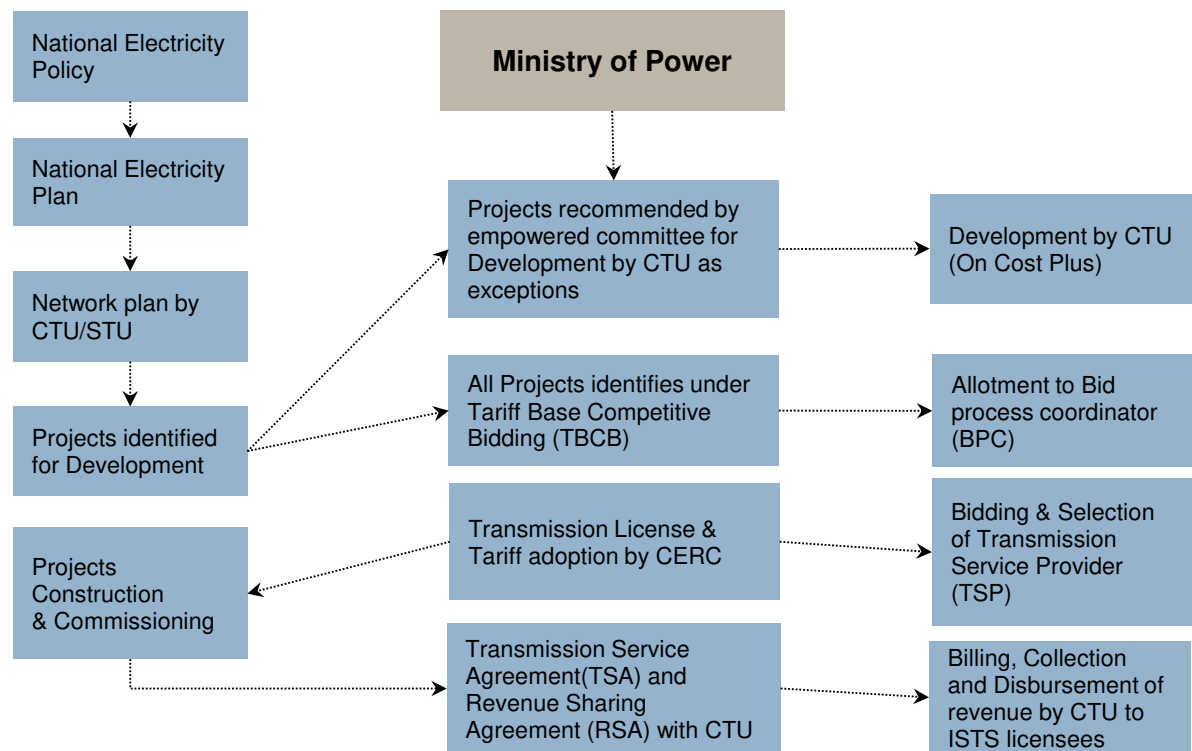
- For transmission projects also, CERC has maintained status quo on two of the key parameters:

- Return on equity at 15.5 per cent and
- Debt to equity ratio for inter-state power transmission projects at 70:30.
- The fixed cost of the transmission system or communication system forming part of transmission system shall be computed on annual basis and recovered on monthly basis as transmission charge from the users, who shall share these charges

#### 1. *Electricity (Amendment) Bill 2020*

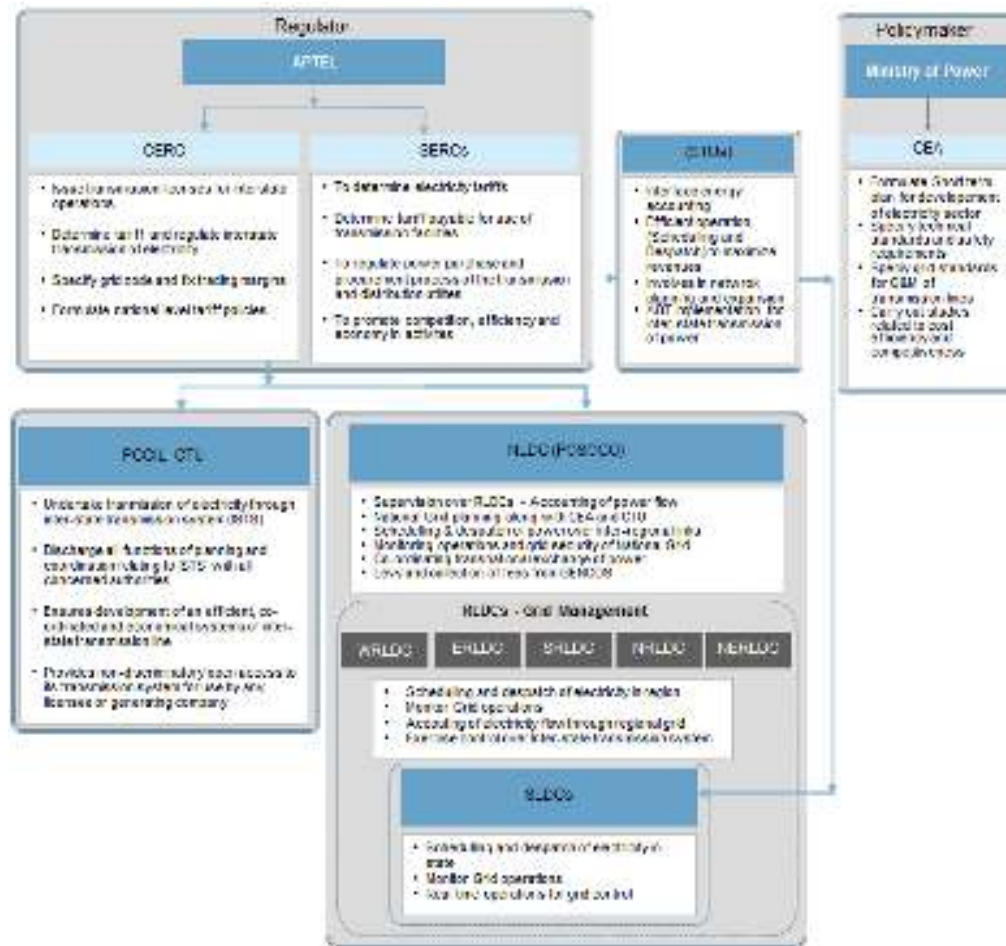
The Central government has introduced the Electricity (Amendment) Bill 2020 to amend various provisions in the Electricity Act 2003. The amendment aims to address critical issues weakening the commercial and investment activities in the electricity sector of the country. Key features of the Electricity (Amendment) Bill 2020 are establishment of Electricity Contract Enforcement Authority, empowering Load Dispatch Centre (LDC) to oversee the payment security mechanism, reduction of Cost reflective Tariff, Simplification of Tariff Structure & Cross Subsidy, establishing National Renewable Energy Policy and Deemed adoption of Tariff discovered through competitive Bid.

#### **Mechanism of awarding of transmission projects**



Source: Ministry of power; CRISIL Research

#### **Institutional and structural framework**



Note:

CERC- Central Electricity Regulatory Commission; CEA- Central Electricity Authority; WRLDC- Western Regional Load Despatch Centre; ERLDC- Eastern Regional Load Despatch Centre; SRLDC- Southern Regional Load Despatch Centre; NRLDC- Northern Regional Load Despatch Centre; NERLDC- North-Eastern Regional Load Despatch Centre; SLDC- State Load Despatch Centre; CTU- Central Transmission Utility; STU- State Transmission Utility.

Source: CRISIL Research

## Tariff Structure

### Overview

Being a critical link in the power sector value chain, the transmission sector needed more attention to cater to the growing power demand and the increasing generation capacity. Investments in the form of budgetary allocations, internal accruals and PSU borrowings were unable to fund this growing need. Keeping this in mind, the Electricity Act permitted private sector participation through the tariff based competitive bidding or TBCB route in the power transmission sector. Guidelines for the TBCB process were laid down in the National Tariff Policy, 2006.

### Tariff based competitive bidding

Under the TBCB, tariff for projects is not on a cost-plus basis and bidders are required to quote tariff for a period of 35 years for establishing transmission lines. The bidder quoting the lowest levelized tariff, is selected. The successful bidder is then required to acquire a special purpose vehicle or SPV incorporated by the bid process coordinator or BPC. Once the process of acquisition is complete, the SPV approaches CERC to obtain a transmission license.

The **standard bidding document** to be provided in the RFQ includes:

1. Details of the project, including location and technical specifications.
2. Construction milestones to be specified by the bidders.
3. Financial requirements to be met by bidders, including minimum net worth and revenue, with necessary proof of the



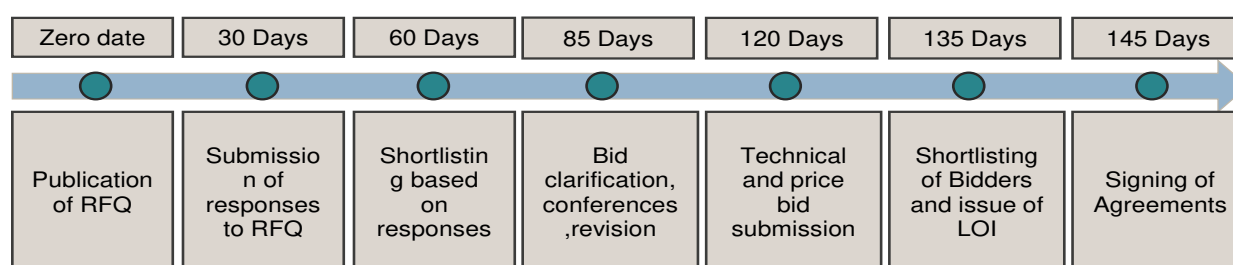
same, as outlined in the bid documents.

4. Details of model transmission service agreement, which shall include
  - Description of interstate transmission system (ISTS).
  - Description regarding sharing of transmission charges, other charges and transmission losses; and
  - Procedure for metering and accounting.
  - Billing, collection and disbursement of transmission charges.
  - Force majeure clauses as per industry standards.
  - Default conditions and cure thereof, and penalties.
5. Other technical, operational and safety criteria to be met by bidder/TSP, including the provisions of the IEGC/State Grid Code and relevant orders of the Appropriate Commission.
6. Bid evaluation methodology to be adopted by the BPC.
7. Discount Factor (DF) that would be used for evaluation of bids; and
8. Demonstration of financial commitments from lenders at the time of submission of the bids

After the submission of the RFQ, bid evaluation is undertaken by a committee constituting at least one member from the CEA. The bidder who has quoted the lowest transmission charge as per the evaluation procedure, shall be considered for the award. After selection, the bidder will make an application for grant of transmission license to the appropriate commission within one month of selection. The TSA shall be signed with the selected bidder, consequent to the selection process.

After selection, the bidder is required to acquire the project SPV from the BPC and make an application for grant of transmission license to CERC. The successful bidder is designated as the transmission service provider or TSP. The TSP commissions the line as per the schedule specified in the Transmission Service Agreement or TSA with the long-term service customers, the effective date for start of project development being the date of acquisition of SPV by the TSP. Further as per the MoP's order on "policy for incentivizing early commissioning of Transmission projects" dated 15<sup>th</sup> July 2015, the TSP which commissions the project before scheduled commissioning date is entitled to get revenues (entitlement of transmission charges) and incentives from the actual date of commissioning.

The entire two-stage bidding process of a transmission line typically takes 145 days. The timeline from the release of RFQ to signing of a TSA is as given below:



Source: CERC regulations; CRISIL Research

### **Point of Connection Mechanism**

**Overview:** In 2011, the CERC introduced the 'Point of Connection' (PoC) method for determining inter-state transmission charges. The PoC methodology was introduced to meet the requirements of an integrated grid with rapidly increasing inter-regional transmission of power. It replaced the regional postage stamp method, which was more suited to simple power flows restricted to a small geographical area or electric network. With the new system, the regulator also aims to promote an efficient transmission pricing regime that is sensitive to distance, direction and quantum of power flow – factors which were not addressed by the postage stamp method.

**About PoC:** In the PoC method, the transmission charges to be recovered from the entire system have been allocated between

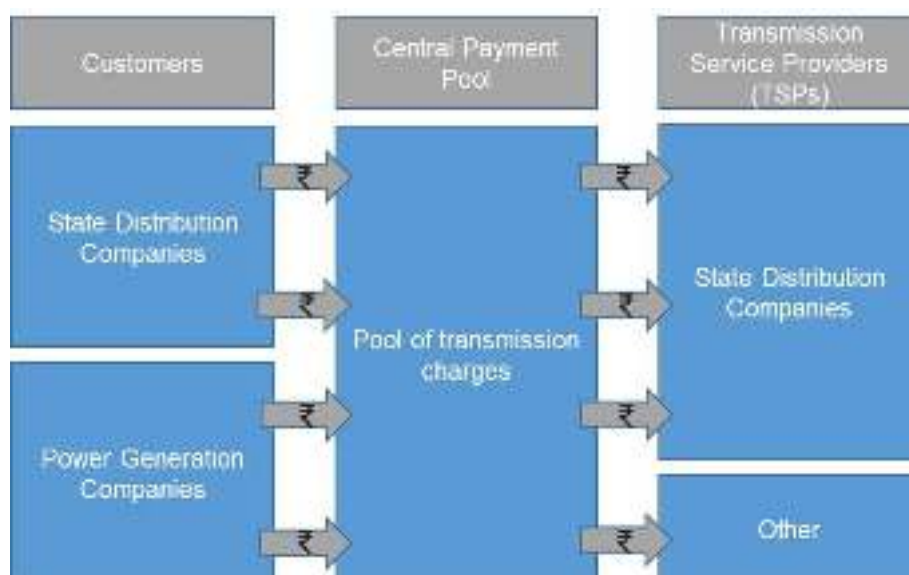


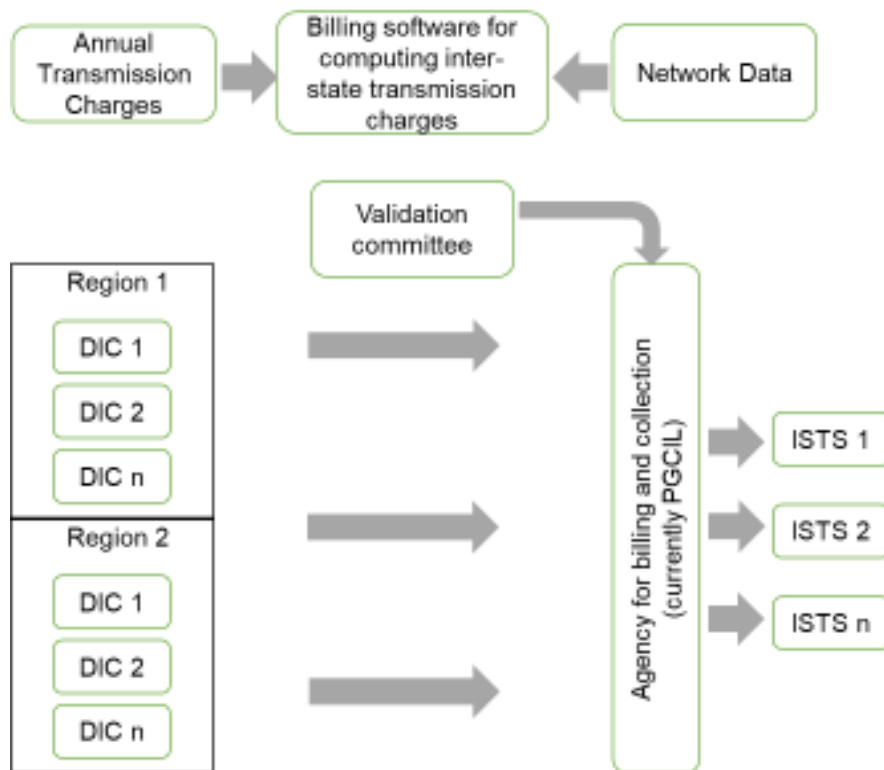
users based on their location in the grid. The inter-state grid has been divided into generation and withdrawal (demand) zones, and prices for each zone are determined by an algorithm based on the load profile of the zone. Separate transmission charges are attributable to both generators and distribution companies as they are both deemed to be beneficiaries of the transmission network. However, in almost all cases, transmission charges attributed to the generator are recovered from the discoms. The transmission grid is divided into injection and withdrawal nodes and for the sake of simplicity, various nodes of a contiguous region have been further aggregated into zones. The charges for each node are determined by an algorithm. The algorithm is based on load flow analysis of the entire transmission network and how a change in injection or withdrawal of 1 MW of power at each node affects the network. Thus, it captures the network utilisation of each zone. The algorithm also takes into account the electrical distance and direction of power flows for each node in the system.

Also, earlier, each transmission licensee would sign a Bulk Power Transmission Agreement (BPTA) for each transmission asset with multiple discoms. As a result, the licensee would be responsible for recovering his annual transmission charges (ATC) from multiple discoms across regions, resulting in high transaction complexity. However with the PoC mechanism, BPTAs will no longer be signed for individual transmission assets; instead, a universal Transmission Service Agreement (TSA) and revenue sharing agreement (RSA) is in place and all beneficiaries including ISTS Licensees, Deemed ISTS Licensees, other non-ISTS Licensees whose assets have been certified as being used for interstate transmission by the RPCs will be default signatories to the TSA and RSA approved by CERC. Post the commissioning of transmission line RSA determines the terms and conditions for billing, collection and disbursement procedure for the ISTS licenses and DICs while TSA determines the terms and conditions for revenue accrual and other operation related parameters.

*Procedure for Payment:* Under the PoC mechanism, the CTU or PGCIL acts as the revenue aggregator and collects payments from all the DICs based on the inputs received related to utilization of the transmission network. The CTU is responsible for billing and collecting these charges from the various users and disbursing them to transmission licensees. The CTU is responsible for billing and collection of these charges from the various users and disbursing them to the transmission licensees. The CTU functions as a single point of contact between transmission licensees and the users.

#### Procedure for payment pooling mechanism



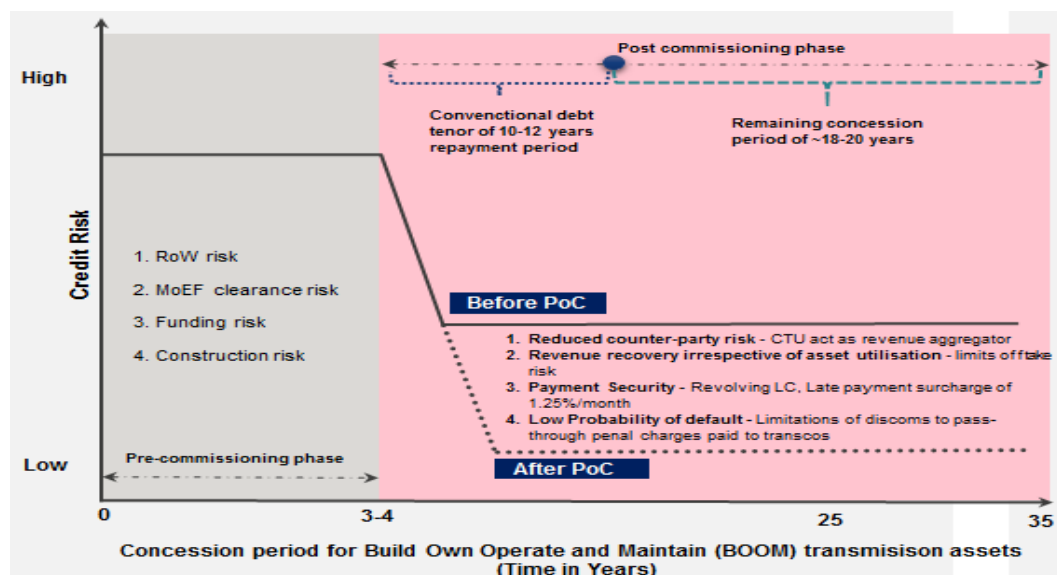


Source: CERC; CRISIL Research

### Factors Encouraging Investments in Power Transmission in India

- Operational power transmission projects have minimal risks:* In the project construction phase, transmission assets face execution risks including right of way, forest and environment clearances, increase in raw material prices etc. However, post commissioning, with the implementation of POC mechanism, there is limited offtake and price risk as described below. Thus, operational transmission projects have annuity like cash flows and steady project returns. Tariffs payable to the ISTS have a fixed escalable component which ensures stability in cash flows while variable component is linked to the inflation index in India, which is relatively a smaller component of the tariff.
- Revenue recovery irrespective of asset utilisation limits off-take risk:* Under TBCB, the interested parties are required to quote a levelized tariff through the life of the asset. The tariff rates comprises of a fixed non-escalable charge and a variable escalable charge which in linked to the inflation index in India which is published by CERC every 6 months.

### Credit risk through a project life cycle



Source: CEA; CRISIL Research

- Availability based regime:** The transmission line developer is entitled to get an incentive amount (if availability is more than 98.5% for HVDC and more than 99.75% for HVAC) in the ratio of the transmission charges paid or actually payable at the end of the contract year. Also, in the case of low availability, a transmission licensee is liable to pay a penalty under the TSA, which will be apportioned in favour of the customers. Maintaining availability in excess of the targeted availability gives the relevant asset the right to claim incentives at pre-determined rates, ensuring an adequate upside to maintaining availability. However adequate training and deployment of advanced techniques such as use of helicopters for live line aerial patrolling, hot line maintenance, equipment condition monitoring including dynamic testing and use of thermos-vision scanning may result in higher transmission network availability. Hence, revenue recovery is not linked to volume of power flowing through transmission assets as long as normative line availability is met.
- Counter-party risk diversified:** Given pan-India aggregation of revenue among all ISTS beneficiaries (TSPs) and not asset specific billing, the counter party risk is diversified. As the load growth increases, the pool of beneficiaries as well as transmission providers is likely to go up resulting in further diversification. Considering that no single counter party is over 15% of the pool, weighted average credit quality of the pool is significantly better than individual constituents. If a particular beneficiary delays or defaults, the delay or shortfall is prorated amongst all the licensees. Thus, delays or defaults by a particular beneficiary will have limited impact, which will be proportionate to its share in overall ISTS. Assuming the system has 3 ISTS licensees (L1, L2 and L3). The total transmission charge for any given period is INR 100 /- which is to be paid to the 3 licensees in the proportion of 50%, 30% and 20%. Assuming the recovery or total amount aggregated by PGCIL is INR 90 /- (shortfall of INR 10/-), the collection would be distributed to the 3 licensees in the proportion of their billing amounts as illustrated below:

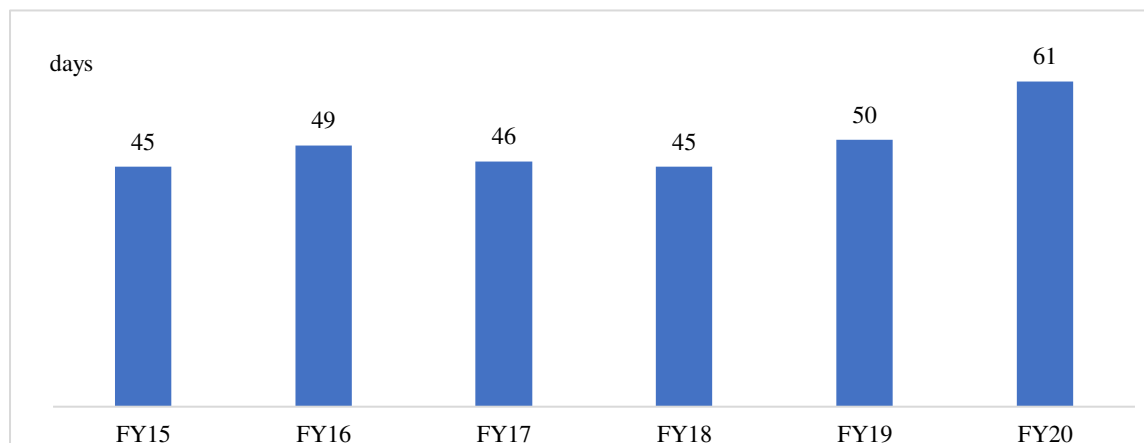
ISTS Licensee	Transmission Charge (INR)	Collection from DICs (INR)	Proceeds to ISTS Licensees (INR)
L1	50	90	45
L2	30		27
L3	20		19
<b>Total</b>	<b>100</b>		<b>90</b>

Source: CRISIL Research

- Collection risk offset owing to presence of CTU:** According to CERC (sharing of inter-state transmission charges and losses) regulations, 2010, PGCIL as central transmission utility (CTU) - a AAA rated “Navratna” government owned entity - has been assigned the responsibility of carrying out activities including raising of transmission charge bills on behalf of all ISTS licensees, collecting the amount and disbursing the same to ISTS licensees. The CTU functions as a single point of contact between transmission licensees and the users. Thus, a private transmission licensee no longer needs to collect transmission charges from multiple discoms for each transmission project. Instead, the transmission

revenue payable to the licensee is disbursed by the CTU on a monthly basis. Moreover, the collection track-record of the CTU is fairly good. Further the receivable collection cycle has shown considerable improvement over the past few years. PGCIL do not possess any history of payment default to the transmission service provider under the PoC mechanism.

#### Trend in receivable days of PGCIL



Source: PGCIL Annual Reports; CRISIL Research

- Payment security:** The agreement includes an arrangement for payment security, which reduces under-recovery of revenues. Payment security is available in terms of a revolving letter of credit of required amount that can be utilized to meet the revenue requirement in case of a shortfall. Further in the event of default by discoms the impacted generation company can sell the regulated volumes of power to third party buyers and proceeds from such transaction will be paid to Transco on the pro-rata basis, after adjustment of energy charges and incidental expenses by the GENCO.
- Relatively low probability of default:** Beneficiaries are less likely to default on transmission charges as there exists limited alternative infrastructure to supply / off-take the power. In fact, transmission licensees have the right to restrict long-term/medium-term access to transmission network. As per the CERC's order dated 2.9.2015 on Regulation of power supply, PGCIL in consultation with power system operation corporation limited (POSOCO) can deny STOA/MTOA/LTA to the defaulting utility which can be treated as transmission constraint and POSOCO may issue schedule to the defaulting beneficiary in case of transmission constraint. Also, there exists a late payment surcharge of 1.25% per month for delay in payment beyond 60 days from the date of billing. Further there are limitations on transmission utilities to pass on the additional cost incurred on account of penal interest to the end users. Given a confluence of the above factors, the beneficiaries are less likely to default. Moreover transmission costs form a relatively lower proportion of the total operational costs. In fact, for Karnataka, Madhya Pradesh and Rajasthan the interstate transmission charges account for less than 5% of the total power purchase cost.
- Pace of Awarding Projects under TBCB has increased in the last few fiscals:** Between 2010-11 and 2014-15, the pace of award of project was slow with only Rs. 180-190 billion (~USD 2.48-2.62 billion) of projects being awarded. However, the pace of award of project has significantly increased. In fact, in 2015-16, projects aggregating to ~Rs. 260 billion (~USD 3.58 billion) were awarded. Awarding of projects through TBCB picked up from fiscal 2017 onwards. In fact, between fiscals 2017 and 2020, projects worth ~312 billion have been awarded by BPCs (REC, PFC). This is sharp contrast with the tenure from fiscals 2011 to 2016 where cumulatively ~400 billion of transmission projects were awarded by the BPCs. Presently, 28 projects, awarded under the TBCB route have been commissioned.

#### List of projects under bidding with REC as BPC

Sl. No	Project Name
1	Development Of Intra-state Transmission Work In M.P. Through Tariff Based Competitive Bidding: Package- I
2	Development Of Intra-state Transmission Work In M.P. Through Tariff Based Competitive Bidding: Package- II
3	Transmission System for evacuation of power from RE Projects in Osmanabad area (1 GW) in Maharashtra
4	Transmission System for Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka – Part A
5	Transmission System for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh
6	Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka

Sl No	Project Name
7	Transmission System Strengthening in Jharkhand State (Package-1)
8	Transmission System Strengthening in Jharkhand State (Package-2)
9	Transmission System Strengthening in Jharkhand State (Package-3)
10	Transmission System Strengthening in Jharkhand State (Package-4)

Note: Projects likely to be bid out and awarded in the next 1-2 fiscals

Source: REC, CRISIL Research

#### List of projects under bidding with PFC as BPC

Sl No	Project Name
1	Evacuation of power from RE sources in Koppal Wind Energy Zone (Karnataka) (2500MW)
2	Evacuation of Power from RE Sources in Karur/ Tiruppur Wind Energy Zone (Tamil Nadu) (2500 MW)
3	Transmission scheme for Solar Energy Zone in Ananthapuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh
4	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-E
6	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase-II-Part G

Note: Projects are likely to be bid out and awarded over the next 1-2 fiscals

Source: PFC, CRISIL Research

#### Key transmission projects identified under NIP

Sl No	Name of scheme/ project	Region	Estimated Project Cost (in USD)
1	Pan-India Power Transmission Project A	Pan India	12.02 bn
2	Chennai Power Transmission Project	Tamil Nadu	6.95 bn
3	Pan-India Power Transmission Project B	Pan India	6.52 bn
4	Lucknow Power Transmission Project	Uttar Pradesh	3.39 bn
5	Hyderabad Power Transmission Project	Telangana	2.79 bn
6	HVDC bipole between western region (Raigarh, Chhattisgarh) and Southern Region (Pugalur, Tamil Nadu)	Chhattisgarh, Kerala, Maharashtra, Tamil Nadu, Telangana	2.26 bn
7	LT and HT distribution infrastructure development project	Tamil Nadu	2.04 bn
8	HVDC bipole between western region (Raigarh, Chhattisgarh) and Southern Region (Pugalur, Tamil Nadu)- North Trichur [Kerala] Scheme 1 - Raigarh Pugalur 6000 MW HVDC system	Pan India	2 bn
9	North East - North West Interconnector 1	Pan India	2 bn
10	Bangalore power transmission project	Karnataka	1.79 bn
11	Underground cable replacement project	Uttar Pradesh	1.63 bn
12	LT AG connection to HVDS development project	Maharashtra	1.38 bn
13	Creation of intra state transmission system in 8 RE rich states	Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Rajasthan Tamil Nadu	1.38 bn
14	Gandhinagar power transmission project	Gujarat	1.36 bn
15	Kamrup Metropolitan power transmission project	Assam	1.11 bn
16	Guntur power transmission project	Andhra Pradesh	1.04 bn
17	Jaipur power transmission project	Rajasthan	991.78 mn

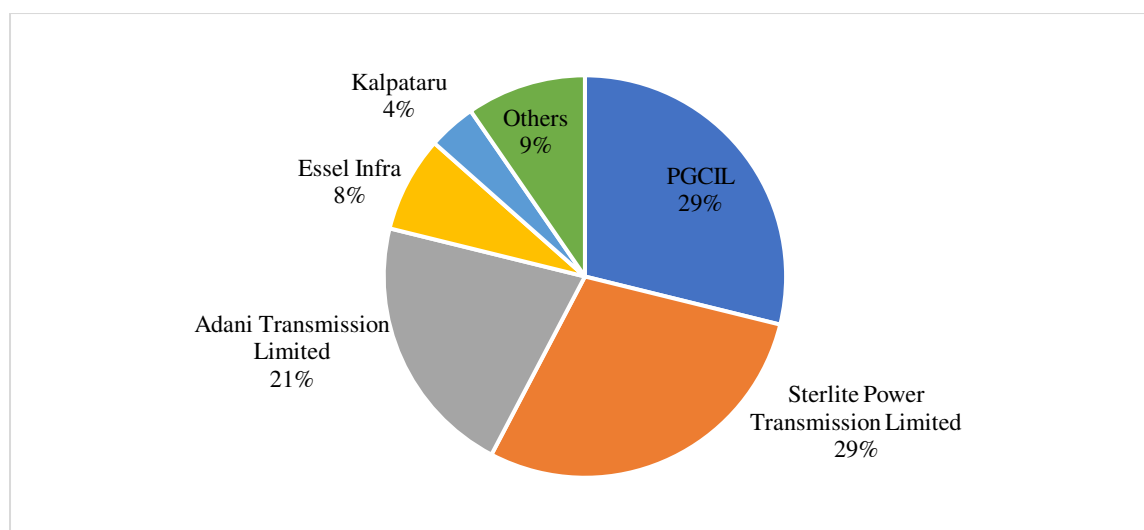
S l · N o .	Name of scheme/ project	Region	Estimated Project Cost (in USD)
18	Mumbai city power transmission project	Maharashtra	989.78 mn
19	HVDS pump energizaton project	Maharashtra	781.47 mn
20	Bhopal power transmission project	Madhya Pradesh	706.34 mn

*Note: These projects are likely to be bid out and awarded in the next 4-5 fiscals depending on government thrust and private player participation*

*Source: India Investment Grid portal, CRISIL Research*

- **Market Share:** Out of 52 transmission projects commissioned/ awarded through TBCM route, with the centre being as counterparty, of which 37 are won by private players while remaining 15 are won by the PGCIL. Furthermore, among private developers, Sterlite Power Transmission Limited (SPTL) is the leading player with a market share of 29% (in terms of project portfolio) followed by Adani Transmission Limited (11 projects awarded, 21% project share). PGCIL remains a strong player in the TBCB mode as well. This shows that the public sector entity has fared well, even when it was not safeguarded or protected from competition

#### Market share of players among central transmission projects awarded through TBCB mode



*Source: Monthly progress report as of Oct 2020 of transmission projects awarded through TBCM (CEA), CRISIL Research*

- **Power Transmission infrastructure has better risk return profile as compared to other infrastructure projects:** Returns from various infrastructure projects (other than transmission line projects) like roads, ports and power generation rely mostly on the operational performance of the assets, which in turn is dependent on factors where developers have limited control. For instance, in the roads sector (non-annuity based project) the company's profits are dependent on collection of toll revenues, the port sector bears risk of cargo traffic, while in the case of power generation, it depends on availability of fuel and offtake by distribution companies. For instance, in the roads sector, in particular, there have been several projects which commissioned during the economic slowdown during FY'11 to FY'13. In fact, for about 15 national highway stretches, the traffic growth, estimated at 7-8 per cent in the past, had declined to about 3-4 per cent in 2011-12 and further down to 2-3 per cent in 2012-13 owing to economic slowdown and the sharp deceleration in railway freight. Also, for 6 highways, the actual base traffic was 20-40 per cent lower than NHAI estimates. Further, the counter party risk is higher in annuity based roads projects as the sole revenue counter party for annuity based payments is National Highway Authority of India (NHAI), while in the case of ISTS transmission projects the revenue counter party is a pool of distribution and generation companies, thus reducing the counterparty risk based on account of diversification. Also, in the case of an inter-state transmission asset, the revenue stream is consistent based on the unitary charge (Rs. Million/annum) determined at the time of bidding for the entire concession period of 35 years. These charges are independent of the total power transmitted through the transmission lines and hence factors such as volume, traffic do not fluctuate the revenues. Moreover, inter-state transmission assets have limited O&M costs as compared to other infrastructure assets. Typically, transmission projects incur relatively low O&M costs of 7-8 per



cent of revenues in order to ensure normative availability. In comparison, road projects incur as high as 35-40 per cent as O&M costs. In addition, transmission lines could also be used for providing telecom services thereby diversifying the revenue profile. Telecom and data service companies leverage reach of the transmission towers in potential semi-urban and rural regions to offer their services. The telecom companies could plan low cost and high quality telecom infrastructure on the existing and planned transmission line infrastructure. This can be done by using technologies such as OPGW – Optical Fibre Ground Wire over high voltage Transmission line and MPLS – Multi Protocol Label Switching. In fact, PGCIL has been able to leverage its assets by supporting telecom service providers. PGCIL operates its telecom business through a wholly-owned subsidiary named Powertel. During the year 2019-20, the Company's telecom network coverage increased to 66,922 km. The revenue from the telecom business rose to Rs. 698.21 Cr. in fiscal 2020, which constituted ~2% of its net revenues.

### Comparison of transmission assets with other infrastructure assets

	Inter-state power transmission	Roads	Ports	Conventional power generation	Solar energy power generation	Wind energy power generation	Commercial Real Estate
<b>Certainty of cash flows</b>	Driven by long-term agreements	Traffic risk in BOT projects	End-user industry risk	Offtake and cost of fuel	Broadly driven by long term agreements	Broadly driven by long term agreements	Preferred by global institutional investors and HNI investors but risks of seasonality
<b>Counterparty risk</b>	Exposure limited to systemic risk	Cost overruns, limited O&M impact toll collection	Exposure to multiple end users	Direct exposure to debt laden SEBs	Faster clearance to payments under NVVN/SECI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months)	Faster clearance to payments under NVVN/SECI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months)	Regular challenges of delays and cancellations
<b>Operational Risk</b>	Limited O&M requirements	High O&M required	Limited O&M requirements	Substantial periodic maintenance needs	Limited O&M requirements	Substantial periodic O&M requirements	Limited O&M requirements
<b>Future Growth Potential</b>	Severe deficit in power transmission capacity	High growth potential	Good potential, limited by feasible locations	Moderate potential from baseload power demand	Governments to scale up capacity to 100 GW by FY2022 from ~12 GW in FY2017	Governments to scale up capacity to 60 GW by FY2022 from ~32 GW in FY2017	Pivoting towards hybrid models as work from home becomes more acceptable with digital means of communication
<b>Competitive Environment</b>	Few credible players	Highly competitive given multiple private players	Few private players	High competitiveness given multiple players	Highly competitive given multiple private players	Highly competitive given multiple private players	Low number of large players, smaller ones merging due to impact on business
<b>Summary</b>							

Most Favourable
 Favourable
 Marginally Favourable

Source: CRISIL Research

- Consolidation in the transmission segment constricting competition:** Prior to the competitive bidding, transmission projects were allocated on the fixed 15.5% return on equity basis. However, post 2011, competitive bidding for all interstate transmission lines were made mandatory which has led to rising competition among players intending to establish their presence in the sector. Players were competing to establish their presence and garner higher share in the market. Transmission business was perceived as a low risk business as annual levelized tariffs are independent of demand-supply dynamics and fluctuation in electricity tariffs. Further due to better payment security mechanism and assurance of payment from central and state transmission utilities, this business model has attracted many new players. String of acquisitions have squeezed the competition from the transmission segment. However, the entry of global capital majors like KKR and GIC into the segment ensues confidence and long-term prospects.
- Key technology trends:** To meet the long-term power transfer requirement by FY 2022 and beyond there has been new innovative techniques used in the construction of transmission lines. For instance there have been use of Light Detection and Ranging (LIDAR) technology, which uses laser distance measuring technology to conduct topographic mapping with the help of aircrafts. Further, helicopters are used for stringing (heli stringing) of transmission lines. A helicopter pulls the rope through stringing wheels, which are attached to each arm of structure. Conductor is then pulled back through the stringing wheels using a machine located on the ground. Then the stringing wheels are removed from each arm while attachments including dampeners are used to minimize the vibration on the conductor. Other newer technologies which helps in automated inspection and maintenance planning such as drones are used to

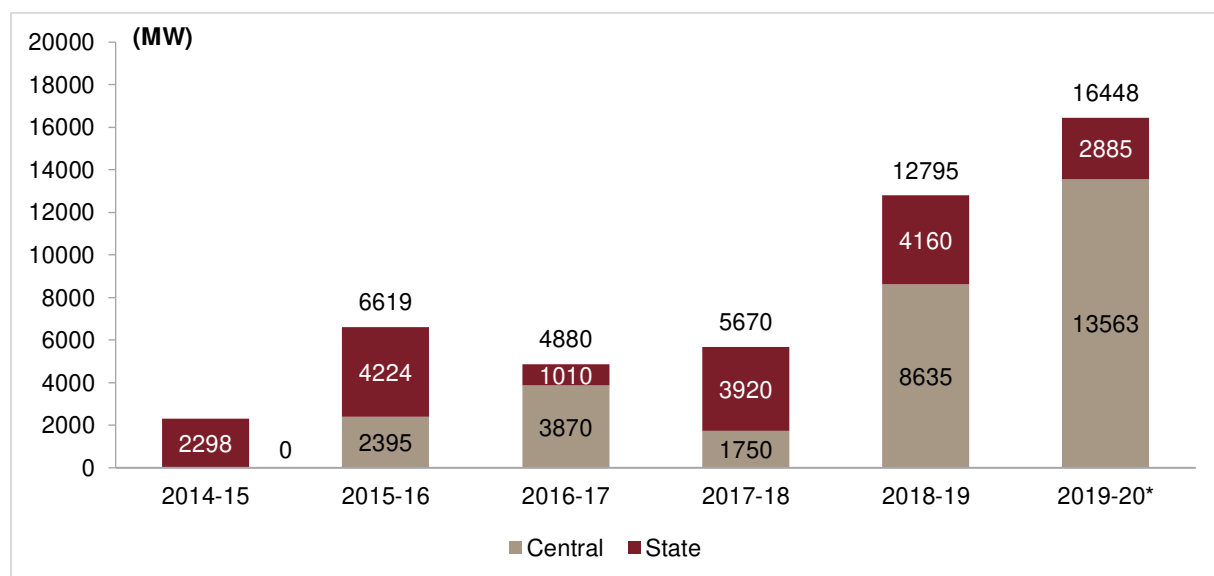
monitor lines spread over long distances. Further preventive maintenance of transmission lines are also done by modern equipment's which includes thermo vision scanning, punctured insulator detector, corona measurement devices etc.

## Indian Solar Power Market

### Evolution of Solar Power in India

In the renewable energy basket as of September 2020, solar energy accounted for a share of 40.4%. Growth in the solar power sector over the last five years has been robust. As much as 31.5 GW capacity was added in the segment over fiscals 2016-2020 registering a CAGR of ~80%, although on a low base. However, in fiscal 2020 the solar capacity added was lower at 6,447 MW (6,529 MW in fiscal 2019) as the second half saw a 9% on-year decline. The slowdown was mainly due to several policy issues – additional taxation in the form of imposition of a safeguard duty, higher GST rate, and other policy issues such as cancellations / renegotiation that adversely impacted the developer sentiment.

### Solar capacities (MW) allocated/tendered over fiscals 2015-2020 under Central and state government schemes



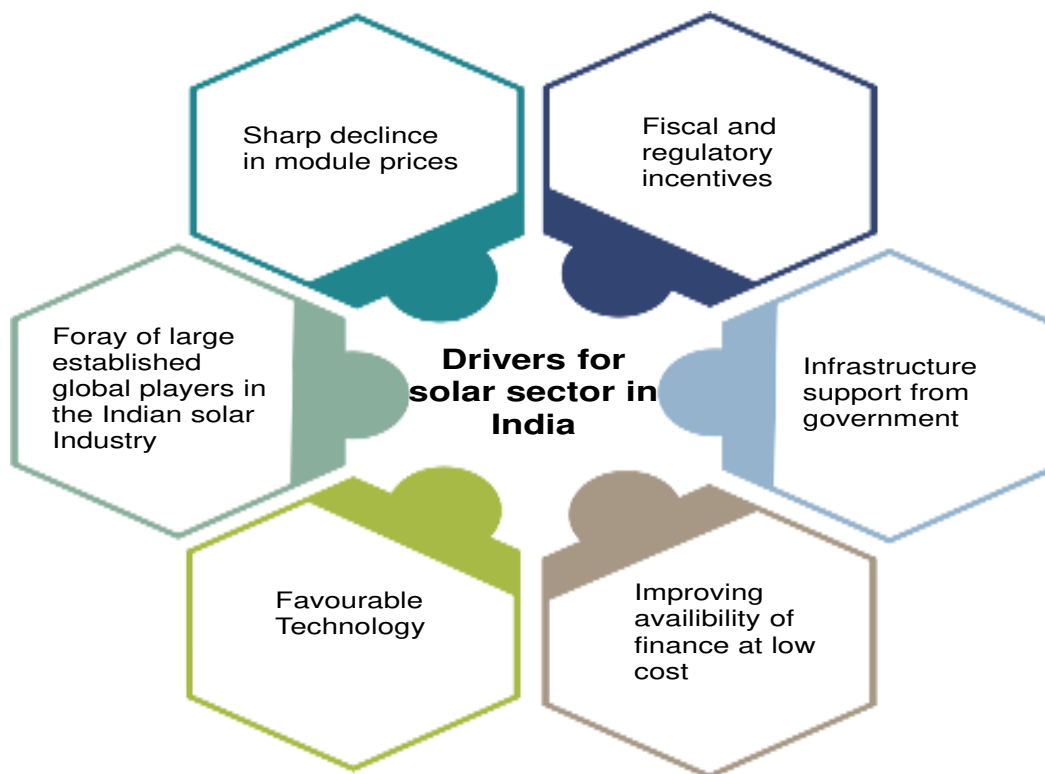
*Note: The chart represents fiscal year (April-March). Central schemes include allocations/tendered by NVVN, NTPC and SECI, while state schemes include allocations by state discoms. Allocation under REWA is included under state allocation. Central rooftop (SECI) allocations have been excluded*

*\*Includes re-issued tender*

*Source: CRISIL Research*

### Growth drivers for Solar sector in India





Source: CRISIL Research

**Declining module prices and tariffs** - Global average solar module price, which constitutes 55-60% of the total system cost, crashed 73% to USD 0.47/watt in 2016 (average for January-December) from USD 1.78/watt in 2010. In fact, prices continued to decline to USD 0.22/watt by end-August 2019, owing to the wide demand-supply gap in the global solar module manufacturing industry. Historically, global solar demand has been half of the total module manufacturing capacity. Moreover, innovation in the manufacturing processes has reduced cost, putting downward pressure on module prices. Further, declining inverter prices (6-7% of the capital cost), which fell to USD 21/watt by March 2020, reduced system costs. Module prices dropped further in the first quarter of fiscal 2021 to USD 0.19 per watt peak level.

**Strong Government Thrust** - The government has laid significant thrust on climate change for which it provided a framework, National Action Plan on Climate change (NAPCC), in 2008, where it proposed an eight pronged strategy – National Solar Mission (NSM), Energy efficiency, Sustainable habitat, Water planning, Himalayan ecosystem, afforestation, sustainable agriculture and strategic knowledge on climate change. As can be seen, the government has laid significant emphasis on the solar power. This is also evident from the 100 GW out of 175 GW targets set out by the government.

**Infrastructure support by government to support additions** – (a) Government plans to double solar park capacity to 40 GW to largely resolve any potential land issues. As on December 2019, solar parks of ~7.7 GW capacity are ready while others are under different stages of construction (b) The government has already tendered out Rs. 63 bn of transmission lines and substation projects under the green energy corridor scheme. Further MNRE has envisaged large renewable energy capacity additions across 6 complexes in India by fiscal 2030, it has commenced the transmission planning for these complexes. MNRE expects 200 GW of RE capacity by 2030 for which transmission corridors would be constructed utilizing the concessional loans from foreign funding agencies. These corridors would help in building lower cost transmission system for evacuating renewable power (c) State with large renewable energy potential such as Maharashtra, Andhra Pradesh, Telangana, Tamil Nadu and Karnataka are also adding transmission capacities to support offtake of power (d) Introduction of the Renewable Energy Act (e) Extension of timelines for solar projects.

**Availability of Central and State level incentives** - In order to facilitate growth of renewable energy and in particular the solar power sector, the government has provided several fiscal and regulatory incentives to developers. Below, we have elaborated each of these incentives:

- **Accelerated depreciation (AD):** The government provided AD of 80% (till 2016-17) in the first year of operations, however in the budget for fiscal 2017, the government halved the A.D benefit to 40% for projects getting commissioned post April 2017, i.e. from fiscal 2018 onwards. Also, the 40% A.D benefit reduces the tariff required for earning healthy equity IRRs by Rs. 0.6-0.8/unit (assuming a capital cost Rs 40 Mn/MW). In fact, several players,

particularly in industries such as infrastructure, real estate and constructions effectively used this incentive to offset profit and thereby reduce tax outflow at a company level. However government has plans to gradually cut off the incentives once the growth becomes market driven. In fact government has already discontinued GBI and 80 IA incentives for RE projects.

- **Generation based incentives (GBI):** This incentive was introduced on December 2009, for ~4 MW capacities. Under the incentive the wind energy developers were provided 50 paise per unit over and above the feed in tariff provided by the state for wind energy projects. The incentive amount was capped at Rs. 10 million/MW (~USD 0.14 million/MW) that needs to be claimed within first 10 years of the registration of the project. Further, there was an annual ceiling of ~Rs. 1.5 million/ MW (~USD 0.02 mn/MW) p.a in the first 4 years of registration. The GBI scheme was withdrawn on March 2012 and was re-introduced on September 2013 retrospectively and total disbursement for a given year was capped at one-fourth of the maximum limit of the incentive i.e. Rs. 2.5 million / MW (~USD 0.03 mn/MW) per annum during first four years of registration. The scheme ended on March 2017 and government has not provided any indications on renewing the scheme as wind energy sector has become a matured market. As reported by MNRE, IREDA has disbursed GBI of Rs. 2.38 billion (~USD 0.03 bn) from 01.01.2018 to 31.03.2019 to SPDs, under the scheme based on the claims received from respective State utilities.
- **Tax holiday under section 80IA:** Section 80 IA of the income tax has allowed developers to avail a tax waiver on the profits for 10 assessment years. The 80 IA benefit in the absence of A.D benefit helped in improving the project IRR by 100-110 bps. However, this provision has lapsed effective 1st April 2017, and developers will not be able to avail this benefit going forward.
- **Regulatory incentives:** Under central level allocations, government is providing various incentives to renewable energy projects such as must run status of renewable and deemed generation for projects. Under must-run status (as per regulation 5.2 (u) of the Grid code) there is provision of no backing down of renewable power. However most of the state discoms and state load dispatch centres believes that the must – run status is not absolute and restrictions must be imposed keeping in view the grid safety conditions. Further in most of the central level wind and solar allocations, there is provision of deemed generation. In fact MNRE under in bidding guidelines for solar and wind energy projects have mentioned the same. Under the deemed generation concept, the renewable energy generator is paid for its system availability (*based on the annual generation on pro-rata basis*) if electricity is not purchased on account of grid issues i.e. grid unavailability or incompleteness of the transmission line. Under state solar policies, there are several incentives for solar players like concessional wheeling and banking charges, concessional transmission charges and transmission losses, cross subsidy surcharges, reactive charges etc.
- **Subsidy / Viability gap funding (VGF):** The viability gap funding is a form of capital subsidy provided by SECI for signing PPAs at pre-determined tariffs. VGF available is Rs 1 crore/MW for open category (where source of cells/modules is not mentioned) projects. Players are expected to bid on expectation of VGF to set-up the project. It is available for developers setting up projects under various schemes (Phase II Batch II, III, IV and VI) to be awarded by SECI. This mechanism helps to reduce tariff rates at which solar power is available to discoms. As on 31.03.2019, VGF of around Rs.792 crore (~USD 0.11 bn) (including SECI's charges) has been released to SECI for onward disbursement to CPSUs/Govt and Organizations who have set up solar PV power projects under the Scheme. The government provides budgetary allocation to MNRE from the National Clean Energy Fund (NCEF) funds for disbursement of subsidies and VGF. Between fiscal 2012 to fiscal 2019 ~Rs. 212 billion (~USD 2.92 bn) of funds have been disbursed to MNRE. In 2018-19, budgetary allocation (Revised estimates) from NCEF funds to the MNRE stood at Rs 52.55 billion (~USD 0.72 bn).

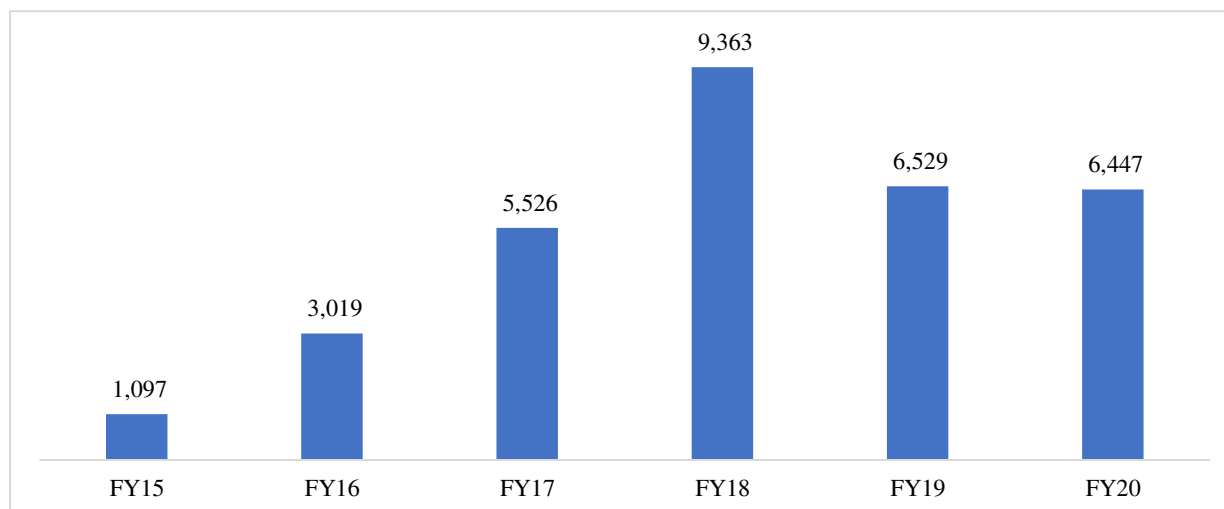
*Aggressive expansion plans by the central public sector undertakings* - The government while allocating the 100 GW of solar capacity addition target, envisaged that CPSU's would contribute around 10 GW of grid connected solar power by fiscal 2022. However NTPC, India's largest thermal power company has alone targeted to add ~10 GW over the same time period. In fact as on November 2020, the company has already commissioned ~936 MW of solar projects, while 2290 MW solar capacity is under construction. The company is currently expanding capacities under the Batch V (1,000 MW) of the NSM scheme, which provides the viability gap funding to CPSUs for setting up solar projects. Apart from NTPC, Indian Railways, Coal India Limited (CIL), Neyveli lignite corporation (NLC), Airport Authority of India (AAI), National Hydro Power Corporation etc. have also planned to set up either ground mounted or rooftop solar capacities. For instance, Coal India has signed a MoU with SECI for setting up 1,000 MW solar capacity across various locations in India and CIL would use the land available in mines for this purpose. Also, Indian Railways for instance has plans to set up 5 GW solar projects by fiscal 2025 in a bid to consume ~25% of its power requirement from Renewables. Since most of these CPSUs are cash rich, solar power capacity additions from this segment is expected to be healthy given strong government focus.

*Favourable technology, falling costs made solar a preferred source among fuels* - Power generation in India typically takes place via various technologies, which includes conventional fossil fuels (like Coal, lignite and gas), large hydro power plants,

nuclear power and renewable energy sources. In the below table, we have highlighted the key advantages and disadvantages across fuels and as we can see that solar power is favourable on most counts.

### ***Major Developments in the Solar sector in India***

#### **Solar capacity additions in India (in MW)**



Source: MNRE; CRISIL Research

Capacity additions in fiscal 2020 fell by 1.3% to 6,447 MW, from 6,529 MW solar capacity added in fiscal 2019. This was led by lower solar capacity addition in the second half of fiscal 2020, ~9% lower compared to second half of fiscal 2019.

#### ***Bid Tariffs on a downward spiral led by falling costs and rising competition***

Competitive bidding for solar projects started in fiscal 2011 with the allocation of capacities under JNNSM phase I and this trend of allocating capacities continued for the solar energy sector in India. However, each year has witnessed new lows. With declining solar module prices, rising project size, stiff competition, and lower interest rates, bid tariffs have plummeted over the years. Awarding of projects in solar parks coupled with offtake from high credit worthy procurers has also contributed to drop in tariffs.

#### ***Sales model for Renewable Energy projects driven by Central and State allocations; REC and open access sales limited***

In the current scenario there are four operating business models for solar PV systems and wind energy projects.

1. Sale of power to state discoms through long-term PPAs
2. Sale of power through long-term PPAs with NVNN and SECI under NSM
3. Sale of power under a bilateral agreement through the open access route
4. Captive consumption of renewable power via open access
5. Sale of power through the REC route

#### ***Outlook for Solar sector in India***

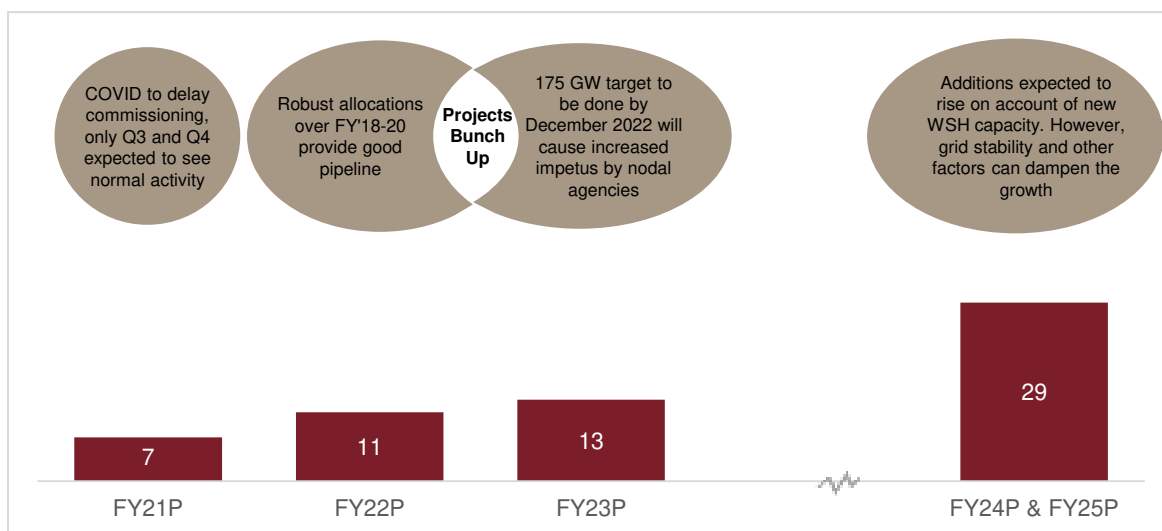
**The key drivers that are likely to boost the growth in the solar capacity additions**



Source; CRISIL Research

CRISIL Research expects solar capacity additions of 59-61 GW over fiscals 2021-2025, compared with ~31.5 GW added over the past five years (fiscals 2016-2020). We believe this growth will be driven by government support with an aggressive tendering roadmap outlined and being followed by the government so far. Some external factors such as improvement in technology (floating solar, module efficiency) and low capital costs are also key to enabling additions.

#### Solar capacity additions over fiscals 2021-2025



P- Projected

Source: MNRE, CRISIL Research

#### States such as Telangana, Karnataka, Rajasthan, Andhra Pradesh and Tamil Nadu to drive solar capacity additions

Telangana, Karnataka, Rajasthan, Andhra Pradesh and Madhya Pradesh together comprise ~65% of the installed solar capacity in India. Further, these states have allocated large capacities under various central and state schemes which are expected to be commissioned over the coming years. States where large solar parks are already allocated and construction process has started are most likely to be the drivers for capacity additions.

Andhra Pradesh, Rajasthan, Karnataka and Madhya Pradesh have already allocated large capacities under the solar park mode. Some like Andhra Pradesh, Rajasthan, Karnataka, and Tamil Nadu have also allocated GECs, which will ease transmission constraints in the state and prevent backing down of power. However timely implementation of GECs remains a key monitorable. States including Andhra Pradesh, Himachal Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra and

Rajasthan have received an extension up to December 12, 2020 for completion of the intra-state transmission system (ISTS) GEC Phase-I.

Further financial health of discoms is a major factor in determining growth in solar capacity additions in the state as it is a function of discoms ability to pay for power purchased. However states including Karnataka, Gujarat, Telangana, and Andhra Pradesh are having better financial position. Moreover all of these states are enrolled for UDAY scheme, which will alleviate the financial stress and in turn improve off take. However timely implementation and operational discipline under the UDAY scheme would be critical.

### Energy storage solutions to improve the generation profile of RE plants by reducing variability of power fed into the grid

The battery based energy storage solutions can be utilised across the value chain (Generation, Transmission and distribution companies) to mitigate the fluctuations arising out of the large scale RE penetration.

Entity in the power value chain	Service application	Mitigation measures for grid fluctuations
Generation companies	Black start Frequency regulation Contingency service	<ol style="list-style-type: none"> <li>1. Stores excess energy during off-peak period and sells it during high demand</li> <li>2. Helps in maintain the grid parameters (voltage, frequency) under control during intermittent RE generation</li> <li>3. Fast response to load fluctuations (minimal ramp-up, ramp down time), in case of RE plant going offline</li> </ol>
Transmission and distribution companies	Voltage regulation Minimizing transmission congestion Maintaining system stability	<ol style="list-style-type: none"> <li>1. Can be used for synchronizing the GECs/state transco line through load sharing</li> <li>2. Stabilizing voltage fluctuations in the solar parks and areas with high density of RE capacities</li> <li>3. Shortfall in the demand can be met temporarily through storage systems without service disruption</li> </ol>
Ancillary services	Power reliability and energy management	<ol style="list-style-type: none"> <li>1. Can be used for low voltage ride through service</li> <li>2. Services can be sold to generation companies to avoid penalties under forecasting and scheduling mechanism</li> <li>3. Helps in reducing power outages during minimal grid disturbances</li> </ol>

Source: CRISIL Research

According to SECI, the present capacity of solar energy storage in the country is ~750 kWh. Additionally, under the government's R&D program, projects worth Rs. 11.58 crore (~USD 1.6 mn) in the area of energy storage have been sanctioned and Rs 4.82 crore (~USD 0.6 mn) released during the last four years.

With the continued decline in lithium ion-based battery storage solutions, more allocations are expected to come along with the grid connected battery storage. Energy storage solutions would help in maintaining constant generation, thereby producing a smooth generation curve and reducing a sharp ramp-up/ramp down for other plants connected to the grid.

### Better payment security mechanism in the central level PPAs

In the recently concluded central level solar bids, the terms and conditions of PPA also played a major role in bringing down the solar tariffs. For instance REWA solar bids has provided the three tiered payment security mechanism (*i.e. Letter of credit signed in the name of developer, Payment security fund and state government guarantee*) while most of the upcoming PPAs under the central level schemes have at least two layered payment mechanisms i.e. letter of credit and payment security funds. However most of the state level PPAs lack such multiple payment security mechanisms. Going forward with the finalization of competitive bidding guidelines by MNRE, which has provisions for dual payment security mechanism, even state nodal agencies/discoms will have to keep such provisions.

However, given that tariffs have plummeted from ~Rs. 13/unit in fiscal 2011 under Gujarat solar policy, to Rs. 2.5/ unit in fiscal 2020, there is a high risk of PPA termination and renegotiation of PPAs. In fact, solar power prices have fallen to levels below the average power purchase cost across most states thereby increasing the risk of past PPAs coming under stress. In March 2020, MNRE announced the removal of the tariff ceiling provision from all future tendering by central agencies. This will enable developers to price in additional risk, especially over the medium term and improve subscription rates for tenders. CRISIL Research expects a further 5-6 GW fillip from the same over the medium term.

While there is a precedence of such a petition ruled in favour of the developer. Gujarat Electricity Regulatory commission as

well as the Appellate Tribunal for Electricity have rejected Gujarat Urja Vikas Nigam Limited's petition in 2013 to renegotiate PPAs entered into at ~Rs 12.54 / unit), one cannot rule out such petitions being filed by other states.

### Sale of Power to Discoms

DISCOMs in India are buying renewable power from developers at either feed in tariffs (FiTs) or, in most cases on the basis of the reverse e-auctions conducted by the state. Many states of India have come out with their solar and wind policies respectively and provide incentives (such as concessional wheeling and banking charges, nil cross subsidy surcharge, no electricity duty etc.) for setting up renewable energy projects in their respective states. The projects are allocated by discoms to meet their solar and Non- Solar RPOs and also to reduce the energy deficit in the state.

In order to assess the financial and operational performance of the discoms Ministry of power (MoP) have formulated an integrated rating methodology in June 2012, for discoms, which can be used as a quick reference by developers and lending institutions in order to identify the counter party risk associated with the discoms. Further the MoP keeps updating discoms ratings annually based on the improvement/deterioration in their performance. The ratings are formulated based on the weights assigned to the operational and reform parameters undertaken by discoms and data submitted by them. The grading scale and integrated power ratings of discoms is as given below. Further of the 41 state distribution utilities spread across 22 states, only 20 discoms have above average operational and financial capability.

### Grades of utilities

Sr. No	Grade	Grading definitions	No. of Utilities	Name of Utilities
1	A+	Very High Operational and Financial Performance Capability	7	Dakshin Gujarat Vij Company Limited, Uttar Gujarat Vij Company Limited, Madhya Gujarat Vij Company Limited, Bangalore Electricity Supply Company Limited, Paschim Gujarat Vij Company Limited Gujarat, Mangalore Electricity Supply Company Limited Karnataka, and Uttarakhand Power Corporation Limited Uttarakhand
2	A	High Operational and Financial Performance Capability	9	Chamundeshwari Electricity Supply Corporation Ltd. Karnataka, Punjab State Power Corporation Limited Punjab, Eastern Power Distribution Company of AP Limited Andhra Pradesh, Dakshin Haryana Bijli Vitran Nigam Limited Haryana, Gulbarga Electricity Supply Company Limited Karnataka, Maharashtra State Electricity Distribution Company Ltd Maharashtra, Madhya Pradesh Pash. Kshetra Vidyut Vitaran Co Ltd. Madhya Pradesh, Himachal Pradesh State Electricity Board Limited Himachal Pradesh, and Uttar Haryana Bijli Vitran Nigam Limited Haryana
3	B+	Moderate Operational and Financial Performance Capability	9	Assam Power Distribution Company Limited Assam, Kerala State Electricity Board Limited Kerala, Southern Power Distribution Company of AP Limited Andhra Pradesh, Chhattisgarh State Power Distribution Company Ltd. Chhattisgarh, West Bengal State Electricity Distribution Company Ltd. West Bengal, North Bihar Power Distribution Co. Ltd. Bihar, Southern Power Distribution Company of Telangana Limited Telangana, Kanpur Electricity Supply Company Limited Uttar Pradesh, and South Bihar Power Distribution Co. Ltd. Bihar
4	B	Below Average Operational and Financial Performance Capability	8	Hubli Electricity Supply Company Limited, Jaipur Vidyut Vitran Nigam Limited Rajasthan, Ajmer Vidyut Vitran Nigam Limited Rajasthan, Northern Power Distribution Company of Telangana Limited Telangana, Jodhpur Vidyut Vitran Nigam Limited Rajasthan, Paschimanchal Vidyut Vitaran Nigam Limited Uttar Pradesh, Jharkhand Bijli Vitran Nigam Limited Jharkhand, and Tamil Nadu Generation and Distribution Corporation Tamil Nadu
5	C+	Low Operational and Financial Performance Capability	5	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co Ltd Madhya Pradesh, Madhyanchal Vidyut Vitran Nigam Limited Uttar Pradesh, Purvanchal Vidyut Vitaran Nigam Limited Uttar Pradesh, Madhya Pradesh Poorv Kshetra Vidyut Vitaran Co Ltd Madhya Pradesh, and Dakshinanchal Vidyut Vitran Nigam Limited Uttar Pradesh
6	C	Very Low Operational and Financial Performance Capability	3	Tripura State Electricity Corporation Limited Tripura, Manipur State Power Distribution Company Limited Manipur, and Meghalaya Power Distribution Corporation Limited Meghalaya

Source: Seventh Annual Integrated Ratings (October 2019) of Discoms by Ministry of Power, CRISIL Research

### Sale of renewable power to power trading companies such as NVVN and SECI under NSM

As a part of the national solar mission, the government has appointed NTPC Vidyut Vyapar Nigam limited (NVVN) as the

nodal agency for buying the solar power (competitively bid), bundling it with the existing thermal power units generated by NTPC plants and sell it to the discoms at a bundled cost. The government has introduced a frame work under the national solar mission to allocate solar capacities under various batches. The various batches created under the scheme is as given below:

Phase II Batch II Tranche I (3000 MW) – NVVN

Phase II Batch III (~2000 MW) – SECI State specific VGF scheme

Phase II Batch IV (~5000 MW) – SECI State specific VGF scheme; 300 MW to be allocated under storage systems

Phase II Batch V (~1000 MW) – Capacity additions by Central Public sector undertakings (CPSU's)

Phase II Batch VI (~50 MW) – SECI Capacity additions with storage technologies in high visibility areas.

NVNV under its bundling scheme had targeted to buy ~15 GW of solar power over fiscals 2015-22 under three tranches. Of this capacity, ~3 GW under the tranche I of the scheme already has been allocated, out of which ~250 MW is left to be commissioned and is expected by end of fiscal 2019. The scheme was initially planned in three tranches, with the remaining two tranches having a cumulative capacity of ~12 GW (Tranche II- 5,000 MW and Tranche III- 7,000 MW). However, with solar tariffs falling below thermal power tariffs, the scheme has been curtailed till Tranche I.

So far, ~ 6 GW of projects have already been tendered out under SECI's state specific VGF schemes under Batch III and Batch IV. Further under the Batch V, ~1 GW of capacity is allocated to various central public sector undertakings such as NTPC, Coal India Limited (CIL), NHPC, BHEL, NEEPCO etc.

### ***Risks in the solar energy sector***

Solar power projects face risks that are unique such as radiation variation, technology, solar panel quality, and counterparty payment etc. Since electricity generation is primarily dependent on solar radiation, the business is exposed to nature's vagaries too. Given below we have taken into account various risks, that impact the project returns and the risk mitigating initiatives.

Risks	What is the Risk?	Impact if Risk Materializes	Segments with high risk	Risk Mitigants
Generation Risk	• Early start provides higher than anticipated degradation in generation	• If materialized, it will reduce the equity IRR by ~150 bps for small projects and by 250-300 bps for large projects	• Risk in the solar power generation is higher for segments with lower solar radiation and less solar generation capacity	• Use of high quality solar modules with superior PERC quality with aggressive warranty
Counterparty Risk	• Poor credit quality of the counterparty reduces delayed payments which impact the working capital cycle	• Prolonged payment delays of 60+ days reduce the IRR by ~10-100 bps	• Risk is higher for states with poor financial condition such as T.B., R., Andhra Pradesh	• Make use of DBPs • Make use of the information like payment history, geographical location
Off-Take Risk	• Risk of intermittent generation directly increases risk of supply interruption	• Adversely impact IRR • Project may have to find new buyers for power or agree to the new terms for both or transfer project ownership	• Solar projects are less susceptible as most of the generating capacity is supported by the central schemes	• Diversify generation portfolio for the project • Geographical diversification
Generation Risk	• Availability of solar radiation is not constant and is subject to change due to changing climate conditions • Inadequate solar radiation leads to lower generation	• IRR increases in project cost due to delay could decrease equity IRR by ~200-300 bps • In case of inadequate solar radiation, IRR power could be backed down, thus lowering IRR	• High level of solar radiation is required for high generating capacity, as IRR is high and IRR is low in low solar radiation areas	• Attracting solar radiation and low temperature infrastructure before the start of project
Generation Risk	• Delay in getting land leads to delayed construction	• Delay in project completion may lead to lower IRR due to lower generation capacity • Non-payment of land revenue could lead to land being	• Comparison of land balance sheet strength • Appropriately bid projects could result in delayed land availability	• Planning the construction and financial risks • Assessing payment delays from buyers, creating good payment and security
Generation Risk	• Inefficient use of energy results in a higher fraction of power being lost	• Higher conversion efficiency leads to a higher IRR	• Green, low AR, TN, R., Andhra Pradesh are successful in achieving higher IRR performance	• Construction of Green Energy Corridors, forecasting and scheduling energy storage and ancillary services



## OUR BUSINESS

### Overview

We are India's first listed power sector infrastructure investment trust, sponsored by the KKR Sponsor and the Sterlite Sponsor. IndiGrid was established on October 21, 2016 and is registered with SEBI pursuant to the InvIT Regulations. IndiGrid was established to own and operate power transmission and renewable energy assets in India. We own thirteen operating projects, consisting of 38 EHV overhead power transmission lines, comprising 7, 765 kV transmission lines, 29, 400 kV, and 2, 132 kV transmission lines, with a total circuit length of approximately 7,570 ckms and 11 substations with 13,550 MVA of transformation capacity, across 17 states and 1 union territory, in India. IndiGrid has assets under management worth of approximately ₹ 142,000 million as on December 31, 2020. IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited), is the investment manager of the InvIT and is majority owned by Electron IM Pte. Ltd., an affiliate of KKR. We have consistently been given a corporate credit rating of 'CCA AAA/Stable' by CRISIL, 'IND AAA'/Stable by India Ratings and 'ICRA AAA (Stable)' by ICRA.

We are focused on providing stable and sustainable distributions to our Unitholders and receivables to our NCD Holders. We believe that we are well positioned to take advantage of the growth potential of India's power industry given the quality of our power transmission assets and our financial position, support from our Sponsors and the robust regulatory framework for power transmission and solar projects in India. We believe the infrastructure necessary to transmit and deliver electricity is vital to India's continued economic advancement, given the inter-regional power deficit in India resulting from a mismatch between power generation and load centers and the demand-supply deficit which is expected to result from India's projected GDP growth.

Private investment in transmission and renewable energy sectors is a key focus area for India's Ministry of Power. Our diversification into solar assets will result in significant synergies with our existing business model. Our continued focus and strategy will be on accretive acquisition of power transmission and solar projects with annuity profile in their respective TSAs and long terms PPAs yielding stable cash flows, operational track record, good quality equipment and financially strong and creditworthy counterparties. For further details, please see the section entitled "*Industry Overview*" on page 90.

We own thirteen fully commissioned projects, (i) BDTCL, JTCL, PKTCL, 49% of RTCL (and 74% as of date), 49% of MTL, NTL, OGPTL and ENICL, that we acquired from the Sterlite Sponsor in May 2017, May 2017, February 2018, February 2018, February 2018, June 2019, July 2019, May 2020, respectively and 49% of GPTL (with 100% economic ownership) and 49% of NER that we acquired from SGL4 in August 2020 and March 2021, respectively; (ii) 46% of PTCL (74% as of date), that we acquired from TEECL and TPGCL in August 2018; (iii) JKTPL that we acquired from KPTL and TEECL in October 2020; and (iv) 74% of PrKTCL that we acquired from Reliance Infrastructure Limited in January 2021 (together the "**Portfolio Assets**").

Esoteric II Pte. Ltd. is one of the Sponsors of IndiGrid. Esoteric II Pte. Ltd. is a company affiliated with funds, vehicles and/or entities managed and/or advised by affiliates of KKR. Founded in 1976, KKR is a leading global investment firm with approximately US\$252 billion of assets under management as of December 31, 2020. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. Esoteric II Pte. Ltd. had invested ₹ 10,840 million in IndiGrid in May 2019 and currently owns over 23% stake in IndiGrid. Separately, Electron IM Pte. Ltd., an affiliate of KKR, currently owns 60% of the issued, paid-up and subscribed capital of the Investment Manager and has further agreed to acquire another 14% in the Investment Manager, subject to the terms and conditions of the IM SSPA.

The Sterlite Sponsor is an independent power transmission company operating in the private sector in India. The Sterlite Sponsor also serves as our Project Manager for all Portfolio Assets (other than JKTPL and PrKTCL) with the responsibility of operating and managing all our power transmission assets and has extensive experience in bidding, designing, financing, constructing and maintaining power transmission projects across India and Brazil.

Pursuant to the Framework Agreement among the Sterlite Sponsor, the Trustee and the Investment Manager, IndiGrid had agreed to acquire three projects, GPTL, KTL and NER from the Sterlite Sponsor, out of which 49% shares of GPTL (with 100% economic ownership) and 49% shares of NER have already been acquired from SGL4. Pursuant to the ROFO Deed, as amended, we had a 'right of first offer' to acquire one project, ENICL from the Sterlite Sponsor, which we acquired in May 2020. Further, we have acquired, two projects, NTL and OGPTL, which were part of the ROFO Deed from the Sterlite Sponsor, in June 2019 and July 2019, respectively. IndiGrid has acquired 49% of the issued, subscribed and paid-up equity share capital of NER, either directly or indirectly from the Sterlite Sponsor in terms of the NER Share Purchase Agreement. For further details on the Framework Agreement, the ROFO Deed and the share purchase agreements, please see the section entitled "*Related Party Transactions*" on page 246.

The Portfolio Assets, other than PTCL, JKTPL and PrKTCL, were originally awarded to the Sterlite Sponsor under the TBCB



mechanism on a BOOM basis. The power transmission projects earn revenue pursuant to long-term TSAs and tariff orders passed by CERC in accordance with the Electricity Act. These projects receive availability-based tariffs under the TSAs irrespective of the actual quantum of power transmitted through the line. The tariff for inter-state power transmission projects in India, including our power transmission projects, is contracted for the period of the TSA, which is up to 35 years from the scheduled commission date of the asset (other than ENICL, which is 25 years), which may be renewed in accordance with the TSA and the Electricity Act. The revenues generated by intra-state transmission assets (being, JKTPL) are not dependent on a regulatory order and are dependent on tariffs as determined in terms of the relevant TSA, and such intra-state transmission assets recover tariffs equivalent to a base unitary charge which is subject to annual revisions. The transmission line business enjoys a longer asset life of 50 years as compared to other infrastructure projects, such as roads, according to CRISIL. For further details on the TBCB mechanism and the Indian electricity transmission industry, please see the section entitled “*Industry Overview*” on page 90.

Tariffs under these TSAs are billed and collected pursuant to the PoC mechanism, a regulatory payment pooling system offered to ISTS such as the systems operated by majority of our Portfolio Assets. Under the PoC mechanism, payments are made to a central payment pool and the proceeds are distributed proportionately to all transmission services providers, such as the Portfolio Assets. The availability-based tariffs and PoC payment mechanism enable a stable and certain cash flow stream. For further details, please see the section entitled “*Industry Overview*” on page 90.

While infrastructure investment trusts are required to distribute at least 90% of their net distributable cash flows to unitholders once at least every six months in every financial year, according to the InvIT Regulations, we have adopted a quarterly distribution policy. For further details on our distribution policy, please see the section entitled “*Distribution*” on page 243. We believe our assets, financial position and business model will enable us to offer stable distributions to our Unitholders.

Pursuant to the Issue, our aggregate consolidated borrowings and deferred payments (net of cash and cash equivalents) will not exceed 70% of the total value of our assets. For further details, please refer to the section entitled “*Information Concerning the Units – Debt/ Equity Ratio*” on page 77. The inter-state transmission projects are largely debt financed with a standard debt to equity ratio of 70:30, according to CRISIL.

Our consolidated total income was ₹ 12,785.94 million in fiscal 2020. EBITDA on a consolidated basis was ₹ 11,504.11 million in fiscal 2020. Further, our consolidated total income was ₹ 12,000.56 million for the nine month period ended December 31, 2020. EBITDA on a consolidated basis was ₹ 10,610.13 million for the nine month period ended December 31, 2020.

On the basis of our strengths and through the implementation of our strategies, we believe that we are well-positioned to capitalize on the growth potential of India’s power transmission and renewable energy industry.

## Competitive Strengths

### *Stable cash flows from assets with minimal counterparty risks*

- Our revenues are derived out of contracted tariffs under long-term contracts (up to 35 years or (25 years for ENICL and JKTPL, unless extended)) from the majority of our Portfolio Assets with relatively low operating and maintenance costs.
- Inter-state power transmission projects receive tariffs on the basis of availability, irrespective of the quantum of actual power transmitted through the line.
- Power transmission projects are characterized by low levels of operating risk. The Portfolio Assets are operational power transmission projects. Majority of our Portfolio Assets have an operating history of at least one year. The Portfolio Assets have minimal construction risks and are not subject to any major capital expenditure.
- We have maintained an annual availability for the majority of our Portfolio Assets in excess of 98% since commissioning for which we have earned maximum incentive revenues under the respective TSAs. Maintaining availability of such Portfolio Assets in excess of 98% gives us the right to claim incentives under the TSA, ensuring an adequate upside to maximize availability. The amount of incentive revenue earned increases as our availability levels increase, with a maximum incentive revenue earned for maintaining 99.75% or (or ranging between 98% to 100% in case of JKTPL and between 98.5% and 99.75% in case of PrKTCL) availability.

Tariffs under the ISTS project TSAs, which contribute to the majority of our Portfolio Assets, are billed and collected pursuant to the PoC mechanism. Under the PoC mechanism, payments are made to a central payment pool and the proceeds are distributed proportionately to all transmission services providers, such as the Portfolio Assets. Any shortfall in collection of transmission charges by the CTU is shared on a *pro rata* basis by all transmission service providers. Payment securities in the form of a revolving letter of credit, a late payment surcharge of 1.25% per month for delay in payment beyond 60 days from

the date of billing, pursuant to provisions of the project TSAs (and a late payment surcharge of 1.50% per month pursuant to the Sharing of Charges and Losses Regulations) and lack of alternate power infrastructure, deter beneficiaries from defaulting. This mechanism diversifies counterparty risk, ensures a stable cash flow independent of asset utilization and provides payment security.

### ***Strong financial position***

We have consistently been given a corporate credit rating of 'CCA AAA/Stable' by CRISIL, 'IND AAA'/Stable by India Ratings and 'ICRA AAA (Stable)' by ICRA. Following the utilization of the Issue Proceeds, our aggregate consolidated borrowings and deferred payments (net of cash and cash equivalents) will not exceed 70% of the total value of our assets. The inter-state transmission projects are largely debt financed with a standard debt to equity ratio of 70:30, according to CRISIL. We have also made continuous distributions for the past three years.

### ***Ownership and location of assets***

All our Portfolio Assets are located in strategically important areas for electricity transmission connectivity, delivering power from generating centers to load centers to meet inter-regional power deficits. Once a transmission project has been commissioned, it requires relatively low levels of expenditure to operate and maintain, which means that the assets will have the benefit of owning a critical asset without incurring significant operational costs. The transmission line business enjoys a longer asset life of 50 years as compared to other infrastructure projects, such as roads, according to CRISIL.

The transmission lines of the Portfolio Assets are predominantly located in areas where developing alternate lines may be challenging due to the terrain, challenges in obtaining rights of way, limited corridors and high construction costs. This puts us in an advantageous position to capitalize the opportunities to increase our power transmission capacity through the same corridor by upgrading our existing systems.

### ***Strong lineage and support from the Sponsors***

- Esoteric II Pte. Ltd. is one of the Sponsors of IndiGrid. Esoteric II Pte. Ltd. is a company affiliated with funds, vehicles and/or entities managed and/or advised by affiliates of KKR. Founded in 1976, KKR is a leading global investment firm with approximately US\$252 billion of assets under management as of December 31, 2020. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities.
- In 2008, KKR established a dedicated infrastructure team and strategy focused on global investment opportunities. KKR has been one of the more active infrastructure investor globally over the past several years, having deployed more than \$26 billion across over 40 infrastructure assets .
- Today, KKR's infrastructure platform has expanded to include approximately 52 dedicated investment professionals across 10 offices covering a broad spectrum of investment opportunities in various infrastructure subsectors, including: midstream energy, renewables, power & utilities, water and wastewater, waste, telecommunications and transportation, among others. KKR continually monitors infrastructure sectors and infrastructure-related investments for emerging trends, and may identify and prioritize investments in other sectors as conditions change or cycles evolve.
- We have leveraged and continue to leverage the experience and expertise of the Sterlite Sponsor, to gain a competitive advantage within the Indian power transmission industry. Sterlite Sponsor is an independent power transmission company in the private sector in India, with extensive experience in identifying, successfully bidding, designing, financing, constructing, operating and maintaining power transmission projects across India.
- The Sterlite Sponsor has also won bids for transmission projects in Brazil. Sterlite Sponsor has worked alongside third party contractors, vendors, financial institutions, government agencies and regulators for the proper execution, development and functioning of the Portfolio Assets, the Framework Asset and other power transmission assets.
- Sterlite Sponsor is the leading player for the transmission projects commissioned or awarded through TBCB route, among the private developers, with a market share of 29% (in terms of project portfolio), according to CRISIL. For further details, please see the section entitled "*Industry Overview*" on page 90.

### ***Rights to the Sterlite Sponsor's pipeline of power transmission projects***

Pursuant to the Framework Agreement, among the Sterlite Sponsor, the Trustee and the Investment Manager, IndiGrid had agreed to acquire the GPTL, KTL and NER from Sterlite Sponsor through separate share purchase agreements, out of which

49% of GPTL (with 100% economic ownership) and 49% of NER has already been acquired from SGL4. KTL and NER have a transmission network of 9 power transmission lines of approximately 1,458 ckms and 3 substations, with a transformation capacity of 4,260 MVA. KTL is under development.

Any potential acquisitions of power transmission projects are assessed for their suitability with our investment objective and are subject to mutual agreement between the Sterlite Sponsor, KKR Sponsor and the Investment Manager on behalf of us.

### ***Strong corporate governance and skilled and experienced Investment Manager***

We benefit from the skills and experience of the board of directors and the management teams of our investment manager, IndiGrid Investment Managers Limited (formerly, Sterlite Investment Managers Limited), in investing and financially managing our power transmission and renewable energy assets for the beneficial interest of our Investors. Some of the members of our Investment Manager's board of directors and management teams have extensive experience in the power transmission sector and have established track records in negotiating, structuring and financing investments in power transmission assets and financially managing these assets as well as governing similar trusts internationally. For further details, please see the section entitled "*Parties to IndiGrid*" on page 190.

The InvIT Regulations set out the statutory requirements for, among other things, the board composition of an investment manager, which promotes strong corporate governance in IndiGrid. The key features of our corporate governance structure are as follows:

- The chairman of the board of our Investment Manager is an independent director with experience in governing international infrastructure trusts.
- The Investment Manager has constituted crucial committees of the board, including, the stakeholders' relationship committee, the audit committee, the investment committee and the risk management committee. All these committees are chaired by independent directors.
- All related party transactions with our Sponsors are required to be approved by the investment committee and the audit committee of the Investment Manager, which is majorly comprised of independent directors.
- Electron IM Pte. Ltd., an affiliate of KKR, owns 60% of the issued, paid-up and subscribed capital of the Investment Manager and has further agreed to acquire another 14% in the Investment Manager, subject to the terms and conditions of the IM SSPA.
- Esoteric II Pte. Ltd. was inducted as a sponsor of IndiGrid at the annual general meeting of IndiGrid held on September 28, 2020.
- All related party acquisitions made by IndiGrid in respect to the Framework Asset or any other proposed acquisition from the Sterlite Sponsor must be approved by a majority of our Unitholders excluding the Sterlite Sponsor. For further details, please see the section entitled "*Corporate Governance – Investment Manager*" on page 226.

## **Business Strategy**

### ***Focused and diversified Portfolio Assets***

We focus on owning power transmission and renewable energy assets with long-term contracts, low operating risks and stable cash flows consistent with the characteristics of our Portfolio Assets as well as other assets which we intend to acquire in the future. We believe that by focusing on this asset class and leveraging our Investment Manager's industry knowledge and experience, we will maximize our strategic opportunities and overall financial performance.

We are focused on the Indian market, where we believe that private participation in the power transmission sector will continue to grow significantly. This also allows us to leverage our Sponsors' existing relationships and proven track record of identifying, developing, constructing and acquiring critical infrastructure assets.

We believe that IndiGrid is suitably placed to diversify into other similar infrastructure asset class and further increase the returns for its Unitholders without diluting the risk profile. We believe that renewable energy sector in India has matured and our proposed diversification in solar energy projects would result in improved returns to Unitholders. We believe there is an attractive opportunity to aggregate good quality power transmission and solar projects, (i) having TSAs and an annuity profile in their respective long terms PPAs, respectively which is also consistent with our investment philosophy of long term cash yielding stable projects; (ii) with operational track record for a well-capitalized platform like ours; (iii) with good quality equipment; and (iv) financially strong and creditworthy counterparties.

### ***Pursue additional transmission revenue***

We aim to achieve high availability to earn incentive revenue on a sustainable basis through a Reliability Centered Maintenance approach by deploying prudent asset management practices, conducting routine and predictive maintenance and using advanced technology, such as drones to monitor and maintain lines, thermo-vision scanning, puncture insulator detectors and corona measurement devices for preventive maintenance. We also intend to continue following prudent maintenance practices, which improve business performance, reduce our costs and increase revenues generated by the Portfolio Assets by maintaining high transmission availability. Maintenance of high availability rates entitle our projects to receive incentive revenues under the applicable TSA and tariff regulations. We have signed a multi-year collaboration agreement to build an artificial intelligence (AI)-enabled asset management platform to increase the efficiency of our assets. We intend to continue applying advanced technology to better manage and operate our Portfolio Assets.

We also intend to capitalize on such capacity enhancement opportunities, once the framework for compensating existing transmission lines is crystalized by the government.

### ***Institute and maintain optimal capital structure***

We intend to maintain a balanced capital structure and consolidated leverage to provide for a stable and predictable cash flow. Following the utilization of the Issue Proceeds, our consolidated borrowings and deferred payments net of cash and cash equivalents will be below 70% of the total value of our assets, as prescribed by the InvIT Regulations. If such borrowings and payments exceed 49%, we are required to obtain a credit rating of “AAA” or equivalent for the consolidated borrowing and proposed borrowing under the InvIT Regulations. The inter-state transmission projects are largely debt financed with a standard debt to equity ratio of 70:30, according to CRISIL.

We intend to consider both private and public markets for debt capital to provide the most balanced and optimal capital structure to acquire additional power transmission and renewable energy projects. We also intend to maintain appropriate risk policies to help mitigate foreign exchange and market risks.

### ***Value accretive growth through acquisitions***

Our future growth is intended to be derived mainly from our Investment Manager’s value accretive acquisition strategy, which will be focused primarily on acquiring power transmission projects, which provide long-term, regular and predictable cash flows, demonstrate potential to maintain or enhance returns to Unitholders and the potential for long-term capital growth in accordance with our investment objectives. In addition, for potentially acquiring any future assets from the Sterlite Sponsor, we may also acquire power transmission and renewable energy projects from other parties. We own thirteen fully commissioned projects, (i) BDTCL, JTCL, PKTCL, 49% of RTCL (and 74% as of date), 49% of MTL, NTL, OGPTL and ENICL, that we acquired from the Sterlite Sponsor in May 2017, May 2017, February 2018, February 2018, February 2018, June 2019, July 2019, May 2020, respectively and 49% of GPTL (with 100% economic ownership) and 49% of NER that we acquired from SGL4 in August 2020 and March 2021, respectively; (ii) 46% of PTCL (74% as of date), that we acquired from TEECL and TPGCL in August 2018; (iii) JKTPL that we acquired from KPTL and TEECL in October 2020; and (iv) 74% of PrKTCL that we acquired from Reliance Infrastructure Limited in January 2021. With these acquisitions, we own 38 power transmission lines of approximately 7,570 ckms and 11 substations having 13,550 MVA of transformation capacity across 17 states and 1 union territory, in India.

We may also acquire other power transmission projects that may be at an early stage where they have not yet generated regular and predictable cash flows and through the TBCB mechanism. We expect that the experience of our Investment Manager and our financial position will competitively position us to acquire power transmission assets.

IndiGrid intends to acquire renewable energy projects with robust power purchase agreements, operational track record and financially strong counterparties or off-takers. In addition to long contract life and low risk cash flows, solar projects complement transmission portfolio with synergies on operations and regulatory establishments.

We consider that the fragmented nature of the Indian renewable energy industry and the growth of the renewable energy market will continue to offer consolidation opportunities. We have also signed definitive agreements for acquisition of the Proposed Solar Projects: (i) FRV I; and (ii) FRV II from FRV Solar Holdings XI B.V., operating solar photovoltaic power plants in the state of Andhra Pradesh.

We intend to continue our expansion through an active evaluation of inorganic opportunities and may also consider organic opportunities in accordance with InvIT Regulations. We will evaluate acquisition opportunities based on our targeted returns, operational scale and diversification criteria and on whether we consider these opportunities to be available at reasonable prices. We believe that our experienced operational and management teams will enable us to identify, structure, execute and integrate acquisitions effectively based on our demonstrated ability to acquire high quality renewable energy projects.

## ***Distribution Policy***

We intend to distribute at least 90% of our net distributable cashflows available to Unitholders once in every quarter. For further details, please see the section entitled “*Distribution*” on page 243.

We aim to pursue additional transmission and non-transmission revenues for the Portfolio Assets as well as acquire additional assets under the Framework Agreement, ROFO Deed or otherwise, in order to increase the cash available for distribution and, as a result, increase our distribution per Unit.

Our ability to grow the revenues from our asset portfolio and thereby increase the cash available for distribution and distributions per Unit, is subject to a number of factors and other risks described under the section entitled “*Risk Factors*” on page 18.

## ***Pursue non-transmission revenues***

We believe that transmission assets provide potential for non-transmission revenues, including as follows:

- ***Optical ground wire leasing:*** Given the rapid growth in internet usage in India, there is a need to install optical fiber lines to improve speed of communication, and we have incurred necessary capital expenditures to use our transmission lines as high-speed optical power ground wires. However, for commercial viability, optical power ground wires need to have extensive connectivity and leasing of optical fiber networks also requires certain government approvals. We intend to enter into licensing arrangements with companies (including the Sterlite Sponsor and its affiliates) having wider networks and requisite approvals, in compliance with applicable law.
- ***Tower leasing:*** Given the rapidly increasing smartphone penetration and expanding data usage in India, telecommunications companies are required to incur significant capital expenditures to expand their tower network. Transmission towers provide ready-made installation sites for base transceiver station equipment, and can be leased by telecommunication companies as a cost-efficient alternative to constructing new towers. We intend to enter into licensing arrangements with companies (including the Sterlite Sponsor and its affiliates), in compliance with applicable law.

BDTCL and JTCL have agreed to license optical power ground wire use and tower use to Sterlite Power Transmission Limited. We intend to pursue similar arrangements for the other Portfolio Assets and for each new power transmission project that we acquire, including each of the other Framework Asset and ENICL, which have optical power ground wires.

## ***IndiGrid Structure***

IndiGrid is an infrastructure investment trust that was established on October 21, 2016 by the Sterlite Sponsor Sterlite Power Transmission Limited, which is also our Project Manager for all Portfolio Assets (other than JKTPPL and PrKTCL), and is registered with SEBI pursuant to the InvIT Regulations. Esoteric II Pte. Ltd. by way of its letter dated September 8, 2020 to the Investment Manager, proposed to seek induction as a ‘sponsor’ of IndiGrid, in accordance with Regulation 22(7) of the InvIT Regulations. Esoteric II Pte. Ltd. was inducted as one of the sponsors of IndiGrid at the annual general meeting of IndiGrid held on September 28, 2020. Further, Electron IM Pte. Ltd., an affiliate of KKR, currently owns 60% of the issued, paid-up and subscribed capital of the Investment Manager and has further agreed to acquire another 14% in the Investment Manager, subject to the terms and conditions of the IM SSPA. For further details, please see the section entitled “*Parties to IndiGrid*” on page 190.

## ***The KKR Sponsor***

Esoteric II Pte. Ltd. is one of the Sponsors of IndiGrid. For details in relation to the KKR Sponsor, please refer to the section entitled “*Parties to IndiGrid – The KKR Sponsor – Esoteric II Pte. Ltd.*” on page 190.

## ***The Sterlite Sponsor***

We acquired five fully commissioned projects in fiscal 2018 and five fully commissioned projects between the fiscals 2020 and 2021, from the Sterlite Sponsor, respectively.

For details in relation to the Sterlite Sponsor, please refer to the section entitled “*Parties to IndiGrid – The Sterlite Sponsor – Sterlite Power Transmission Limited*” on page 191.

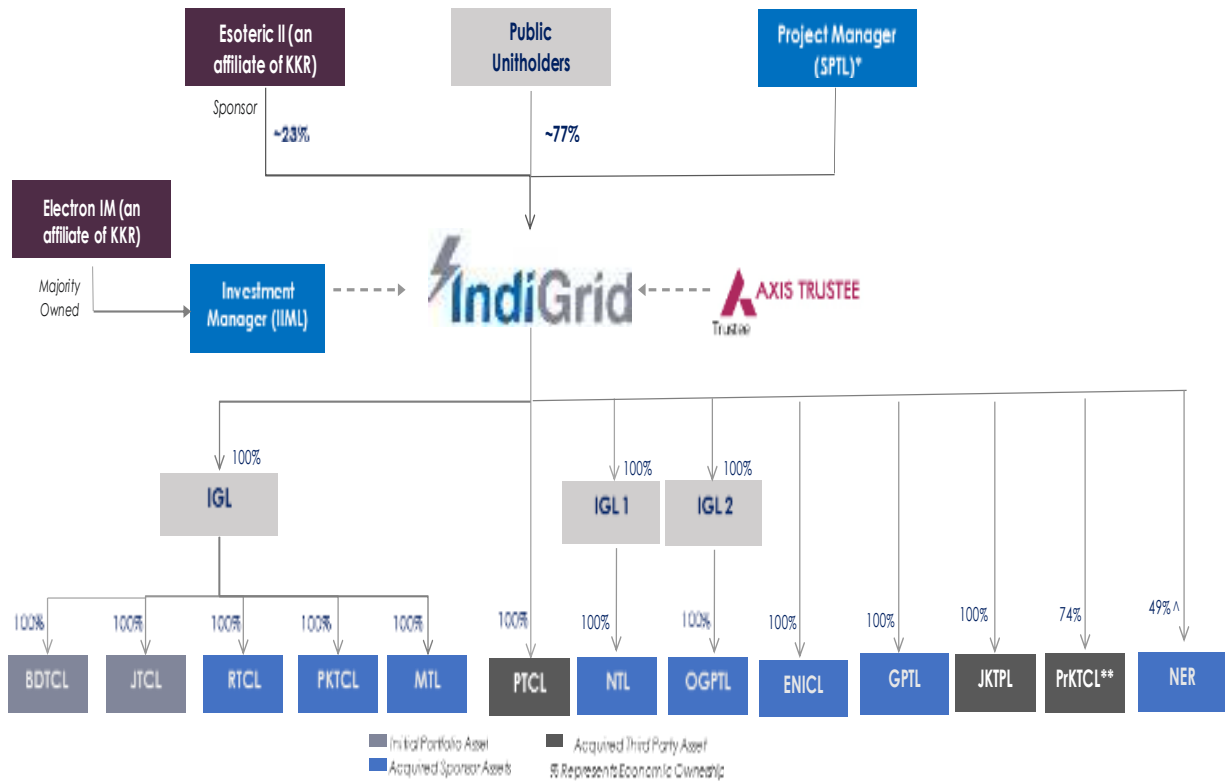
With support from our Sponsors, we aim to be the largest infrastructure investment trust in the power transmission sector by

achieving significant growth through acquisitions. We expect support from our Sponsors to provide us with the following benefits:

- By building on the track record of the Sterlite Sponsor and its familiarity with the power transmission business and regulatory regime in India, we seek to establish and further develop strong working relationships with the relevant regulators within the Indian power transmission sector.
- Drawing on the KKR Sponsor's national and international reach and business network to source acquisition opportunities.
- While under no obligation to do so, the Sterlite Sponsor may give us an opportunity to acquire additional power transmission projects, other than the Framework Asset, that it may be awarded or acquire. Any such acquisition from the Sterlite Sponsor, including under the Framework Agreement or ROFO Deed, will be subject to mutual agreement between the Sterlite Sponsor and the Investment Manager on our behalf, and approval of our Unitholders other than the Sterlite Sponsor.

The Sterlite Sponsor also fulfils the role of Project Manager in respect of IndiGrid, with responsibility for operating and maintaining for all Portfolio Assets (other than JKTPL and PrKTCL).

The following structure chart illustrates the relationship between IndiGrid, the Trustee, the Sponsors, the Investment Manager and the Unitholders, as on the date of Draft Shelf Prospectus:



IGL = IndiGrid Limited, IGL 1 = IndiGrid 1 Limited, IGL 2 = IndiGrid 2 Limited, BDTCL = Bhopal Dhule Transmission Company Limited, JTCL = Jabalpur Transmission Company Limited, RTCL = RAPP Transmission Company Limited, PKTCL = Purulia & Kharagpur Transmission Company Limited, MTL = Maheshwaram Transmission Limited, PTCL = Patran Transmission Company Limited, NTL = NRSS XXIX Transmission Limited, OGPTL = Odisha Generation Phase II Transmission Limited, ENICL = East-North Interconnection Company Limited, GPTL = Gurgaon Palwal Transmission Limited, JKTPL = Jhajar KT Transco Private Limited, PrKTCL = Parbati Koldam Transmission Company Limited, NER = NER II Transmission Limited, IIML = IndiGrid Investment Managers Limited, SPTL = Sterlite Power Transmission Limited

SPTL continues to be a sponsor with ~0.3% equity stake

\*Except for JKTPL

\*\* PrKTCL held in a Joint Venture with Power Grid holding 26% stake

^holding as on date

### ***The Project Manager***

In its capacity as the Project Manager under the Project Implementation and Management Agreement, the Sterlite Sponsor is responsible for the implementation, development, operation and management of all Portfolio Assets (other than JKTPL and PrKTCL), as per the InvIT Regulations and the Project Implementation and Management Agreement. IGL is the Project Manager for JKTPL and PrKTCL.

For further details, please see the section entitled “*Parties to IndiGrid – The Project Manager*” on page 215.

### ***The Investment Manager***

IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited), majority owned by Electron IM Pte. Ltd., an affiliate of KKR is our Investment Manager and takes decisions concerning our assets for the beneficial interest of our Unitholders. The Investment Manager has overall responsibility for setting our strategic direction and deciding on the acquisition, divestment or enhancement of our assets in accordance with its stated investment strategy.

The Investment Manager has the key objective of generating sustainable income with long-term growth potential and investing in power transmission and renewable energy assets to provide our Unitholders with regular distributions at a competitive rate of return, in accordance with the InvIT Regulations and the Investment Management Agreement.

For further details, please see the section entitled “*Parties to IndiGrid – The Investment Manager - IndiGrid Investment Managers Limited*” on page 203.

### ***The Trustee***

Axis Trustee Services Limited is the trustee in respect of IndiGrid. On behalf of our Unitholders, the Trustee is responsible for ensuring that our business activities and investment policies comply with the provisions of the InvIT Documents and the InvIT Regulations as well as monitoring the activities of the Investment Manager under the Investment Management Agreement and the Project Manager under the Project Implementation and Management Agreement.

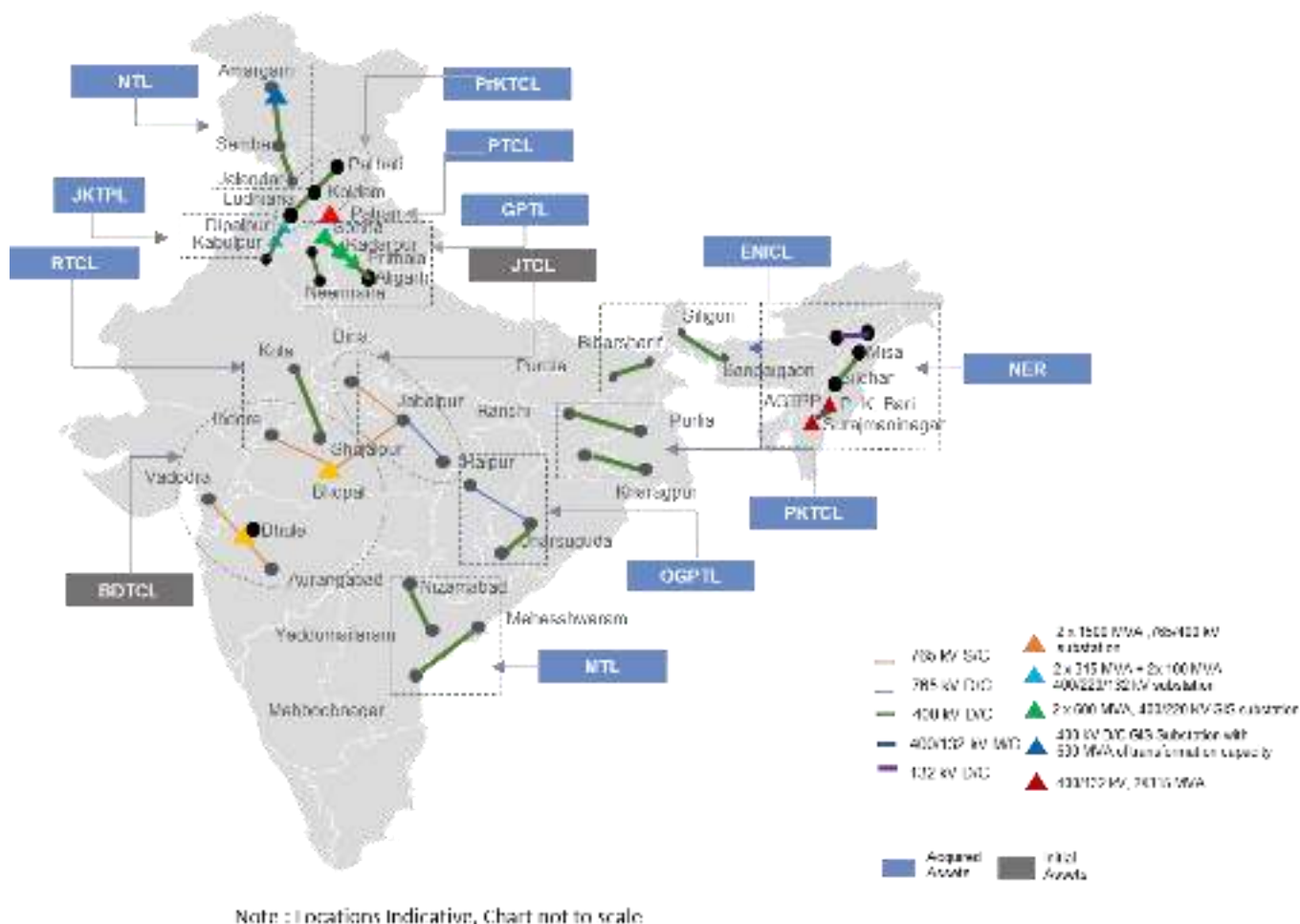
For further details, please see the section entitled “*Parties to IndiGrid – The Trustee – Axis Trustee Services Limited*” on page 193.

### **The Portfolio Assets**

The Portfolio Assets comprise thirteen power transmission projects located across several states in India. These projects comprise 38 EHV overhead power transmission lines, comprising 7, 765 kV transmission lines, 29, 400 kV transmission lines and 2, 132 kV transmission lines, with a total circuit length of approximately 7,570 ckms and 11 substations with 13,550 MVA of transformation capacity, across 17 states and 1 union territory, in India. Majority of our Portfolio Assets have in place long-term TSAs of 35 years or 25 years (in case of ENICL and JKTPL) from the scheduled commercial operation date of the relevant Portfolio Asset. The TSAs have a contract term of 35 years or 25 years (in case of ENICL and JKTPL) from the scheduled commercial operation date, after which we can apply to CERC for renewal if not unilaterally extended by CERC.

The following map shows the locations and breakdown of the Portfolio Assets:





BDTCL, JTCL, PKTCL, 74% of RTCL and 49% of MTL are owned by us indirectly through our wholly-owned subsidiary, IGL. IGL owns 100% of the outstanding shares of JTCL, BDTCL and PKTCL, and 74% of the outstanding shares of RTCL and 49% of the outstanding shares of MTL. We directly own 74% of the outstanding shares of PTCL (with 100% economic ownership), and pursuant to the terms of the share purchase agreement dated February 19, 2018, we have agreed to purchase the remaining outstanding shares of PTCL from TEECL. NTL is owned by us indirectly through our wholly-owned subsidiary, IGL 1, which in turn, holds 100% of the issued, subscribed and paid-up equity share capital of NTL. OGPTL is owned by us indirectly through our wholly-owned subsidiary, IGL 2, which in turn, holds 100% of the issued, subscribed and paid-up equity share capital of OGPTL. We directly own 100% of the issued, subscribed and paid-up equity share capital of ENICL which we acquired from the Sterlite Sponsor and 49% of GPTL (with 100% economic ownership) and 49% of NER, which we acquired from SGL4. We directly own 100% of the issued, subscribed and paid-up equity share capital of JKTPL. We directly own 74% of the issued, subscribed and paid-up equity share capital of PrKTCL.

The following table sets forth a summary description of the Portfolio Assets:

Project Name	Transmission Line /Substation	Configuration	Route Length (ckms)	Actual commission date	Expiry of the term of the TSA	Total transformation capacity (in MVA)
BDTCL	Bhopal – Indore	765 kV S/C transmission line	176	November 19, 2014	March 2049	NA
	Dhule – Aurangabad	765 kV S/C transmission line	192	December 5, 2014		NA

Project Name	Transmission Line /Substation	Configuration	Route Length (ckms)	Actual commission date	Expiry of the term of the TSA	Total transformation capacity (in MVA)
	Dhule – Vadodara	765 kV S/C transmission line	263	June 13, 2015		NA
	Bhopal – Jabalpur	765 kV S/C transmission line	259	June 9, 2015		NA
	Dhule – Dhule	400 kV D/C transmission line	36	December 6, 2014		NA
	Bhopal – Bhopal	400 kV D/C transmission line	17	August 12, 2014		NA
	Bhopal substation	2 x 1,500 MVA 765/400 kV	-	September 30, 2014		3000 MVA
	Dhule substation	2 x 1,500 MVA 765/400 kV	-	December 6, 2014		3000 MVA
JTCL	Jabalpur-Dharamjaigarh	765 kV D/C transmission line	759	September 14, 2015	March 2049	NA
	Jabalpur-Bina	765 kV S/C transmission line	235	July 1, 2015		NA
PKTCL	Kharagpur (WBSETCL)-Chaibasa (PG)	400 kV D/C transmission line	323	June 18, 2016	April 2051	NA
	Purulia PSP (WB)-Ranchi PG	400 kV D/C transmission line	223	January 7, 2017		NA
RTCL	RAPP—Shujalpur	400 kV D/C transmission line	403	March 1, 2016	February 2051	NA
MTL	Maheshwaram (PG)—Mehboob Nagar	400 kV D/C transmission line	196	December 14, 2017	December 2053	NA
	Nizamabad—Yeddumailaram (Shankarpalli)	400 kV D/C transmission line	278	October 14, 2017	October 2053	NA
	Mehboob Nagar substation of TSTRANSCO	2 x 400 kV line bays	-			NA
	Yeddumailaram (Shankarpalli) substation of TSTRANSCO	2 x 400 kV line bays	-			NA
PTCL	Patiala—Kaithal LILO	Loop in loop out of both circuits of 400 kV D/C line at Patran	-	November 12, 2016	November 2051	NA
	Patran substation	2x500MVA, 400/220kV Substation at Patran with; i. 6 nos 400kV Bays ii. 8 nos 220kV Bays	-	November 12, 2016		1000 MVA
NTL	Samba—Amargarh	400 kV D/C line	546	September 2, 2018	September 2053	NA
	Uri—Wagoora	400 kV D/C line	14	September 2, 2018	September 2053	NA
	Jalandhar—Samba	400 kV D/C line	270	June 24, 2016	June 2051	NA
	Amargarh Substation	400/220 kV D/C line, GIS Substation with 630 MVA of transformation capacity	-	September 2, 2018	September 2053	630 MVA
OGPTL	Raipur – Jharsuguda	765kV D/C line	610	April 6, 2019	April 2054	NA
	Jharsuguda – OPGC	400 kV D/C line	103	August 30, 2017	July 2052	NA
ENICL	Bongaigaon-Siliguri	400 kV D/C line	438	November 12, 2014	October 2035	NA
	Purnia-Biharsharif	400 kV D/C line	458	September 16, 2013		NA
GPTL	Aligarh - Prithala	400 kV D/C HTLS line	99	August 06, 2019	July 2054	NA
	Prithala – Kadarapur	400 kV D/C HTLS line	58	December 7, 2019	July 2054	NA
	Kadarapur-Sohna Road	400 kV D/C HTLS line	21	March 21, 2020	July 2054	NA
	LILO of Gurgaon Manesar	400 kV D/C Quad line	2	March 13, 2020	July 2054	NA
	Neemrana – Dhonanda	400 kV D/C HTLS line	93	February 25, 2019	July 2054	NA
	Kadarapur substation	400/220 kV, 2 x 500 MVA	-	December 11, 2019	July 2054	

Project Name	Transmission Line /Substation	Configuration	Route Length (ckms)	Actual commission date	Expiry of the term of the TSA	Total transformation capacity (in MVA)
						<b>1000 MVA</b>
	Sohna Road substation	400/220 kV, 2 x 500 MVA	-	April 13, 2020	July 2054	<b>1000 MVA</b>
	Prithala substation	400/220 kV, 2 x 500 MVA	-	August 8, 2019	July 2054	<b>1000 MVA</b>
	Dhonanda substation	Two 400 kV line bays	-	February 25, 2019	July 2054	<b>NA</b>
<b>JKTPL</b>	Jharli (Jhajjar) - Kabulpur (Rohtak)	400 kV D/C line	70	March 12, 2012	March 2037 (with an extension period of 10 years by HVPNL)	<b>NA</b>
	Kabulpur (Rohtak) -Dipalpur (Sonapat)	400 kV D/C line	134			<b>NA</b>
	Dipalpur substation Abdullapur - Bawana line	400 kV S/C loop in loop out line at 400kV substation Dipalpur of 400 kV D/C line at from Abdullapur-Bawana	1.4			<b>NA</b>
	Kabulpur (Rohtak) substation	400 kV/220 kV/ 132 kV	-			<b>830 MVA</b>
	Dipalpur (Sonapat) substation	400 kV/220 kV/ 132 kV	-			<b>830 MVA</b>
<b>PrKTCL</b>	LILO point of Parbati III HEP to LILO point of Parbati Pooling Station	400 kV S/C, Quad Bundle Line, Section of CKT-II of Parbati-II to Koldam Transmission Scheme	3.5	August 01, 2013	35 years from COD i.e. FY 2049-50**, as per Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2019	<b>NA</b>
	Banala – Nalagarh	400 kV S/C along with D/C Quad Bundle Line, Part of Ckt-I of Parbati-II – Koldam Transmission Scheme starting from LILO point of Banala Pooling Station to Tower 9C of Ckt-I of Koldam – Nalagarh TL	66	October 10, 2014		<b>NA</b>
	Banala - Koldam	400 kV S/C alongwith D/C Quad Bundle Line, Part of Ckt-II of Parbati-II – Koldam Transmission Scheme starting from LILO point of Banala Pooling Station to Tower 9E of Ckt-I of Koldam – Nalagarh TL	63	October 04, 2014		<b>NA</b>
	Parbati-II – Banala	400 kV S/C alongwith D/C Quad Bundle Line, Part of Ckt-I of Parbati-II – Koldam Transmission Scheme starting from Parbati-II HEP to LILO point of Banala Pooling Station	14	November 03, 2015*		<b>NA</b>
	Parbati-II – Parbati-III	400 kV S/C alongwith D/C Quad Bundle Line, Part of Ckt-I of Parbati-II – Koldam Transmission Scheme starting from Parbati-II HEP to LILO point of Parbati-III HEP (Post commissioning of Sainj HEP of HPPCL this section has been connected at Loc.#2 forming Parbati-II – Sainj and Sainj – Parbati-III Sections)	10	November 03, 2015*		<b>NA</b>
	Koldam – Ludhiana	400 kV D/C, Triple Bundle Line.	301	Ckt-I: August 07, 2014 Ckt-II: August 14, 2014		<b>NA</b>
<b>NER</b>	Biswanath	132kV/D/C	135.88	March 2021 <sup>(1)</sup>	November 2055	<b>NA</b>

Project Name	Transmission Line /Substation	Configuration	Route Length (ckms)	Actual commission date	Expiry of the term of the TSA	Total transformation capacity (in MVA)
	Chariyalli (Powergrid) – Itanagar Line					
	Lilo of one circuit of Biswanath Chariyalli (Powergrid) – Itanagar Line at Gohpur (AEGCL).	132kV/D/C	17	March 2021 <sup>(1)</sup>		NA
	Silchar (Powergrid) – Misa (Powergrid) line	400kV D/C	356	February 2021 <sup>(2)</sup>		NA
	400/132 kV, 2*315 MVA Single phase sub-station at Surajmaninagar	400/132 kV, 2X315 MVA	-	January 2021 <sup>(3)</sup>		630 MVA
	400/132 kV, 2*315 MVA sub-station at P.K. Bari	400/132 kV, 2X315 MVA	-	January 2021 <sup>(3)</sup>		630 MVA
	AGTPP (NEEPCO)– P.K. Bari (TSECL) Line	132kV/D/C	166.90	February 2021 <sup>(2)</sup>		NA
	Surajmaninagar – P.K. Bari Line	400 kV D/C	154.68	January 2021 <sup>(3)</sup>		NA
	Line bays at Itanagar for terminating the Biswanath Chariyalli (Powergrid) – Itanagar line	2X132 kV line bays	-	March 2021 <sup>(1)</sup>		NA
	Line bays at NEEPCO (AGTPP) sub-station for terminating the AGTPP (NEEPCO)– P.K. Bari (TSECL) line	2X132 kV line bays	-	February 2021 <sup>(2)</sup>		NA
	Line bays at PK Bari (TSECL) sub-station for terminating the AGTPP (NEEPCO) – P.K. Bari (TSECL) line	2X132 kV line bays	-	February 2021 <sup>(2)</sup>		NA
	Line bays at Palatana GBPP switchyard for termination of Palatana-Surajmaninagar400 kV D/C line	2X400 kV line bays	-	January 2021 <sup>(3)</sup>		NA
<b>Total</b>			<b>7,570 ckms</b>			<b>13,550 MVA</b>

\* The transmission line elements have been claimed as commissioned with effect from July 1, 2015 as per the CERC Tariff Petition.

\*\*As per Central Electricity Regulatory Commission (Terms and Condition of Tariff) Regulations, 2019, effective COD for the consolidated project has to be used for the purpose of tariff determination. Based on the true up of tariff for block periods Financial Year 2014-19 and approved tariff for Financial Year 2019-24, effective COD is likely to be in Financial Year 2014-15.

(1) Expected commission date.

(2) Scheduled commission date.

(3) Deemed commission date.

The total revenue earned by each of the Portfolio Assets in fiscals 2018, 2019, 2020 and as of December 2020 is set forth in the following tables. The results for the periods presented below are not necessarily indicative of the results to be expected for any future period and the results for any interim period are not necessarily indicative of the results that may be expected for a full year.

<b>BDTCL<sup>(1)</sup></b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	2,505	2,523	2,575	1,925
Incentive	88	60	100	67
Late Payment Surcharge	10	18	32	36
<b>Total revenue<sup>(2)</sup></b>	<b>2,603</b>	<b>2,600</b>	<b>2,706</b>	<b>2,028</b>
(1) We acquired BDTCL from the Sterlite Sponsor in May 2017.				
(2) Gross revenue earned (i.e. without adjustment of rebate)				
<b>JTCL<sup>(1)</sup></b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	2,379	2,083	1,466	1,108
Incentive	83	73	16	42
Late Payment Surcharge	10	10	28	17
<b>Total revenue<sup>(2)</sup></b>	<b>2,472</b>	<b>2,166</b>	<b>1,511</b>	<b>1,167</b>
(1) We acquired JTCL from the Sterlite Sponsor in May 2017.				
(2) Gross revenue earned (i.e. without adjustment of rebate)				
<b>RTCL<sup>(1)(3)</sup></b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	311	440	441	332
Incentive	4	15	15	12
Late Payment Surcharge	1	35	35	5
<b>Total revenue<sup>(2)</sup></b>	<b>316</b>	<b>491</b>	<b>490</b>	<b>348</b>
(1) As RTCL started commercial operations in March 2016, it did not earn incentive fees in fiscal 2016.				
(2) Gross revenue earned (i.e. without adjustment of rebate).				
(3) We acquired RTCL from the Sterlite Sponsor in February 2018.				
<b>PKTCL<sup>(1)(3)</sup></b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	511	724	723	546
Incentive	18	25	25	19
Late Payment Surcharge	2	2	11	8
<b>Total revenue<sup>(2)</sup></b>	<b>531</b>	<b>752</b>	<b>759</b>	<b>572</b>
(1) One transmission line at PKTCL started commercial operations in June 2016 and the second transmission line at PKTCL started commercial operations in January 2017. Accordingly, PKTCL did not earn revenue in fiscal 2016.				
(2) Gross revenue earned (i.e. without adjustment of rebate).				
(3) We acquired PKTCL from the Sterlite Sponsor in February 2018.				
<b>MTL<sup>(1)(3)</sup></b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	224	556	559	424
Incentive	8	19	20	14
Late Payment Surcharge	0	1	10	5
<b>Total revenue<sup>(2)</sup></b>	<b>232</b>	<b>576</b>	<b>588</b>	<b>443</b>
(1) MTL started commercial operations in fiscal 2018.				
(2) Gross revenue earned (i.e. without adjustment of rebate).				
(3) We acquired MTL from the Sterlite Sponsor in February 2018.				
<b>PTCL<sup>(1)(3)</sup></b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	225	259	289	230
Incentive	6	8	10	8

Late Payment Surcharge	12	0.20	3	3
<b>Total revenue<sup>(2)</sup></b>	<b>245</b>	<b>268</b>	<b>303</b>	<b>242</b>
(1) PTCL started commercial operations in fiscal 2017. (2) Gross revenue earned (i.e. without adjustment of rebate). (3) We acquired PTCL in August 2018.				
<b>NTL</b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	1,075	2,939	5,527	3,777
Incentive	38	89	157	108
Late Payment Surcharge	5	5	45	62
<b>Total revenue</b>	<b>1,117</b>	<b>3,033</b>	<b>5,728</b>	<b>3,947</b>
<b>OGPTL</b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	27	96	1,580	1,249
Incentive	1	3	48	42
Late Payment Surcharge	-	-	10	32
<b>Total revenue</b>	<b>28</b>	<b>100</b>	<b>1,638</b>	<b>1,323</b>
<b>ENICL</b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	1,542	1,446	1,281	1,079
Incentive	71	33	61	17
Late Payment Surcharge	7	5	31	13
<b>Total revenue</b>	<b>1,619</b>	<b>1,484</b>	<b>1,373</b>	<b>1,109</b>
<b>GPTL</b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	NA	18	667	505
Incentive	NA	-	13	20
Late Payment Surcharge	NA	-	1	6
<b>Total revenue</b>	<b>NA</b>	<b>18</b>	<b>681</b>	<b>531</b>
<b>JKTPL</b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	426	341	390	291
<b>Total revenue</b>	<b>426</b>	<b>341</b>	<b>390</b>	<b>291</b>
<b>PrKTCL</b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
Tariff	1,647	1,591	1,869	1,270
Incentive	23	20	25	16
Late Payment Surcharge	9	17	17	33
<b>Total revenue</b>	<b>1,679</b>	<b>1,629</b>	<b>1,911</b>	<b>1,319</b>
<b>NER]</b>				
	<b>FISCAL</b>			
<i>(₹ in million)</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>December 20</b>
<b>Revenue from Operations</b>	-	-	-	-
Other Operating Revenue	-	-	-	-
Initial License Fees	NA	NA	3.19	4.26
<b>Total revenue</b>	<b>NA</b>	<b>NA</b>	<b>3.19</b>	<b>4.26</b>

\*Tariff is calculated as net of rebate.

All our Portfolio Assets are located in strategically important areas for the electricity grid in India, which we believe makes their existence critical and their high replacement cost makes the transmission assets indispensable.

The JTCL project 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. The corridors thus created are crucial links, based on which the CTU enters into long-term open-access agreements with several generation companies in the eastern region of India.

The BDTCL project facilitates the transfer of electricity from coal-fired power generation sources in the states of Odisha and

Chhattisgarh to power load centers in India's western and northern regions. Our largest power transmission project, in terms of transmission lines and their length, BDTCL operates six EHV overhead transmission lines of approximately 945 ckms, comprising, four 765 kV single circuit lines of 891 ckms and two 400 kV double circuit lines of 53 ckms.

The PKTCL project has been brought into existence to grow generation capacity in the eastern parts of India. PKTCL supports the interconnection of the state grids and the regional grids and facilitates the exchange of additional power between them. PKTCL was established to strengthen the transmission system in the states of West Bengal and Jharkhand. The project involves the establishment of two 400 kV double circuit transmission lines and has been awarded on a BOOM basis.

The RTCL project facilitates the strengthening of the transmission capability between the northern and western sectors of India's power grid by evacuating electricity from an atomic power plant near Kota in Rajasthan to central Madhya Pradesh. The project was undertaken in conjunction with the Rajasthan Atomic Power Project established by Nuclear Power Corporation of India. The transmission system evacuates and transmits power through a 400 kV double circuit line with a length of approximately 403 ckms.

The MTL project constitutes a key component in enabling the southern region of India to draw more power from the rest of the grid and continues to address the issue of power stability in the state of Telangana. This improved grid connectivity helps to facilitate power procurement from the ISTS network to meet electricity demands in certain states in south India. The MTL project provides grid connectivity for the 400 kV Maheshwaram and Nizamabad transmission lines and the substations at Mehboob Nagar and Yeddumailaram (Shankarpalli) of TSTRANSCO. MTL operates two transmission lines on a BOOM basis having a total length of approximately 476 ckms.

The PTCL project constitutes a key component in strengthening the power transmission system in the state of Punjab in India. The PTCL project comprises a 400/ 220 kV substation, having a transformation capacity of 1000 MVA, with 14 bays in Patran, and LILO of both circuits of Patiala-Kaithal 400 kV double circuit line at Patran.

The GPTL project was constituted to meet the rising power demand in Gurgaon and Palwal. The substations caters to parts of Gurgaon and connect other substations located at Palwal, Rangla, Rajpur and adjoining areas of Meerpur Kurli in Haryana, as part of the inter-state transmission system. This helps the region to continue generating employment to address markets in India and overseas.

The ENICL project included the first transmission line under the TBCB guidelines in the country and, was set up with an aim to evacuate power from the north-east and eastern states to the northern region of India. Substantial exportable power would be available in these regions due to the commissioning of the transmission lines owned by ENICL. This transmission project was proposed for strengthening of the NER-ER transmission corridor.

The NTL project is critical for meeting the power requirements of the state of Jammu and Kashmir. The existing lines which are a part of the common corridor in the state of Jammu and Kashmir are highly prone to snow storm, landslides and other natural calamities making power supply to the Kashmir Valley vulnerable. The NTL project was proposed to mitigate the above constraints. Further, the NTL project was expected to deliver over 2,000 MW of electricity from Punjab to the Kashmir Valley by strengthening the transmission system in these states.

The OGPTL project, was developed to help power projects in the state of Odisha to cater to the power generation demand centers in the country. The OGPTL project is a part of the common transmission system for phase-II generation projects and immediate evacuation system for OPGC Project in Odisha. The transmission lines are a part of the interstate transmission network.

JKTPL provides offtake of power from the thermal power plants in Haryana (majorly the Jhajjar power plant) and meets the electricity demands of Jhajjar and heavy industrial area of Sonapat. It consists of three 400 KV transmission lines spread across 204.7 ckms in Haryana with 2 substations with a transformation capacity of 830 MVA. The project has been operational for 8 years and was developed for increasing and improving the electricity supply in state of Haryana and evacuation of electricity from the 2x660 MW thermal power plant at Jhajjar, Haryana. IGL acts as the O&M contractor for this project.

PrKTCL, initially incorporated as a joint venture between Reliance Infrastructure Limited and Power Grid Corporation of India Limited, and now acquired by India Grid, has approximately 458 ckms of 400 kV transmission lines and substations, including, Koldam - Ludhiana line, with a length of 301 ckms, LILO of Parbati III HEP to LILO of Parbati Pooling Station line, with a length of 3.5 ckms, Banala to Nalagarh line, with a length of 66 ckms, Banala to Koldam line, with a length of 63 ckms, Parbati II to Banala line, with a length of 14 ckms, and Parbati II to Parbati III line, with a length of 10 ckms, as a part of the transmission system to evacuate power from the Parbati – II, Parbati – III and Koldam hydel power projects.

The NER project is located in the state of Tripura, Assam and Arunachal Pradesh. We believe that the (i) NER project would strengthen the interconnection between the states of Assam and Arunachal Pradesh and provide an additional source of power

to Itanagar, and (ii) also provide a strong interconnection between the northern and southern part of the north east region of India.

### ***Tariff – Majority of our Portfolio Assets***

Power transmission projects, including the Portfolio Assets, earn revenue from electricity transmission tariffs pursuant to TSAs and tariff orders passed by CERC in accordance with the Electricity Act. These projects receive availability-based tariffs under the TSAs irrespective of the actual quantum of power transmitted through the line. The tariff for the Portfolio Assets is contracted for the period of the relevant TSA, which is up to 35 years from the scheduled commission date, other than ENICL and JKTPL, which is for 25 years. The tariff rates are comprised of a fixed non-escalable charge, a variable escalable charge, and incentives for maintaining targeted availability. For further details, please see the section entitled “*Industry Overview*” on page 90. The following tables reflect the contracted non-escalable and escalable tariffs for the majority of our Portfolio Assets remaining for the term of the applicable TSA.

### ***Non-Escalable Tariff for the majority of our Portfolio Assets***

The following tables reflect the non-escalable tariffs for the majority of our Portfolio Assets:

<b>REMAINING NON-ESCALABLE TARIFF FOR THE MAJORITY OF OUR PORTFOLIO ASSETS (₹ in million)</b>											
	<b>BDTCL</b>	<b>JTCL</b>	<b>PKTCL</b>	<b>RTCL</b>	<b>MTL</b>	<b>PTCL</b>	<b>NTL</b>	<b>OGPTL</b>	<b>ENICL</b>	<b>GPTL</b>	<b>NER</b>
<b>Anniversary of Scheduled Commission Date</b>	<b>Scheduled Commission Date</b>										
	March 31, 2014	March 31, 2014	April 9, 2016	March 1, 2016	June 20, 2018	November 12, 2016	June 4, 2016 and October 4, 2018	August 31, 2017 and August 8, 2019	January 1, 2013	May 14, 2019 and September 14, 2019	November 2020
2018	2,419.92	1,864.42	500.29	304.1		220			1,181.65		N/A
2019	2,417.28	1,862.74	713.12	433.47	548.18	252.5	4817.97		1,181.65		N/A
2020	2,414.53	1,302.86	712.51	433.1	548.18	282.73	4814.38	1587.2	1,181.65	1,435.22	N/A
2021	2,411.76	1,300.97	711.87	432.7	548.18	299.95	4811.06	1587.2	1,181.65	1,435.22	3938.4
2022	2,408.70	1,298.97	711.18	432.29	548.18	299.95	4807.52	1549.91	1,181.65	1,401.50	3938.4
2023	2,405.60	1,296.85	710.46	431.85	548.18	299.95	4803.75	1513.49	1,181.65	1,368.56	3938.4
2024	1,669.27	1,294.60	709.69	431.38	548.18	299.95	4799.74	1477.93	1,181.65	1,336.40	4591.23
2025	1,665.92	1,292.22	708.87	430.88	548.18	299.95	4795.46	1443.2	1,181.65	1,305.00	4497.53
2026	1,662.44	1,289.69	708.01	430.36	548.18	299.95	4790.9	1409.28	1,181.65	1,274.34	4403.83
2027	1,658.81	1,287.01	707.1	429.81	548.18	299.95	4786.05	1376.17	1,181.65	1,244.39	4403.83
2028	1,655.04	1,284.17	706.13	429.22	548.18	299.95	4780.88	1343.83	1,181.65	1,215.15	4310.13
2029	1,651.11	1,281.16	705.11	428.6	548.18	299.95	4775.37	1312.26	1,181.65	1,186.60	4216.43
2030	1,647.02	1,277.97	704.02	427.94	548.18	299.95	4769.5	1281.42	1,181.65	1,158.72	4122.73
2031	1,642.77	1,274.59	702.88	427.24	548.18	299.95	4763.25	1251.31	1,181.65	1,131.49	4029.03
2032	1,638.35	1,271.01	701.66	426.5	548.18	237.98	4756.59	1221.91	1,181.65	1,104.90	3938.4
2033	1,633.74	1,267.21	700.37	425.71	548.18	237.42	3314.24	1193.19	1,181.65	1,078.94	4988.39
2034	1,628.95	1,263.18	699	424.88	548.18	236.82	3306.68	1165.16	1,181.65	1,053.59	5069.34
2035	1,623.97	1,258.91	697.56	424	548.18	236.19	3298.63	1137.78	<b>TSA TERM EXPIRED</b>	1,028.83	5147.84



REMAINING NON-ESCALABLE TARIFF FOR THE MAJORITY OF OUR PORTFOLIO ASSETS (₹ in million)											
	BDTCL	JTCL	PKTCL	RTCL	MTL	PTCL	NTL	OGPTL	ENICL	GPTL	NER
Annivers ary of Schedule d Commiss ion Date	Scheduled Commission Date										
	March 31, 2014	March 31, 2014	April 9, 2016	March 1, 2016	June 20, 2018	November 12, 2016	June 4, 2016 and October 4, 2018	August 31, 2017 and August 8, 2019	January 1, 2013	May 14, 2019 and September 14, 2019	November 2020
2036	1,618.79	1,254.39	574.62	423.07	548.18	255.52	3290.05	1126.91		1,019.00	5177.32
2037	1,613.39	1,249.60	481	422.09	548.18	254.81	3280.91	1126.91		1,019.00	5290.06
2038	1,607.78	1,244.52	479.28	421.04	548.18	254.06	3271.18	1126.91		1,019.00	5374.04
2039	1,601.94	1,239.14	477.45	419.93	548.18	253.36	3260.81	1126.91		1,019.00	5369.5
2040	1,595.86	1,233.43	475.52	418.76	548.18	252.41	3249.76	1126.91		1,019.00	5364.1
2041	1,589.53	1,227.38	473.48	417.52	548.18	251.52	3237.99	1126.91		1,019.00	5357.71
2042	1,582.95	1,220.97	471.31	416.2	548.18	260.57	3225.45	1126.91		1,019.00	5350.23
2043	1,576.11	1,214.17	469.02	322.09	548.18	259.57	3212.09	1126.91		1,019.00	5429.96
2044	1,568.98	1,206.97	466.59	283.61	548.18	258.5	3197.86	1126.91		1,019.00	5455.23
2045	1,561.57	1,199.34	464.01	282.05	548.18	257.38	3182.71	1126.91		1,019.00	5443.72
2046	1,553.86	1,191.25	461.29	280.39	548.18	256.18	3166.56	1126.91		1,019.00	5430.61
2047	1,545.83	1,182.68	458.4	278.63	548.18	254.92	3149.35	1126.91		1,019.00	5415.7
2048	1,537.48	1,173.59	455.34	276.77	548.18	253.58	3131.03	1126.91		1,019.00	5398.8
2049	1,528.80	1,164.41	452.1	274.8	548.18	252.16	3111.5	1126.91		1,019.00	5379.29
2050	<b>TSA TERM EXPIRED</b>	<b>TSA TERM EXPIRED</b>	448.66	272.72	548.18	250.66	3090.71	1126.91		1,019.00	5339.45
2051			445.03	270.51	548.18	249.07	3068.55	1126.91		1,019.00	5339.45
2052			<b>TSA TERM EXPIRED</b>	<b>TSA TERM EXPIRED</b>	548.18	249	3044.95	1126.91		1,019.00	5339.45
2053					548.18	<b>TSA TERM EXPIRED</b>	3019.8	1126.91		1,019.00	5339.45
2054					548.18		2993.02	1126.91		1,019.00	5339.45
2055					<b>TSA TERM EXPIRED</b>		<b>TSA TERM EXPIRED</b>	1126.91		1,019.03	5339.45
2056								<b>TSA TERM EXPIRED</b>		<b>TSA TERM EXPIRED</b>	5339.45
2057											<b>TSA TERM EXPIRED</b>

*Escalable Tariff for the majority of our Portfolio Assets*

The following tables reflect the current contracted escalable tariffs for the majority of our Portfolio Assets:

ESCALABLE TARIFFS FOR THE MAJORITY OF OUR PORTFOLIO ASSETS (₹ in million)										
	BDTCL	JTCL	PKTCL	RTCL	MTL <sup>(1)</sup>	PTCL <sup>(2)</sup>	NTL	OGPTL	ENICL	GPTL
<b>Initial escalable tariff (year)</b>	56.64 (2014)	22.80 (2014)	8.88 (2016)	5.39 (2016)	7.75 (2019)	4.71 (2017)	47.28 <sup>(3)</sup>	16.01 (2018)	58.61 (2013)	14.5 (2020)
<b>2019 escalable tariff</b>	88.46	35.73	11.08	6.73	7.97	5.88	48.29	1.05	104.37	2.15
<b>2020 escalable tariff</b>	93.3	37.68	11.69	7.09	8.4	6.2	50.65	18.49	110.49	37.16

(1) MTL started commercial operations in fiscal 2018.

(2) We acquired PTCL from TEECL and TPGCL on August 31, 2018

(3) Includes 10.40 towards JS line commissioned in Financial Year 16, 17 and 36.87 towards SA line commissioned in Financial Year 18, 19.

### ***Jabalpur Transmission Company Limited***



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

JTCL alleviates transmission capacity bottlenecks and expands the reliability and stability of the power grid in western and northern India by providing open access to transmit power from the independent power projects in the east of India. The corridors thus created are crucial links, on the basis of which the CTU has entered long-term open-access agreements with several generation companies in the eastern region of India.

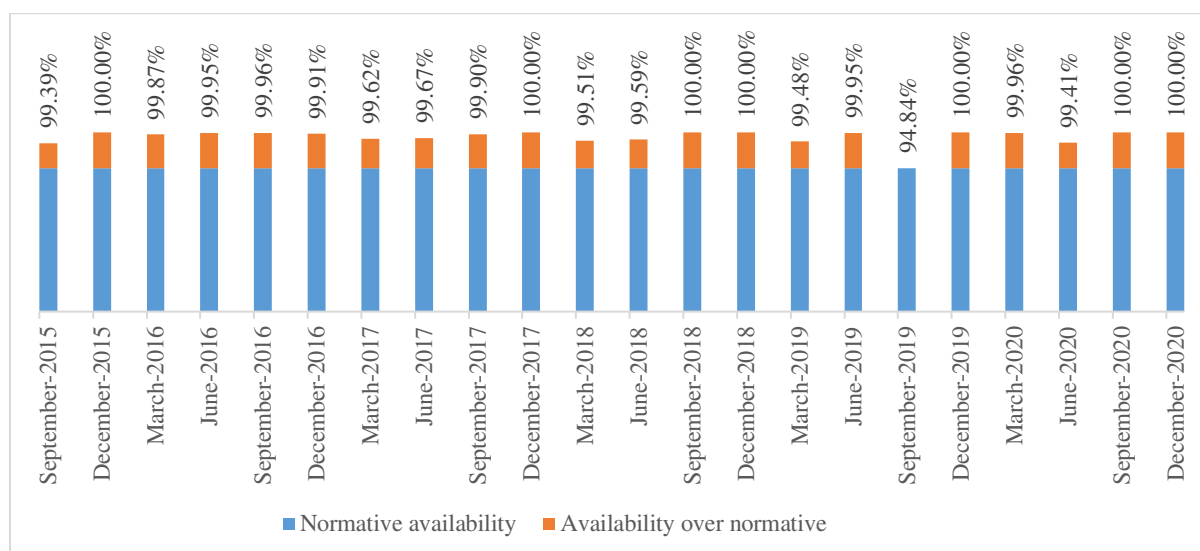
JTCL operates two EHV overhead transmission lines of approximately 992 ckms in the states of Chhattisgarh and Madhya

Pradesh comprising one 765 kV double circuit line of approximately 757 ckms from Dharamjaigarh (Chhattisgarh) to Jabalpur (Madhya Pradesh) and one 765 kV single circuit line of approximately 235 ckms from Jabalpur to Bina in Madhya Pradesh. Further, JTCL has the first 765 kV transmission line developed by a private developer under the build, own, operate and maintain model, according to CRISIL. The JTCL project was fully commissioned in September 2015 at a total cost of ₹18,874 million. The net depreciated value of the asset as of December 31, 2020 is ₹ 14,948.27 million.

Details of JTCL's transmission lines are set forth as follows:

Transmission Line	Location	Route Length (ckms)	Specifications	Commission Date	Expiry of TSA term	Contribution to Total Tariff
Jabalpur-Dharamjaigarh	Chhattisgarh, Madhya Pradesh	757	765 kV D/C	September 14, 2015	March 31, 2049	72%
Jabalpur-Bina	Madhya Pradesh	235	765 kV S/C	July 1, 2015	March 31, 2049	28%
<b>Total</b>		<b>992</b>				

The average quarterly availability of JTCL since commissioning is set forth in the table below, which is higher than the target availability of 98% under the JTCL TSA. As a result, JTCL earned annual incentive revenue of ₹ 41.8 million as of December 31, 2020.



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates

\*Certain data for December 2020 are based on estimates.

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

The JTCL transmission lines could not be commissioned on the scheduled commission date due to change in law and force majeure events including the amendment of the Forest Guidelines, delay in grant of forest clearance and delay in obtaining authorization under Section 164 of the Electricity Act. The delay was acknowledged by CERC following an initial petition by JTCL and the scheduled commercial operation date was revised accordingly. To compensate for the loss in revenue, JTCL filed an additional petition with CERC to quantify the increase in transmission charges. The CERC, through its order dated May 8, 2017 (in petition number 310/MP/2015) (the “**CERC Order**”), allowed an increase of 9.8903% per annum on the quoted non-escalable charges of the respective years from the date of commercial operation of the respective transmission lines on account of change in law, resulting in an increase in the cost of the project by ₹1,699.90 million (the “**Approved Cost Escalation**”). In accordance with the Project Implementation and Management Agreement, our Project Manager was entitled to an allotment of our Units for an amount equivalent to ₹1,359.92 million pursuant to the CERC Order, which is 80% of the Approved Cost Escalation. We allotted 13.6 million Units to the Project Manager, which is the same entity as the Sterlite Sponsor at an issue price of ₹100 per Unit.

## ***Bhopal Dhule Transmission Company Limited***



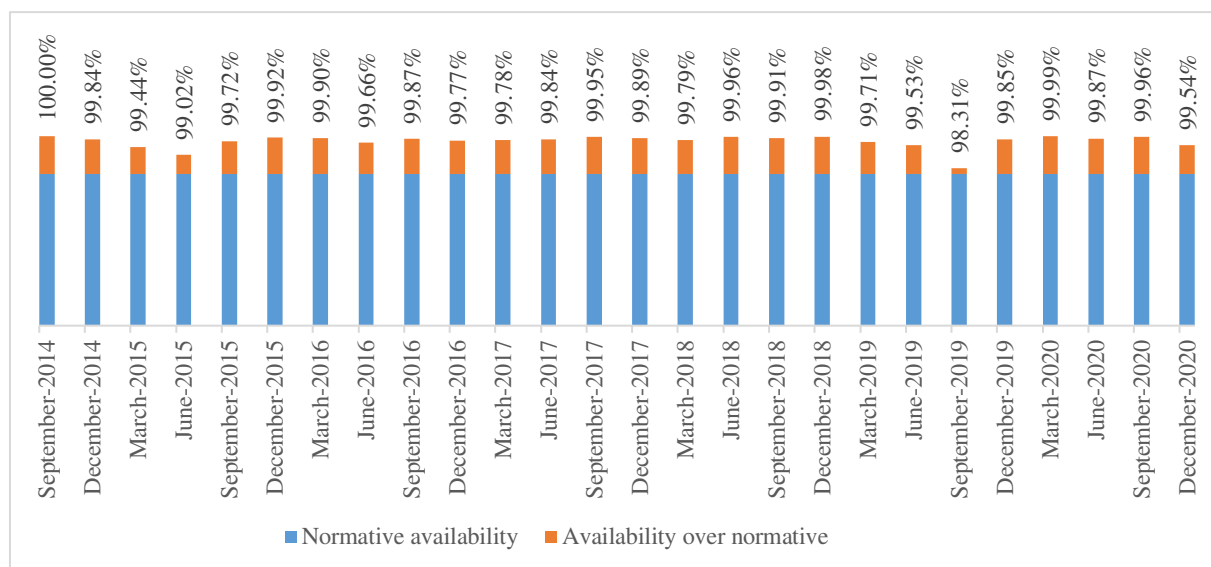
BDTCL was incorporated on September 8, 2009. BDTCL entered into a TSA dated December 7, 2010 and a TSA dated November 12, 2013 with PGCIL. The BDTCL project was awarded to IGL by the Ministry of Power on January 31, 2011 for a 35-year period from the scheduled commercial operation date of the BDTCL project, on a BOOM basis. We acquired BDTCL from the Sterlite Sponsor in May, 2017.

BDTCL facilitates the transfer of electricity from coal-fired power generation sources from the states of Odisha and Chhattisgarh to power load centers in India's western and northern regions. As our largest power transmission project, BDTCL operates six EHV overhead transmission lines of approximately 945 ckms comprising four 765 kV single circuit lines of approximately 891 ckms and two 400 kV double circuit lines of approximately 53 ckms. The single circuit lines comprise an approximately 260 ckms line from Bhopal to Jabalpur in Madhya Pradesh, an approximately 176 ckms line from Bhopal to Indore in Madhya Pradesh, an approximately 192 ckms line from Aurangabad to Dhule in Maharashtra and an approximately 263 ckms line from Dhule (Maharashtra) to Vadodara (Gujarat). The double circuit lines consist of an approximately 36 ckms line within Dhule and an approximately 17 ckms line within Bhopal. In addition, the project includes two 3,000 MVA substations, one each in Bhopal and Dhule.

BDTCL was fully commissioned in June 2015 at a total cost of ₹21,330 million. The net depreciated value of the asset as of December 31, 2020 is ₹ 17,086.74 million. BDTCL was awarded a Silver Shield for the year 2013-2014 in the category of "Early Completion of Transmission Projects" by the Ministry of Power for its Dhule substation. Details of BDTCL's transmission lines and substations are set forth as follows:

<b>Transmission Line / Substation</b>	<b>Route Length (ckms)</b>	<b>Specifications</b>	<b>Commission Date</b>	<b>Expiry term of TSA</b>	<b>Contribution to Total Tariff</b>
Bhopal—Jabalpur	260	765 kV S/C	June 9, 2015	March 31, 2049	22%
Bhopal—Indore	176	765 kV S/C	November 19, 2014	March 31, 2049	12%
Bhopal—Bhopal (MPPTCL)	17	400 kV D/C	August 12, 2014	March 31, 2049	2%
Aurangabad—Dhule (IPTC)	192	765 kV S/C	December 5, 2014	March 31, 2049	10%
Dhule (IPTC)—Vadodara	263	765 kV S/C	June 13, 2015	March 31, 2049	16%
Dhule (IPTC)—Dhule (MSETCL)	36	400 kV D/C	December 6, 2014	March 31, 2049	4%
Bhopal Substation	—	2 x 1,500 MVA 765/400 kV	September 30, 2014	March 31, 2049	17%
Dhule Substation	—	2 x 1,500 MVA 765/400 kV	December 6, 2014	March 31, 2049	17%

The average quarterly availability of BDTCL since commissioning is set forth in the following table, which is higher than the target availability of 98% under the BDTCL TSA. As a result, BDTCL earned annual incentive revenue of ₹ 67.3 million as of December 31, 2020.



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

\*Certain data for December 2020 are based on estimates.

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

The BDTCL transmission lines could not be commissioned on their scheduled commission dates due to change in law and force majeure events, including the amendment of Forest Guidelines, delay in grant of forest clearance, delay in receiving authorisation under Section 164 of the Electricity Act, delay in allotment of land for the construction of the Bhopal substation and change in applicable rates of taxes. The delay was acknowledged by CERC and the scheduled commercial operation date was revised accordingly. To compensate for the loss in revenue, BDTCL filed a tariff revision petition with CERC, pursuant to which the CERC through its order dated June 25, 2018 sought further documents to establish BDTCL's claim in respect of cost escalation. Thereafter, BDTCL filed a consequential petition, claiming monetary relief resulting from the change in law pursuant to the CERC Order. CERC vide its order dated April 24, 2019 ("**Second CERC Order**") rejected the relief and subsequent carrying cost. Aggrieved by the Second CERC Order, BDTCL filed an appeal before APTEL on June 4, 2019 to claim the amount of interest during construction and subsequent carrying cost. APTEL by way of its order dated October 20, 2020 allowed the appeal filed by BDTCL. The estimated amount involved in this matter is ₹ 840.01 million. The matter is currently pending. For further details, please see the section entitled "*Legal Proceedings*" on page 301.

BDTCL had its 765 KV S/C Bhopal – Indore transmission line rendered inoperable for 51 days in fiscal 2015 when gale force winds damaged a transmission tower. BDTCL obtained a deemed availability certificate from CERC to receive tariffs for this period and substantially all of the repair and restoration costs were covered by the Sterlite Sponsor's insurance.





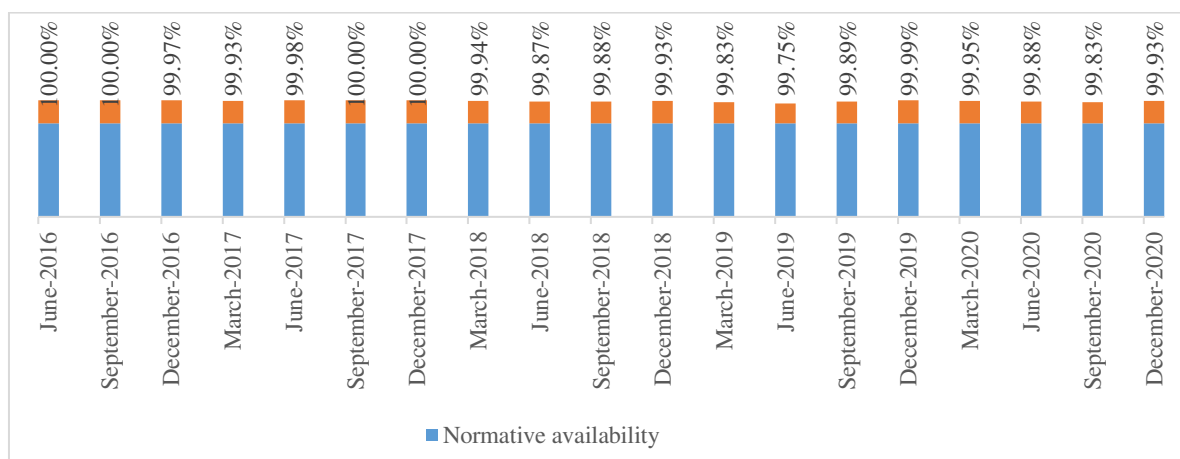
PKTCL was incorporated on December 15, 2012. PKTCL entered into a TSA on August 6, 2013. The PKTCL project was awarded by the Ministry of Power on September 17, 2013 for a 35-year period from the scheduled commercial operation date of the PKTCL project, on a BOOM basis. We acquired PKTCL from the Sterlite Sponsor in February, 2018.

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

PKTCL operates two EHV overhead transmission lines with a total circuit length of approximately 545 ckms in the states of West Bengal and Jharkhand, comprising one 400 kV D/C line of approximately 322 ckms from Kharagpur (West Bengal) to Chaibasa (Jharkhand) and one 400 kV D/C line of approximately 223 ckms from Purulia (West Bengal) to Ranchi (Jharkhand). The Kharagpur-Chaibasa 400 kV D/C transmission line was commissioned in June 2016, while the Purulia – Ranchi 400 kV D/C transmission line was commissioned in January 2017. The project was fully commissioned in January 2017 at a total cost of ₹4,405 million. The net depreciated value of the asset as of December 31, 2020 is ₹ 3,791.60 million. Details of PKTCL's transmission lines are set forth as follows:

Transmission Line	Route Length (ckms)	Specifications	Commission Date	Expiry of term of TSA	Contribution to Total Tariff
Kharagpur (WBSETCL)—Chaibasa (PG)	322	400 kV D/C	June 18, 2016	April 19, 2051	54%
Purulia PSP (WB)—Ranchi PG	223	400 kV D/C	January 7, 2017	April 19, 2051	46%

The average quarterly availability of PKTCL since commissioning is set forth in the following table, which is higher than the target availability of 98% under the PKTCL TSA. As a result PKTCL earned annual incentive revenue of ₹ 19.1 million as of December 31, 2020.



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

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

PKTCL filed a petition dated July 7, 2016 under Section 79(1)(f) read with Section 79(1)(c) of the Electricity Act before the CERC seeking compensatory and declaratory reliefs under the PKTCL TSA on account of force majeure and changes in law, including due to delay in application for forest diversion proposal, shifting of final termination point of Purulia substation, delay in grant of forest clearance and law and order issues which adversely affected and subsequently, delayed the construction of the 400 kV D/C Purulia – Ranchi transmission line and 400 kV D/C Kharagpur – Chaibasa transmission line. There can be no assurance that the claimed amount will be granted. For further details, please see the section entitled “*Legal Proceedings*” on page 301.

#### ***RAPP Transmission Company Limited***

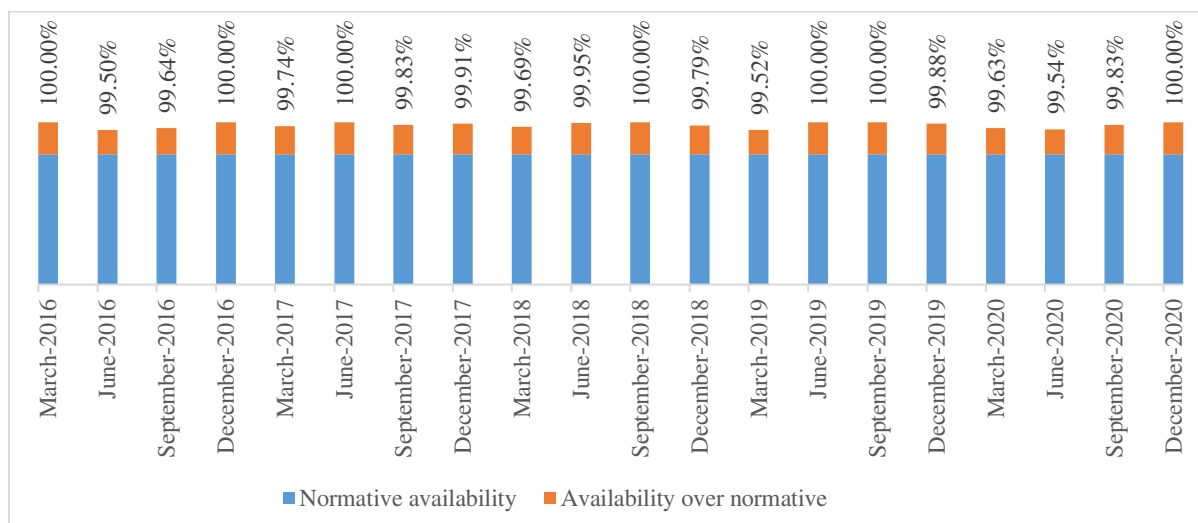


RTCL was incorporated on December 20, 2012. RTCL entered into a TSA on July 24, 2013 and a TSA dated December 22, 2015 entered into by RTCL with PGCIL. The RTCL project was awarded by the Ministry of Power on September 17, 2013 for a 35-year period from the scheduled commercial operation date of the RTCL project, on a BOOM basis. We acquired 74% of RTCL from the Sterlite Sponsor in February 2018. RTCL facilitates the strengthening of the transmission capability between the northern and western sectors of India’s power grid by evacuating electricity from an atomic power plant near Kota in Rajasthan to central Madhya Pradesh. The project was undertaken in conjunction with the Rajasthan Atomic Power Project established by Nuclear Power Corporation of India.

RTCL operates one EHV overhead transmission line of approximately 403 ckms in the states of Rajasthan and Madhya Pradesh, comprised of one 400 kV D/C line from Rajasthan to Madhya Pradesh. The project was fully commissioned in November 11, 2016 at a total cost of ₹2,600 million. The net depreciated value of the asset as of December 31, 2020 is ₹ 2,172.21 million. Details of RTCL’s transmission line are set forth as follows:

<b>Transmission Line</b>	<b>Route length (ckms)</b>	<b>Specifications</b>	<b>Commission Date</b>	<b>Expiry of term of TSA</b>	<b>Contribution to Total Tariff</b>
RAPP— Shujalpur	403	400 kV D/C	March 1, 2016	February 2051	100%

The average quarterly availability of RTCL since commissioning is set forth in the following table, which is higher than the target availability of 98% under the RTCL TSA. As a result, RTCL earned annual incentive revenue of ₹ 11.6 million as of December 31, 2020.



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

\*Certain data for December 2020 are based on estimates.

As of March 31, 2020, the RTCL TSA had a remaining term of approximately 31 years.

RTCL filed a petition dated March 11, 2016 under Section 79(1)(f) read with Section 79(1)(c) of the Electricity Act seeking payment of monthly transmission charges for the period starting from December 26, 2015 under the RTCL TSA and the revenue sharing agreement and the order dated July 15, 2015 issued by the Ministry of Power entitled “Policy for Incentivizing Early Commissioning of Transmission Projects” under which RTCL contended that it is entitled to the payment of monthly transmission charges from the actual date of commercial operation, December 26, 2015, which is in advance of the scheduled commercial operation date of February 2016. CERC, by its order dated September 21, 2016 declared that RTCL was entitled to the payment of transmission charges accrued from the scheduled commercial operation date until bays are developed by the Nuclear Power Corporation of India Limited (“NPCIL”). NPCIL filed an application to stay the CERC order on November 4, 2016 before the Appellate Tribunal for Electricity which has been replied to by RTCL. Through an order passed on January 18, 2019 (the “**Order**”), APTEL dismissed the Interim Application. APTEL also granted liberty to RTCL to regulate the power supply of NPCIL if NPCIL failed to make the payment within 30 days of the Order. RTCL has accordingly sent letters to NPCIL for the disbursement of the withheld amounts along with applicable charges. NPCIL has filed an appeal before the Supreme Court of India against the Order and RTCL has filed the counter affidavit on August 27, 2019. The estimated amount involved in this matter is ₹ 280 million. For further details, please see the section entitled “*Legal Proceedings*” on page 301.

### ***Maheshwaram Transmission Limited***



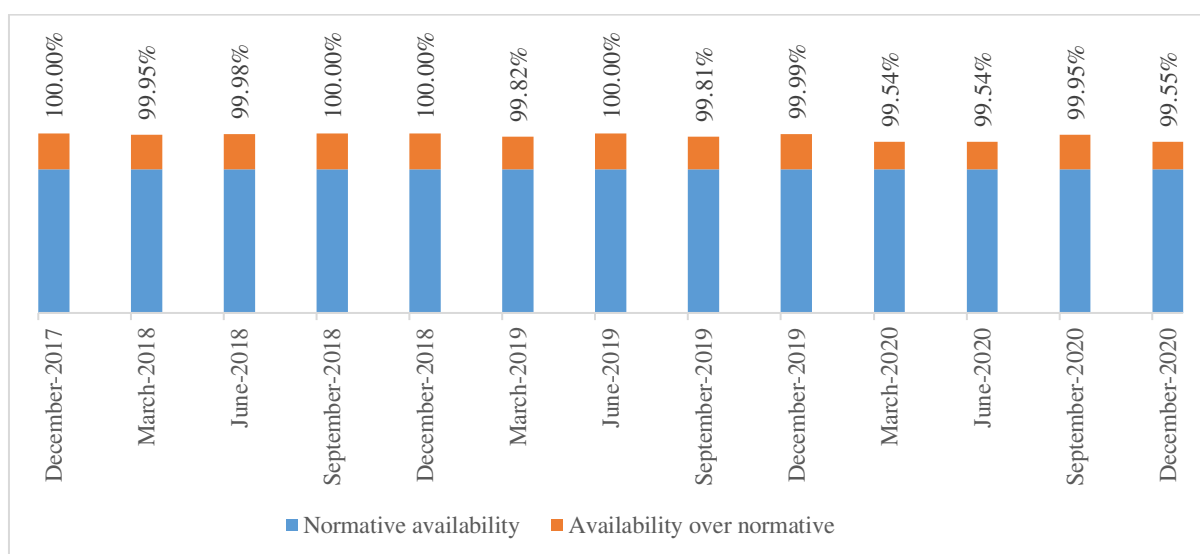
MTL was incorporated on August 14, 2014. MTL entered into a TSA on June 10, 2015. The MTL project was awarded by the Ministry of Power on July 21, 2015 for a 35-year period from the scheduled commercial operation date of the MTL project, on a BOOM basis. We acquired 49% of MTL from the Sterlite Sponsor in February 2018. MTL constitutes a key component in enabling the southern region of India to draw more power from the rest of the grid and seeks to address the issue of power stability in the state of Telangana. This improved grid connectivity is expected to facilitate power procurement from the ISTS network to meet electricity demands in south India.



MTL operates two EHV overhead transmission lines with a total circuit length of approximately 477 ckms in the state of Telangana, comprising one 400kV D/C line of approximately 197 ckms from Maheshwaram to Mehboob Nagar in Telangana and one 400kV D/C line of approximately 279 ckms from Nizamabad to Yeddumailaram in Telangana. MTL also has four 400kV line bays. The Maheshwaram – Mehboob Nagar 400 kV D/C transmission line was commissioned on December 14, 2017, while the Nizamabad – Yeddumailaram 400 kV D/C transmission line was commissioned on October 14, 2017. The project was fully commissioned on December 14, 2017 at a total cost of ₹ 3,878 million. The net depreciated value of the asset as of December 31, 2020 is ₹ 3,494.04 million. Details of MTL's transmission lines and line bays are set forth as follows:

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

The average quarterly availability of MTL since commissioning is set forth in the following table, which is higher than the target availability of 98% under the MTL TSA. As a result, MTL earned annual incentive revenue of ₹ 14.1 million as of December 31, 2020.



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

As of March 31, 2020, the MTL TSA had a remaining term of over 32 years.

#### ***Patran Transmission Company Limited***

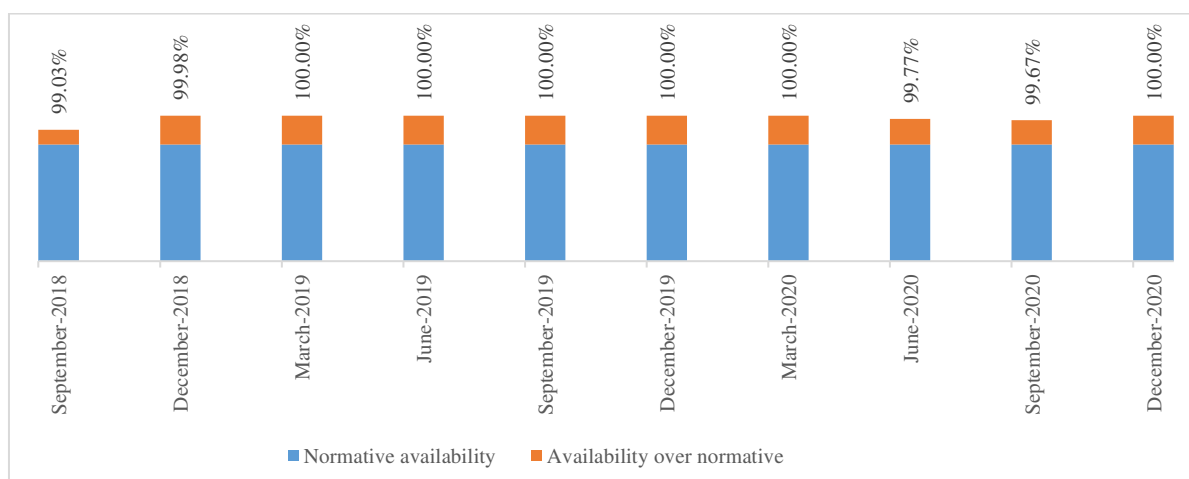


PTCL was incorporated on December 19, 2012. PTCL entered into a TSA on May 12, 2014. The PTCL project was awarded by the Ministry of Power to TEECL and TPGCL through a letter of intent dated September 8, 2013 for a 35-year period from the scheduled commercial operation date of the PTCL project, on a BOOM basis. In August, 2018, we completed the acquisition of 74% of the equity shares of PTCL from TEECL and TPGCL. As a result, we now own PTCL's one substation having 1,000 MVA of transformation capacity.

PTCL constitutes a key component in strengthening the power transmission system in the state of Punjab. PTCL operates one 400 kV D/C line from Patiala to Kaithal in Punjab and has a 1000 MVA, 400/220 kV substation at Patran and 14 kV line bays. The Patiala – Kaithal 400 kV D/C transmission line was commissioned in June 2016. The net depreciated value of the asset as of December 31, 2020 is ₹ 1,467.00 million. Details of PTCL's transmission lines are set forth as follows:

Transmission Line / Substations	Route Length (ckms)	Specifications	Commission Date	Expiry of term of the TSA	Contribution to Total Tariff
Patiala—Kaithal	-	400 kV D/C	November 12, 2016	November 12, 2051	-
Patran substation	-	2*500MVA, 400/220kV Substation at Patran with; i. 6 nos 400kV Bays ii. 8 nos 220kV Bays	November 12, 2016	November, 12 2051	100%

The average quarterly availability of PTCL since commissioning is set forth in the following table, which is higher than the target availability of 98% under the PTCL TSA. As a result, PTCL earned annual incentive revenue of ₹ 8.1 million as of December 31, 2020.



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

\*Certain data post September 2020 are based on estimates.

As of March 31, 2020, the PTCL TSA had a remaining term of over 31 years.

### NRSS XXIX Transmission Limited

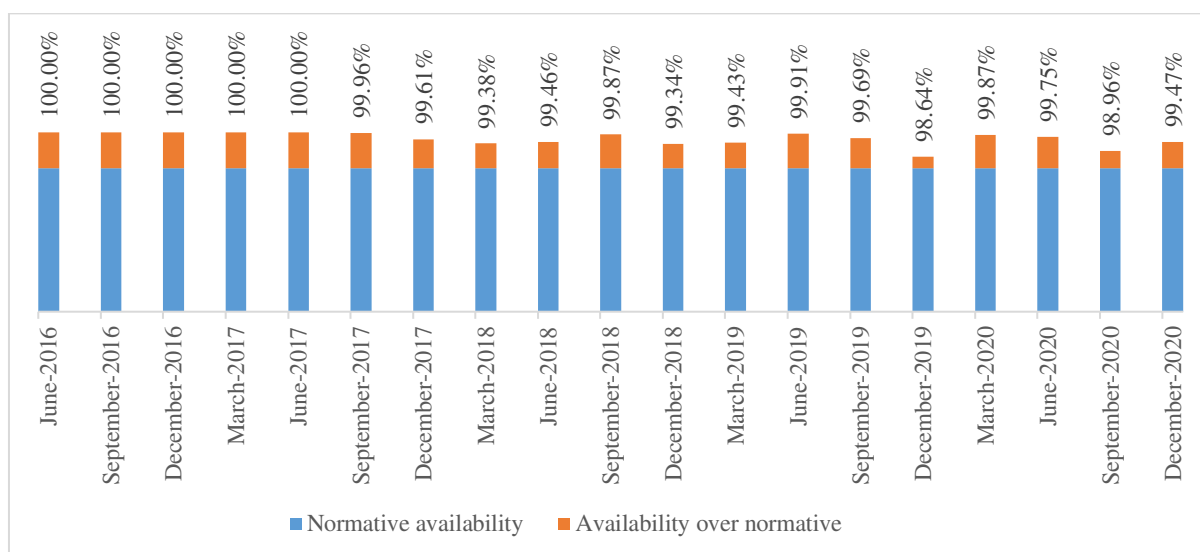


NTL was incorporated on July 29, 2013. NTL entered into a TSA on January 2, 2014. The NTL project was awarded by the Ministry of Power on May 23, 2014 for a 35-year period from the scheduled commercial operation date of the NTL project, on a BOOM basis. We acquired NTL from the Sterlite Sponsor in June, 2019.

The NTL project was expected to deliver over 2,000 MW of electricity from Punjab to the Kashmir Valley by strengthening the transmission system in the states of Jammu and Kashmir and Punjab. The Jalandhar-Samba 400 kV D/C transmission line was commissioned in June 2016 and the Uri-Wagoora transmission line was commissioned on September 2, 2018. The project was fully commissioned in September 2018 at a total cost of ₹ 28,082 million. The net depreciated value of the asset as of December 31, 2020 is ₹ 25,941.87 million. Details of NTL's transmission lines and substations are set forth as follows:

Transmission Line / Substation	Route Length (ckms)	Specifications	Commissioned Date	Expiry of TSA term	Contribution to Total Tariff
Jalandhar—Samba	270	400 kV D/C	June 24, 2016	June 2051	22.1%
Samba—Amargarh	547	400 kV D/C	September 2, 2018	September 2053	77.9%
Uri—Wagoora	14		September 2, 2018	September 2053	
Amargarh Substation	—	400/220 kV D/C GIS Substation with 735 MVA of transformation capacity	September 2, 2018	September 2053	

The average quarterly availability of NTL since commissioning is set forth in the table below:



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

\*Certain data post September 2020 are based on estimates.

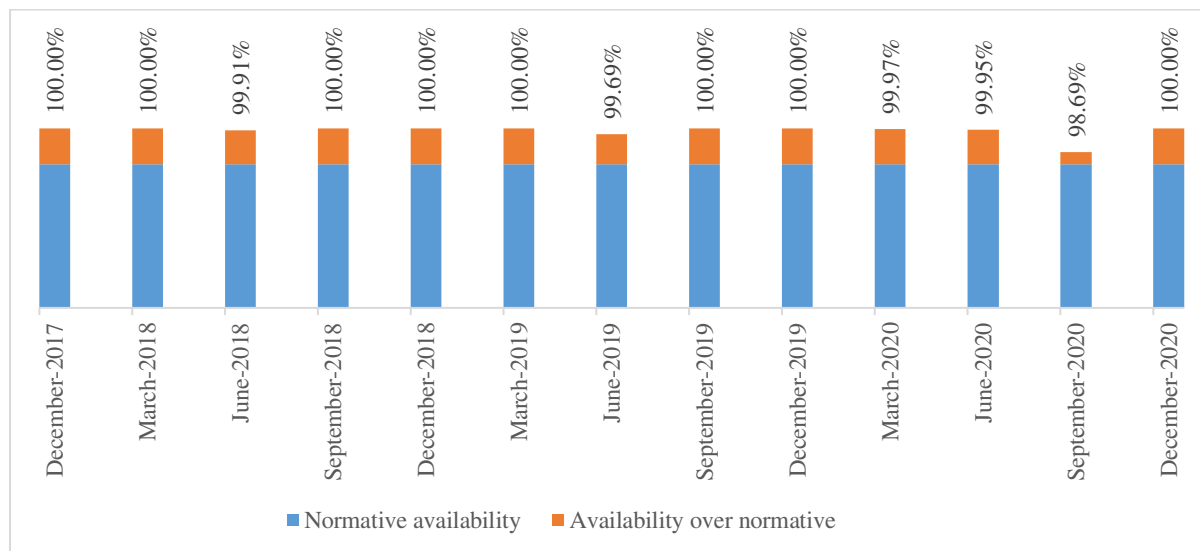
NTL earned annual incentive revenue of ₹ 108.3 million as of December 31, 2020. NTL filed a petition dated June 22, 2016 under Section 79(1)(f) read with Section 79(1)(c) of the Electricity Act against PGCIL (in its capacity as a Central Transmission Utility) and the lead long term customers before the CERC seeking payment of monthly transmission charges for the period starting from April 7, 2016 under the NTL TSA and an order dated July 15, 2015 issued by the Ministry of Power entitled “Policy for Incentivizing Early Commissioning of Transmission Projects” under which NTL is entitled to the payment of monthly transmission charges from the actual date of commercial operation, April 7, 2016, which is in advance of the scheduled commercial operation date of June 3, 2017. Pursuant to CERC’s order, NTL received tariffs for the stated period for the Jalandhar-Samba line, after which, NTL withdrew its petition. For further details, please see the section entitled “Legal Proceedings” on page 301.



OGPTL was incorporated on April 17, 2015. OGPTL entered into a TSA on November 20, 2015. The OGPTL project was awarded by the Ministry of Power on January 6, 2016 for a 35-year period from the scheduled commercial operation date of the OGPTL project, on a BOOM basis. We acquired OGPTL from the Sterlite Sponsor in July, 2019. The Jharsuguda-OPGC 400kV D/C transmission line was commissioned in August 2017 and Raipur- Jharsuguda line was commissioned in April, 2019. The net depreciated value of the asset as of December 31, 2020 is ₹11,693.19 million. Details of OGPTL's transmission lines are set forth as follows:

Transmission Line	Route Length (ckms)	Specifications	Commission Date	Expiry of TSA Term	Contribution to Total Tariff
Raipur – Jharsuguda	608	765kV D/C	April 6, 2019	April 2054	94%
Jharsuguda – OPGC	103	400 kV D/C	August 30, 2017	July 2052	6%

The average quarterly availability of OGPTL since commissioning is set forth in the table below:



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

OGPTL earned annual incentive revenue of ₹ 41.9 million in fiscal 2020.



ENICL was incorporated on February 1, 2007. ENICL entered into a TSA dated August 6, 2009 and a transmission services agreement dated January 28, 2013 with PGCIL. The ENICL project was awarded by the Ministry of Power on January 7, 2010 for a 25-year period from the date of issue of the license by CERC, on a BOOM basis. We acquired ENICL from the Sterlite Sponsor in May, 2020.

ENICL operates two EHV overhead transmission lines of approximately 909 ckms in the states of Assam, Bihar and West Bengal, comprising one 400 kV D/C line of approximately 443 ckms from Bongaigaon (Assam) to Siliguri (West Bengal) and one 400 kV D/C line of approximately 466 ckms from Purnia (Bihar) to Biharsharif (Bihar). The project was fully commissioned in November 2014 at a total cost of ₹11,760 million.

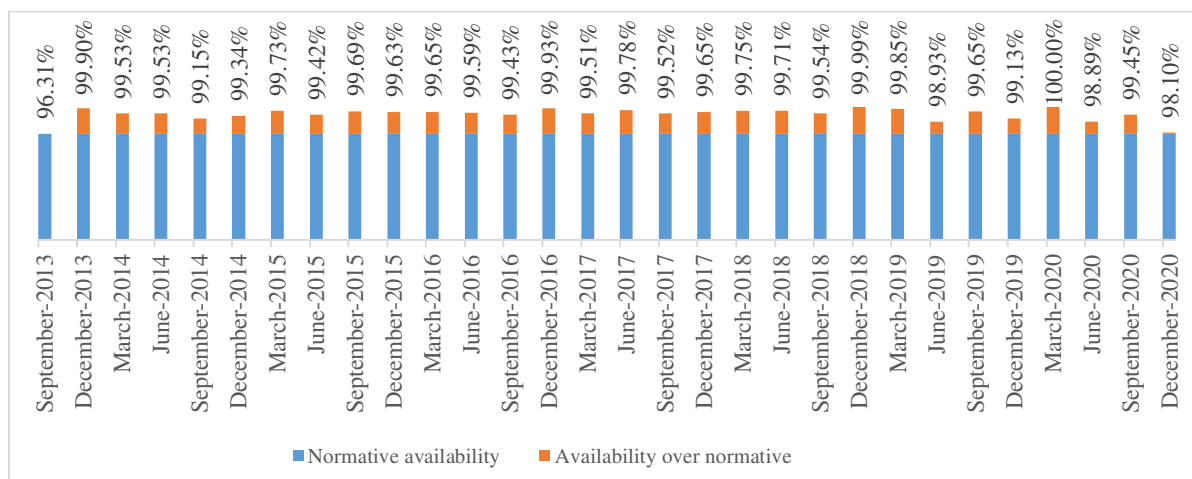
Details of ENICL's transmission lines are set forth as follows:

Transmission Line	Route Length (ckms)	Specifications	Commission Date	Contribution to Total Tariff
Bongaigaon-Siliguri	443	400 kV D/C	November 12, 2014	52%
Purnia-Biharsharif	466	400 kV D/C	September 16, 2013	48%

ENICL's transmission lines could not be commissioned on time due to force majeure events, including delay in receiving forest clearance, floods, strikes, riots and bandhs. The delay was acknowledged by CERC and the scheduled commercial operation date was revised accordingly. CERC, by its order dated August 24, 2016 held that ENICL was entitled to the payment of debt service for the period of force majeure in the form of an increase in non-escalable transmission charges in accordance with the ENICL TSA; however, such amount has not yet been fixed. Subsequently, ENICL filed a petition before the CERC praying for relief including approving the quantification of increase of 8.54% per annum in the non-escalable transmission charges and restoring ENICL to the same economic condition as prior to the occurrence of the change in law and force majeure events.

ENICL's 400 kV D/C line from Purnia to Biharsharif has been inoperable since August, 2018, when flooding damaged a transmission tower due to erosion of the river bank. ENICL has obtained deemed availability certificates to receive tariffs for this line from August, 2018 to October, 2018. The Sterlite Sponsor does not expect the line to resume operations before the end of June, 2019. The Sterlite Sponsor is in the process of submitting an insurance claim for restoration and repair costs. A similar incident happened in the past, when the line was inoperable from August 2016 to July 2017, on account of damage to a transmission tower due to flooding. ENICL obtained deemed availability certificates from August 2016 to July 2017. The net depreciated value of the asset as of December 31, 2020 is ₹ 9,110.57.

The average quarterly availability of ENICL since commissioning is set forth in the table below, which is higher than the target availability of 98% under the ENICL TSA. As a result, ENICL earned annual incentive fees of ₹ 17.5 million as of December 31, 2020.



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

### Gurgaon-Palwal Transmission Limited



GPTL was incorporated on October 26, 2015. GPTL entered into a TSA on March 4, 2016. The GPTL project was awarded by the Ministry of Power on March 17, 2016 for a 35-year period from the scheduled commercial operation date of the GPTL project, on a BOOM basis. We acquired 49% of GPTL (with 100% economic interest) from SGL4 in August, 2020. Details of GPTL's transmission lines, substations and line bays are set forth as follows:

Transmission Line / Substations	Route Length (ckms)	Specifications	Commission Date	Expiry of TSA Term	Contribution to Total Tariff
Aligarh - Prithala	99	400 kV D/C HTLS line	August 06, 2019	July 2054	17.5%
Prithala – Kadarapur	55	400 kV D/C HTLS line	December 7, 2019	July 2054	8.5%
Kadarapur-Sohna Road	22	400 kV D/C HTLS line	March 21, 2020	July 2054	1.3%
LILO of Gurgaon Manesar	2	400 kV D/C Quad line	March 13, 2020	July 2054	0.75%
Neemrana – Dhonanda	93	400 kV D/C HTLS line	February 25, 2019	July 2054	12.55%
Kadarapur substation	-	400/220 kV, 2 x 500 MVA	December 11, 2019	July 2054	19.3%
Sohna Road substation	-	400/220 kV, 2 x 500 MVA	April 13, 2020	July 2054	20%
Prithala substation	-	400/220 kV, 2 x 500 MVA	August 8, 2019 <sup>(1)</sup>	July 2054	19.3%
Dhonanda substation	-	Two 400 kV line bays	February 25, 2019	July 2054	0.8%

(1) Deemed commission date.

The net depreciated value of the asset as of December 31, 2020 is ₹ 10,133.84. Additionally, GPTL earned annual incentive revenue of ₹ 14.23 million as of December 31, 2020. The average quarterly availability of GPTL since commissioning is set forth in the table below:





\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

\*Certain data post September 2020 are based on estimates.

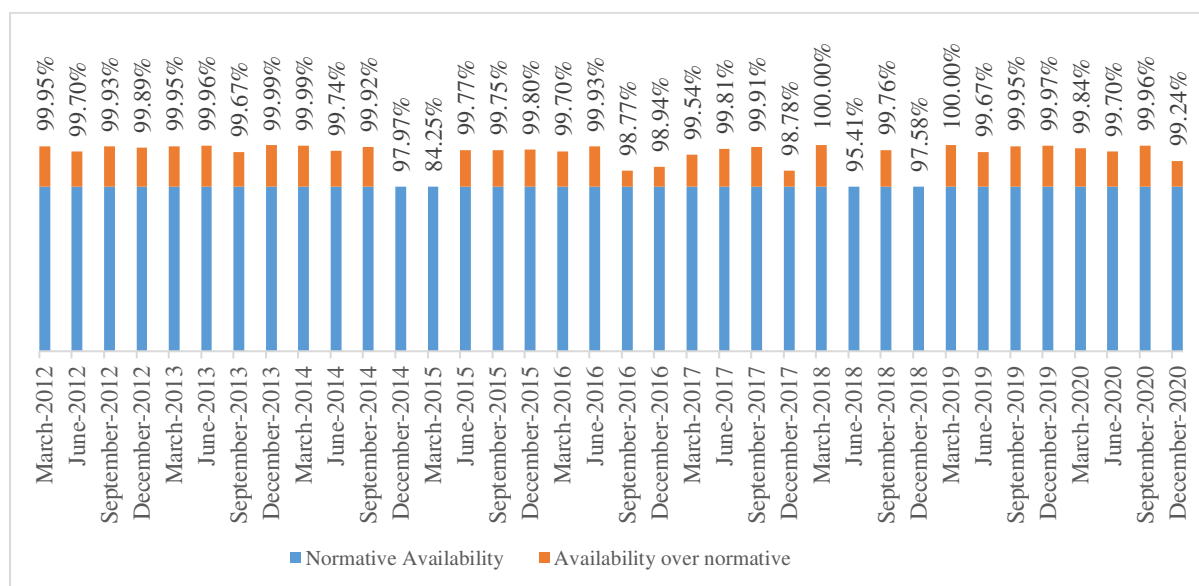
### ***Jhajjar KT Transco Private Limited***



JKTPL was incorporated on May 19, 2010. JKTPL entered into a TSA on May 28, 2020. Based on the competitive bidding process conducted by HVPNL), PTL and TEECL were awarded the JKPTL project through public private partnership on design, build, finance, operate and transfer basis with viability gap funding. Upon receiving the letter of award from HVPNL by way of the letter dated April 15, 2010, KPTL and TEECL incorporated JKTPL as a limited liability company. HVPNL has granted JKTPL the concession, including the exclusive right and authority to construct, operate and maintain the JKTPL project and to provide transmission services, for a period of 25 years with effect from November 9, 2010, being the appointed date, unless extended by HVPNL. The net depreciated value of the asset as of December 31, 2020 is nil. In October, 2020, we completed the acquisition of 100% of the equity shares of JKTPL from KPTL and TEECL. Details of the JKTPL's transmission lines are set forth as follows:

Transmission Line / Substation	Route Length (ckms)	Specifications	Commissioned Date	Expiry of TSA term
Jharli (Jhajjar) -Kabulpur (Rohtak)	70	400 kV	March 12, 2012	March 2037 (with an extension period of 10 years by HVPNL)
Kbulpur (Rohtak) -Dipalpur (Sonepat)	134	400 kV	March 12, 2012	
Dipalpur substation Abdullapur - Bawana line	0.7	400 kV S/C loop in loop out line at 400kV substation Dipalpur of 400 kV D/C line at from Abdullapur-Bawana	March 12, 2012	
Kabulpur (Rohtak) substation	-	400 kV/220 kV/ 132 kV	March 12, 2012	
Dipalpur (Sonepat) substation	-	400 kV/220 kV/ 132 kV	March 12, 2012	

The average quarterly availability of JKTPL since commissioning is set forth in the table below:



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

### Parbati Koldam Transmission Company Limited



PrKTCL was incorporated on September 2, 2002. PrKTCL has entered into various bulk power transmission agreements with beneficiaries such as (i) Punjab State Electricity Board on December 17, 2008, (ii) Ajmer Vidyut Vitran Nigam Limited on November 27, 2008, (iii) BSES Rajdhani Power Limited on November 24, 2008, (iv) BSES Yamuna Power Limited on November 24, 2008, (v) President of India through Secretary Engineering Department of Chandigarh, Administration having its office at U.T. Sectt., Deluxe Building, Sector 9-D, Chandigarh 160 009, on January 7, 2009, (vi) Haryana Power Purchase Centre on behalf of Uttar Haryana Vidyut Vitran Nigam Limited and Dakshin Haryana Vidyut Vitran Nigam Limited, on December 3, 2008, (vii) Himachal Pradesh State Electricity Board on January 20, 2009, (viii) Power Development Department, Government of Jammu and Kashmir on May 19, 2009, (ix) Jodhpur Vidyut Vitran Nigam Limited on December 11, 2008, (x) Jaipur Vidyut Vitran Nigam Limited on November 27, 2008, (xi) North Delhi Power Limited on January 5, 2009, (xii) Uttar Pradesh Power Corporation Limited on December 12, 2008, and (xiii) Uttarakhand Power Corporation Limited on April 2, 2009 and a TSA with PGCIL on December 24, 2013. PGCIL had incorporated PrKTCL as a special purpose vehicle to maintain the PrKTCL project on BOOM basis, i.e. to be maintained on a perpetual basis by the shareholders of the project. Similar to other assets in our portfolio, the transmission license was granted to PrKTCL for a period of 25 years on September 15, 2008. PrKTCL, under CERC (Terms and Conditions of Tariff) Regulations, 2019 is eligible to receive tariff for a period of 35 years from the date of commissioning of the project elements. In January, 2020, we completed the acquisition of 74 % of the equity shares of PrKTCL from Reliance Infrastructure Limited. Pursuant to the PrKTCL Share Purchase Agreement, we have also executed a deed of adherence dated January 8, 2021 for the balance shareholding in PrKTCL.

PrKTCL operates two transmission lines, subdivided into various revenue generating elements, with a total circuit length of has



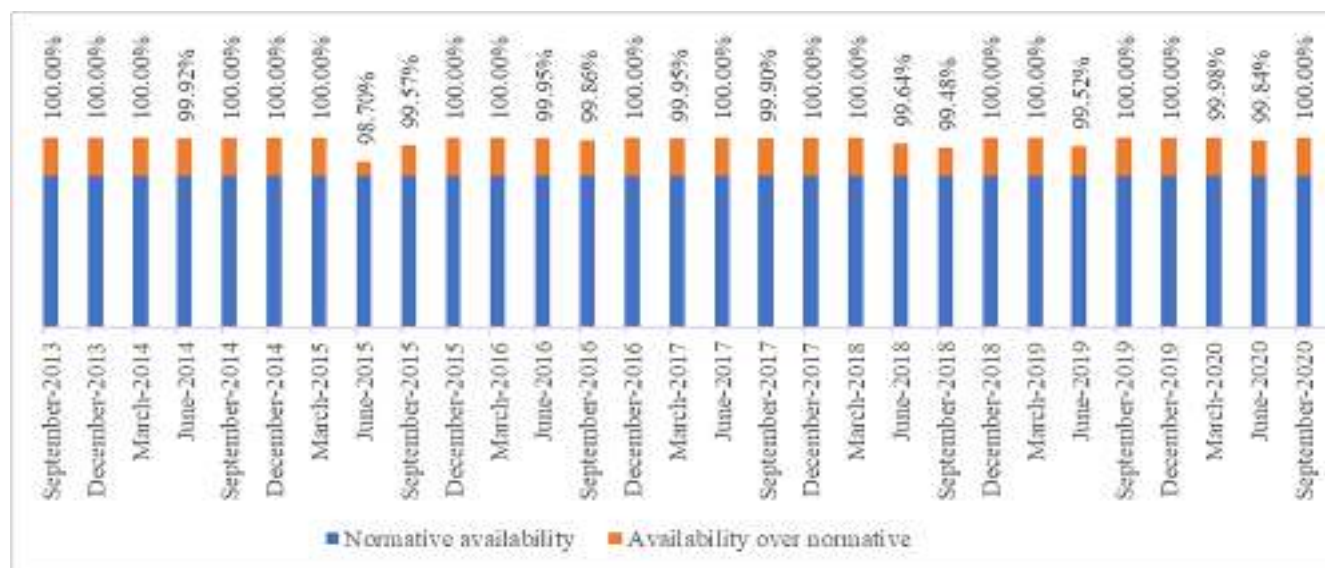
approximately 458 ckms of 400 kV transmission lines and substations, including, Koldam - Ludhiana line, with a length of 301 ckms, LILO of Parbati III HEP to LILO of Parbati Pooling Station line, with a length of 3.5 ckms, Banala to Nalagarh line, with a length of 66 ckms, Banala to Koldam line, with a length of 63 ckms, Parbati II to Banala line, with a length of 14 ckms, and Parbati II to Parbati III line, with a length of 10 ckms, as a part of the transmission system to evacuate power from the Parbati – II, Parbati – III and Koldam hydel power projects. The project was fully commissioned on November 3, 2015 at a total cost of approximately 9,400 million. Details of PrKTCL's transmission lines and line bays are set forth as follows:

Transmission Line / Substations	Route Length (ckms)	Specifications	Commission Date	Expiry of TSA Term
LILO point of Parbati III HEP to LILO point of Parbati Pooling Station	400 kV S/C, Quad Bundle Line, Section of CKt-II of Parbati-II to Koldam Transmission Scheme	3.5	August 01, 2013	35 years from COD i.e. FY 2049-50**, as per CERC (Terms and Condition of Tariff) Regulations, 2019
Banala – Nalagarh	400 kV S/C along with D/C Quad Bundle Line, Part of Ckt-I of Parbati-II – Koldam Transmission Scheme starting from LILO point of Banala Pooling Station to Tower 9C of Ckt-I of Koldam – Nalagarh TL	66	October 10, 2014	
Banala - Koldam	400 kV S/C alongwith D/C Quad Bundle Line, Part of Ckt-II of Parbati-II – Koldam Transmission Scheme starting from LILO point of Banala Pooling Station to Tower 9E of Ckt-I of Koldam – Nalagarh TL	63	October 04, 2014	
Parbati-II – Banala	400 kV S/C alongwith D/C Quad Bundle Line, Part of Ckt-I of Parbati-II – Koldam Transmission Scheme starting from Parbati-II HEP to LILO point of Banala Pooling Station	14	November 3, 2015*	
Parbati-II – Parbati-III	400 kV S/C alongwith D/C Quad Bundle Line, Part of Ckt-I of Parbati-II – Koldam Transmission Scheme starting from Parbati-II HEP to LILO point of Parbati-III HEP  (Post commissioning of Sainj HEP of HPPCL this section has been connected at Loc.#2 forming Parbati-II – Sainj and Sainj – Parbati-III Sections)	10	November 3, 2015*	
Koldam – Ludhiana	400 kV D/C, Triple Bundle Line.	301	Ckt-I: August 7, 2014  Ckt-II: August 14, 2014	

\* The transmission line elements have been claimed as commissioned with effect from June 1, 2015 as per the CERC Tariff Petition.

\*\*As per CERC (Terms and Condition of Tariff) Regulations, 2019, effective COD for the consolidated project has to be used for the purpose of tariff determination. Based on the true up of tariff for block periods FY 2014-19 and approved tariff for FY 2019-24, effective COD is likely to be in FY 2014-15.

The net depreciated value of the asset as of December 31, 2020 is ₹ 7010.70 million. PrKTCL earned transmission system availability revenue of ₹ 16.07 million for the nine-month period ended December 31, 2020. The average quarterly availability of PrKTCL since commissioning is set forth in the table below:



\*Quarterly data is calculated as an average of three months data, based on the monthly availability certificates.

## NER II Transmission Limited

NER was incorporated on April 21, 2015. NER entered into a TSA on December 27, 2016. The NER project was awarded by the Ministry of Power on February 22, 2017 for a 35-year period from the scheduled commercial operation date of the NER project, on a BOOM basis. A few lines of the project are under development and are expected to be fully commissioned and operational by March 2021. The NER project is located in the state of Tripura, Assam and Arunachal Pradesh. We believe that the (i) NER project would strengthen the interconnection between the states of Assam and Arunachal Pradesh and provide an additional source of power to Itanagar, and (ii) also provide a strong interconnection between the northern and southern part of the north east region.

The following table sets forth a summary description of NER:

Project	Location	Status	Description	Route Length (ckms)	Term of TSA
NER <sup>(1)</sup>	Arunachal Pradesh, Assam and Tripura	Fully Commissioned	Three 132kV D/C lines (AGTPP – P.K. Bari, BNC & LILO) two 400kV D/C transmission lines; two 400/132kV (2*315) MVA substations, One 400kV Bay extension at Palatana and Three (3) 132kV Bay extensions at Itanagar, NEEPCO & P.K. Bari	831	35 years

Details of NER's transmission lines, substations and line bays are set forth as follows:

Transmission line	Route length (ckms)	Specifications	Commission Date	Expiry of TSA term
Biswanath Chariyalli (Powergrid) – Itanagar Line	135.88	132kV/D/C	March 2021 <sup>(1)</sup>	November 2055
Lilo of one circuit of Biswanath Chariyalli (Powergrid) – Itanagar Line at Gohpur (AEGCL).	17	132kV/D/C	March 2021 <sup>(1)</sup>	November 2055
Silchar (Powergrid) – Misa (Powergrid) line	356	400kV D/C	February 2021 <sup>(2)</sup>	November 2055
400/132 kV, 2*315 MVA Single phase sub-station at Surajmaninagar	-	400/132 kV, 2X315 MVA	January 2021 <sup>(3)</sup>	November 2055
400/132 kV, 2*315 MVA sub-station at P.K. Bari	-	400/132 kV, 2X315 MVA	January 2021 <sup>(3)</sup>	November 2055
AGTPP (NEEPCO)–P.K. Bari (TSECL) Line	166.90	132kV/D/C	February 2021 <sup>(2)</sup>	November 2055
Surajmaninagar –P.K. Bari Line	154.68	400 kV D/C	January 2021 <sup>(3)</sup>	November 2055
Line bays at Itanagar for terminating the Biswanath Chariyalli (Powergrid) – Itanagar line	-	2X132 kV line bays	March 2021 <sup>(1)</sup>	November 2055
Line bays at NEEPCO (AGTPP) sub-station for	-	2X132 kV line bays	February 2021 <sup>(2)</sup>	November 2055

Transmission line	Route length (ckms)	Specifications	Commission Date	Expiry of TSA term
terminating the AGTPP (NEEPCO)– P.K. Bari (TSECL) line				
Line bays at PK Bari (TSECL) sub-station for terminating the AGTPP (NEEPCO) – P.K. Bari (TSECL) line	-	2X132 kV line bays	February 2021 <sup>(2)</sup>	November 2055
Line bays at Palatana GBPP switchyard for termination of Palatana- Surajmaninagar 400 kV D/C line	-	2X400 kV line bays	January 2021 <sup>(3)</sup>	November 2055
<b>Total</b>	<b>831</b>			

(4) Expected commission date.

(5) Scheduled commission date.

(6) Deemed commission date.

Pursuant to the Electricity Act, all transmission projects have to procure permits and clearances from various government departments in India, in order to be commissioned and receive tariffs. The status of the approvals and clearances for NER as of December 31, 2020 is set forth in the table below:

Project	SPV acquisition	Approval for overhead lines (S.68 of EA)	Transmission license (CERC)	Tariff orders (CERC)	Financial closure	Forest clearance	Wildlife clearance	Construction	Approval under S.164 of EA
NER <sup>(1)</sup>	Yes	Yes	Yes	Yes	Yes	In progress*	-	In progress	Yes

<sup>(1)</sup> the assets form part of the Framework Agreement, pursuant to which we have agreed to acquire these assets once they are commissioned and revenue generating. For further details, please see the section entitled “Related Party Transactions” on page 246.

\* Stage I forest approval has been obtained.

The construction status of NER is set forth in the following table:

Project	Foundations	Tower erection	Stringing
NER <sup>(1)</sup>	In progress	In progress	In progress

(1) The assets form part of the Framework Agreement, pursuant to which we have agreed to acquire these assets once they are commissioned and revenue generating. For further details, please see the section entitled “Related Party Transactions” on page 246.

Of the inter-state transmission assets developed by the Sterlite Sponsor, we acquired five power transmission projects in fiscal 2018, three power transmission projects in fiscal 2020 and one power transmission project in fiscal 2021, which are part of the Portfolio Assets. One transmission asset owned by the Sterlite Sponsor, currently forms a part of the Framework Agreement.

Additionally, Sterlite Sponsor has also won bids for transmission projects in Brazil.

The following map shows the locations of the Sterlite Sponsor’s operational and under-construction projects in India:



### **KTL**

KTL was incorporated on November 28, 2015. KTL entered into a TSA on March 14, 2016. The KTL project was awarded by the Ministry of Power on May 26, 2016 for a 35-year period from the scheduled commercial operation date of the KTL project, on a BOOM basis. A few lines of the project are under development and are expected to be fully commissioned and operational by June 2021. Additionally, the Original Framework Agreement was amended by the Amendment to the Framework Agreement on August 28, 2020, pursuant to which the scheduled commercial operation date for the KTL project is earlier of 24 months from the commercial operations date or December 31, 2022. Details of KTL's transmission lines and line bays are set forth as follows:

Transmission Line	Route Length (ckms)	Specifications	Commission Date	Expiry of TSA Term
LILO of Khandwa – Rajgarh line	14	400 kV D/C line	February 2018 <sup>(1)</sup>	July 2054
Khargone TPP Switchyard – Khandwa Pool	49	400 kV D/C line	March 2020 <sup>(1)</sup>	July 2054
Khandwa Pool - Indore	179	765 kV D/C line	March 2020 <sup>(1)</sup>	July 2054
Khandwa Pool - Dhule	378	765 kV D/C line	June 2021 <sup>(2)</sup>	July 2054

Transmission Line	Route Length (ckms)	Specifications	Commission Date	Expiry of TSA Term
Khandwa pooling station	-	3,000 MVA transformation capacity	March 2020 <sup>(1)</sup>	July 2054
2 Nos. of 765 kV line bays and 7x80 MVAR Switchable line reactors (1 Unit as spare) along with 800 $\Omega$ NGR and its auxiliaries for Khandwa Pool – Dhule 765 kV D/C at Dhule 765/400 kV substation	-	400/200 kV, 2X500 MVA	June 2021 <sup>(2)</sup>	July 2054

(1) Actual commission date.

(2) Expected commission date.

The following table sets forth a summary description of KTL:

Project	Location	Status	Description	Route Length (ckms)	Term of TSA
<b>KTL<sup>(1)</sup></b>	Madhya Pradesh and Maharashtra	Expected to be fully commissioned by June 2021	Two 400 kV D/C transmission lines, two 765 kV D/C transmission line, one 765/400 kV substation with 2 x 1,500 MVA transformation capacity at Khandwa and two 765 kV line bays and 7x80 MVAR Switchable line reactors (1 unit as spare) along 800 $\Omega$ NGR and its auxiliaries for Khandwa Pool-Dhule 765 kV D/C at 765/400 kV Dhule substation.	620	35 years

(1) The assets form part of the Framework Agreement, pursuant to which we have agreed to acquire these assets once they are commissioned and revenue generating. For further details, please see the section entitled “Related Party Transactions” on page 246.

Pursuant to the Electricity Act, all transmission projects have to procure permits and clearances from various government departments in India, in order to be commissioned and receive tariffs. The status of the approvals and clearances for KTL as of December 31, 2020 is set forth in the table below:

Project	SPV acquisition	Approval for overhead lines (S.68 of EA)	Transmission license (CERC)	Tariff orders (CERC)	Financial closure	Forest clearance	Wildlife clearance	Construction	Approval under S.164 of EA
<b>KTL<sup>(1)</sup></b>	Yes	Yes	Yes	Yes	Yes	In progress	-	In progress	Yes

(1) the assets form part of the Framework Agreement, pursuant to which we have agreed to acquire these assets once they are commissioned and revenue generating. For further details, please see the section entitled “Related Party Transactions” on page 246.

The construction status of KTL is set forth in the following table:

Project	Foundations	Tower erection	Stringing
<b>KTL<sup>(1)</sup></b>	In progress	In progress	In progress

(1) The assets form part of the Framework Agreement, pursuant to which we have agreed to acquire these assets once they are commissioned and revenue generating. For further details, please see the section entitled “Related Party Transactions” on page 246.

### **Tariff –KTL**

The tariff for KTL is contracted for the period of its TSA, which is up to 35 years from the scheduled commission date. The tariff rates are comprised of a fixed non-escalable charge, a variable escalable charge, and incentives for maintaining targeted availability. For further details, please see the section entitled “Industry Overview” on page 90.

The following tables reflect the contracted non-escalable and escalable tariffs for the non-commissioned KTL.

#### **Non-Escalable Tariff for Non-Commissioned Assets**

The following table reflects the contracted non-escalable tariffs for KTL, which has not been commissioned for the 35-year term of the applicable TSA.

NON-ESCALABLE TARIFF FOR NON-COMMISSIONED ASSETS (₹in million)	
Anniversary of Scheduled Commissioned Date	KTL Scheduled commission date
	July 2019
2018	N/A
2019	N/A
2020	1,860.82
2021	1,860.82
2022	1,817.10
2023	1,774.40
2024	1,732.70
2025	1,691.99
2026	1,652.23
2027	1,613.41
2028	1,575.50
2029	1,538.47
2030	1,502.32
2031	1,467.02
2032	1,432.55
2033	1,398.89
2034	1,366.02
2035	1,333.92
2036	1,321.18
2037	1,321.18
2038	1,321.18
2039	1,321.18
2040	1,321.18
2041	1,321.18
2042	1,321.18
2043	1,321.18
2044	1,321.18
2045	1,321.18
2046	1,321.18
2047	1,321.18
2048	1,321.18
2049	1,321.18
2050	1,321.18
2051	1,321.18
2052	1,321.18
2053	1,321.18
2054	1,321.18
2055	1,321.18
2056	TSA TERM EXPIRED
2057	
2058	

#### Escalable Tariff for Non-Commissioned Assets

The following tables reflect the initial contracted escalable tariffs for the non-commissioned assets for the 35-year term of the applicable TSA.

INITIAL ESCALABLE TARIFF FOR NON-COMMISSIONED ASSETS (₹in million)		EXPECTED COMMISSION DATE
KTL <sup>(1)</sup>	17.05	June 2021

(1) The assets form part of the Framework Agreement, pursuant to which we have agreed to acquire these assets once they are commissioned and revenue generating. For further details, please see the section entitled “Related Party Transactions” on page 246.

#### Summary of Key Agreements of the Portfolio Assets

The majority of our Portfolio Assets have entered into TSAs and RSAs the key terms of which are provided below.

#### TSA

The majority of our Portfolio Assets entered into TSAs with long-term transmission customers to set up projects on a BOOM basis and to provide transmission services on a long-term basis to such customers on the terms and conditions contained in the TSAs. The term of each TSA is 35 years from the scheduled commercial date of operation of the applicable project, (other than for ENICL and JKTPPL, which is for 25 years), unless terminated earlier in accordance with the terms of the TSA. The TSAs provide for, among other things, details and procedures for project execution, development and construction, operation and maintenance.

Pursuant to the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 (“**Sharing Regulations 2010**”), the majority of our Portfolio Assets also entered into TSAs with the CTU, to govern the provision of inter-state transmission services, specifically in relation to sharing of transmission charges and losses and disbursing the transmission charges collected by the CTU. The inter-state transmission service customers and inter-state transmission service licensees are required to abide by the detailed billing, collection and disbursement procedure of the CTU and with the terms of the TSA. The CTU raises bills and also collects and disburses in accordance with the detailed billing, collection and disbursement procedures of the CTU, as approved by CERC. Under the terms of the TSA, each inter-state transmission service customer has agreed to allow the CTU to enforce recovery of payment through a letter of credit on behalf of all the inter-state transmission service licensees in the event of default of payment. If payment by an inter-state transmission service customer against any invoice raised under the billing, collection and disbursement procedure, is outstanding beyond 30 days after the due date or in case the required letter of credit or any other agreed payment security mechanism is not maintained by the inter-state transmission service customer, the CTU is empowered to undertake regulation of power supply on behalf of all the inter-state transmission service licensees so as to recover charges under the provisions of the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 (the “**Power Supply Regulations**”). Additionally, the Sharing Regulations 2010 have been amended and replaced by the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, which have come into effect from November 1, 2020.

The TSA also provides for force majeure relief to the inter-state transmission service licensees and inter-state transmission service customers (the “**Affected Parties**”) affected by the occurrence of a force majeure event. The TSA defines a force majeure event as an event or circumstance, or a combination thereof, that wholly or partly prevents or unavoidably delays the Affected Party in the performance of its obligations under such TSAs, but only if and to the extent that such event or circumstance is not within the reasonable control, directly or indirectly of the Affected Party, and includes, among others, an act of God, act of war, radioactive contamination, industry-wide strikes and labour disturbances having a nationwide impact in India. To the extent not prevented by a force majeure event, the Affected Party must continue to perform its obligations under the TSA and must use its efforts to mitigate the effect of such event, as soon as practicable. The Affected Party will not be in breach of its obligations under the TSA, except to the extent that the performance of its obligations was prevented, hindered or delayed due to a force majeure event. Each inter-state transmission service customer or inter-state transmission service licensee is entitled to claim relief for a force majeure event affecting its performance in relation to its obligations under the TSA. Computation of availability under outage due to a force majeure event must be in accordance to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 as amended from time to time and any subsequent enactment thereof.

The TSA entered into with the CTU also defines change in law as being, among other events, (i) the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any law, including rules and regulations framed pursuant to such law, (ii) change in the interpretation or application of any law by the GoI having the legal power to interpret or apply such law, or any competent court of law, (iii) the imposition of a requirement for obtaining any consents, clearances and permits which were not required earlier or a change in the terms and conditions prescribed for obtaining such consents, clearances and permits or (iv) any change in tax or the introduction of any tax made applicable for transmission service by the inter-state transmission service licensees, as per the terms of the TSA. Any adjustment in the monthly transmission charges due to a change in law is to be determined and effective from such date, as decided by the CERC, subject to rights of appeal provided under applicable law. Further in case of ISTS awarded through the competitive bidding process under Section 63 of the Electricity Act, the reference date for determining the implications of change in law is seven days prior to the relevant bid due date for submission of a tariff bid.

## **RSA**

Pursuant to the Sharing Regulations 2010, the majority of our Portfolio Assets entered into RSAs with PGCIL. The transmission charges billed in accordance with the billing, collection and disbursement procedures set out in the TSAs with CTUs are disbursed to the inter-state transmission system licensees by the CTU, pursuant to and in accordance with the RSAs. The PoC charges for use of inter-state transmission services by the inter-state transmission services customers, and are billed and collected by the CTU on behalf of all inter-state transmission services licensees. The CTU must disburse the collected transmission charges to the respective inter-state transmission services licensees and owners of deemed inter-state transmission services whose transmission charges have been considered for the purpose of calculation of the PoC charges in accordance with the billing, collection and disbursement procedure set out in the TSAs with the CTU. Delayed payment or partial payment by

any inter-state transmission services customers results in a pro-rata reduction in the payouts to all the inter-state transmission services licensees and owners of deemed inter-state transmission services whose transmission charges have been considered for the purpose of calculation of PoC charges. The revenue sharing statements to be submitted to the CTU and the modality of disbursements by the CTU must be in accordance with the billing, collection and disbursement procedure. Each inter-state transmission licensee, under the applicable RSA, empowers the CTU to enforce recovery of payment from the inter-state transmission service customers through payment security mechanisms in the event of default or partial payment by the inter-state transmission service customer, in accordance with the billing, collection and disbursement procedure. Each inter-state transmission licensee has further agreed and empowered the CTU to invoke the provisions of the Power Supply Regulations in accordance with the detailed billing, collection and disbursement procedure.

## **Operation and Maintenance**

The operation and maintenance of the Portfolio Assets is the responsibility of the Project Manager, pursuant to its obligations under the Project Implementation and Management Agreement. The Project Manager is also subject to the oversight of the Power System Operation Corporation Limited and CERC, which are responsible for system operation and control, including inter-state and intra-state power management, inter-state and inter-regional transfer of power, covering contingency analysis and operational planning on a real-time basis as well as the operation of regional and state-level unscheduled interchange pool accounts and regional and state-level reactive energy accounts. Consequently, our operations and maintenance strategy focuses on deploying prudent grid management practices to achieve the following objectives:

- to achieve the targeted system availability specified in the TSAs;
- to optimize the life cycle cost of transmission lines by preventive actions;
- to maximize excellence in quality, health, safety, security and environment; and
- to optimize operation and maintenance costs.

The Project Manager deploys highly-skilled employees and engages third party operation and maintenance agencies to provide operational and maintenance support to the majority of our Portfolio Assets. The Project Manager develops and controls the operation and maintenance philosophy and strategy for the majority of our Portfolio Assets by selecting the right outsourcing partners, implementing sound technical solutions, developing activity charts and conducting scheduled maintenance. The Project Manager supports these assets to outsource specific maintenance, repair, supervision and security tasks by choosing capable vendors as well as finalizing optimum work orders.

The Project Manager develops and tracks preventive maintenance plans and provides all personnel required to help ensure safe and reliable transmission systems. By performing preventative and corrective maintenance on our transmission assets, the Project Manager strives to minimize the need for reactive maintenance, which may adversely impact reliability and tends to be more costly than preventative maintenance. Preventive and corrective maintenance includes activities such as inspections, monitoring, servicing, vegetation management, fault restoration, repairs and patrols following failures, including by using advanced technologies. The transmission lines and substations of the majority of our Portfolio Assets have consistently achieved more than 98% of target availability.

The Project Manager also emphasizes on-line techniques in order to minimize shutdown time for periodic maintenance checks and breakdown maintenance. Furthermore, to prepare for certain force majeure situations that cannot be predicted, the Project Manager partners with third party vendors to implement alternative transmission systems, such as emergency restoration systems, who in turn provide the skilled labor necessary to install and operate these emergency restoration systems. The Project Manager has a specialist team of engineers for the operation and maintenance of substations.

The Project Manager also provides shared services that are required to run the operations of the majority of our Portfolio Assets. The services include, accounting, administrative support and legal support.

## **Insurance**

Our Project Manager has obtained insurance policies covering majority of our Portfolio Assets to cover risks including loss or damage from fire, flood, landslide, storm, terrorism, sabotage, machinery breakdown and any accidental and physical loss and destruction or damage to the insured property due to a cause, other than as excluded in the insurance policies. These insurance policies are subject to exclusions for certain circumstances including, among others, faulty or defective design materials or workmanship, wear and tear, larceny, acts of fraud or dishonesty, any wilful act or wilful negligence on the part of the insured or any person acting on its behalf, war, invasion, damage caused by nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear fuel or nuclear waste, loss or damage caused directly or indirectly from discharge of pollutants or contaminants, and certain properties, including, among others, money, cheques, bonds, credit cards,



securities of any description and explosives. One of the policies covers all losses up to ₹2 billion without an aggregate cap and covers business interruption losses, including property damage. This insurance policy is valid from October 5, 2020 to October 4, 2021 and renewable on a yearly basis. The insurer is The New India Assurance Company Limited and the assets are insured in line with industry practice. Additionally, we also have certain insurance policies issued to JKTPL and PrKTCL, by various insurers, which are in line with industry practice.

## Human Resources

The details of the employees of the Investment Manager by function, as of December 31, 2020 are set forth in the table below:

Function	As of December 31, 2020	
	Number of employees	% of total
Chief executive officer and Chief Financial Officer office	3	14%
Mergers and Acquisitions	5	24%
Capital raise and Investor relations	5	24%
Asset management and regulatory	3	14%
Finance and compliance	5	24%
<b>Total</b>	<b>21</b>	

## Competition

According to the CRISIL Report, post 2011, competitive bidding for all interstate transmission lines were made mandatory which has led to rising competition among players intending to establish their presence in the sector. Players were competing to establish their presence and garner higher share in the market. Transmission business was perceived as a low risk business as annual levelized tariffs are independent of demand-supply dynamics and fluctuation in electricity tariffs. Further due to better payment security mechanism and assurance of payment from central and state transmission utilities, this business model has attracted many new players. String of acquisitions have squeezed the competition from the transmission segment. However, the entry of global capital majors like KKR and GIC into the segment ensues confidence and long-term prospects. For further details, please see the section entitled “*Industry Overview*” on page 90.

According to the CRISIL Report, our Project Manager is the leading player for the transmission projects commissioned or awarded through TBCB route, among the private developers, with a market share of 29% (in terms of project portfolio). We believe that by leveraging on the expertise and market standing of our Project Manager, we will have a competitive advantage over our competitors

## Health, Safety and Environment

We are subject to extensive health, safety and environmental laws, regulations and government-prescribed operating procedures and environmental technical guidelines which govern our services, processes and operations. In compliance with these requirements, we maintain a health, safety and environment (“HSE”) policy to address, among others, assessment of all occupational health related hazards and risks and ensure appropriate measures for elimination, reduction and control of these risks are in place. We are committed to ensuring the health and safety of their employees by providing and maintaining an accident-free and healthy workplace through implementation of HSE management systems in order to minimize health and safety hazards. Furthermore, the essential elements of our HSE program include, among others, (i) management commitment, (ii) policies and principles, (iii) integrated organization structure, (iv) risk management; (v) training and development, and (vi) performance evaluation through indicators.

We believe that the Portfolio Assets are each in compliance in all material respects with Indian legislation in relation to environment laws and regulations and employee health and safety.

## Properties

Pursuant to Section 164 of the Electricity Act, the Portfolio Assets have been granted rights of way across land that our transmission lines pass through.

We have leasehold rights for the land on which our substations for BDTCL are situated from the relevant state authorities for the duration of our transmission licenses. Additionally, we own parcels of land for BDTCL, JTCL, PTCL and MTL.

## Intellectual Property

IndiGrid has registered the “IndiGrid” logo as a trademark under various classes such as Class 7, Class 9, Class 11, Class 32, Class 36, Class 40 and Class 42.

## Key Performance Indicators for the India Grid Trust

### Non-GAAP Measures

Certain non-GAAP measures such as networth, EBITDA (earnings before interest, taxes, depreciation and amortization), EBIT(earnings before interest and taxes), Debt equity ratio, Current ratio, Interest coverage ratio and Debt service coverage ratio (together, “Non-GAAP Measures”), presented in this Draft Shelf Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, EBIT, EBITDA, Debt equity ratio Current ratio, Interest coverage ratio, and Debt service coverage ratio, are not standardised terms, hence a direct comparison of these Non-GAAP Measures between different organizations may not be possible. Other organizations may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, we believe that they are useful to an investor in evaluating us as they are widely used measures to evaluate an organization’s operating performance.

The summary of Non GAAP measures given below for “As at and for the nine months period ended December 31, 2020” has been derived from the Unaudited Interim Condensed Consolidated Financial Statements for nine months ending December 2020 and the summary of Non GAAP measures given below for “As at and for the year ended March 31, 2020, March 31, 2019 and March 31, 2018” has been derived from the Reformatted Ind AS Consolidated Financial Information.

The following tables set forth certain information relating to the financial performance and key performance indicators, on a consolidated basis, unless otherwise specified, of our business as carried out by us.

(All amounts in ₹ million unless stated otherwise)

Parameters	As at and for the nine months period ended December 31, 2020	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Networth (Note 1)	47,892.02	50,486.25	26,766.11	28,632.56
Total borrowings (Note 2)	87,405.59	63,878.04	26,118.65	23,962.08
Property, plant and equipment	1,15,445.58	1,08,163.16	49,827.62	50,264.53
Total non-current assets (Note 3)	1,18,652.54	1,08,555.36	50,023.44	50,427.53
Cash and cash equivalents	11,838.36	4,088.41	1,603.66	1,672.92
Investments	1,700.01	-	75.72	-
Current assets (Note 6)	19,945.75	9,364.83	3,438.82	3,359.41
Current liabilities (Note 6)	3,007.76	4,194.88	637.43	5,462.38
Revenue from contracts with customers	11,764.46	12,427.13	6,655.70	4,475.69
EBITDA (Note 4)	10,610.13	11,504.11	6,036.24	4,154.86
EBIT (Note 5)	7,277.88	8,859.95	3,770.06	2,997.45
Finance costs	4,805.86	4,153.38	2,295.83	1,012.57
Profit for the period / year	2,657.14	5,057.20	1,539.14	2,103.50
Distribution during the year/period	5,251.37	6,102.75	3,405.59	1,850.94
Current ratio (Note 6)	6.63	2.23	5.39	0.62
Interest coverage ratio (Note 7)	2.21	2.77	2.63	4.10
Debt service coverage ratio (Note 8)	1.99	2.60	2.09	3.21
Debt/Equity ratio (Note 9)	1.83	1.27	0.98	0.84
Debt/Equity ratio (Standalone) (Note 10)	1.10	0.77	0.60	0.34

Note: The amounts appearing in the column titled “As at and for the nine months period ended December 31, 2020”, represent the figures for the nine month period ended on that date whereas the amounts appearing in the columns titled “As at and for the year ended March 31, 2020”, “As at and for the year ended March 31, 2019” and “As at and for the year ended March 31, 2018” represent the annual figures for the years ending on March 31, 2020, March 31, 2019 and March 31, 2018 respectively. These amounts are not comparable to that extent.

**Note 1: Networth****Reconciliation of Unit holders' equity to Net worth**

The table below reconciles the Unit holders' equity as at the period / year end to the Networth. Networth is calculated as Unit capital as at the period / year end plus other equity as at the period / year end.

Particulars	(₹ million)			
	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>Unit holder's equity</b>				
Unit capital (A)	53,145.69	53,145.69	28,380.00	28,380.00
Other equity (B)	(5,253.67)	(2,659.44)	(1,613.89)	252.56
<b>Networth (A) + (B)</b>	<b>47,892.02</b>	<b>50,486.25</b>	<b>26,766.11</b>	<b>28,632.56</b>

**Note 2: Total borrowings**

Particulars	(₹ million)			
	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings (A)	86,787.60	62,637.00	25,902.00	19,112.50
Short term borrowings (secured) (B)	-	-	-	4,230.00
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Other Current Liabilities				
Current maturities of long term borrowings	617.99	1,241.04	216.65	619.58
<b>Sub-total (C)</b>	<b>617.99</b>	<b>1,241.04</b>	<b>216.65</b>	<b>619.58</b>
<b>Total borrowings (A) + (B) + (C)</b>	<b>87,405.59</b>	<b>63,878.04</b>	<b>26,118.65</b>	<b>23,962.08</b>

**Note 3: Non-current assets**

Particulars	(₹ million)			
	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>Non-current assets</b>				
Property, plant and equipment (A)	115,445.58	1,08,163.16	49,827.62	50,264.53
Capital work-in-progress (B)	23.58	-	-	-
Other financial assets (C)	2,826.85	9.86	3.57	12.79
Other assets (D)	356.53	382.34	192.25	150.21
<b>Total non -current assets (A) + (B) + (C) + (D)</b>	<b>1,18,652.54</b>	<b>1,08,555.36</b>	<b>50,023.44</b>	<b>50,427.53</b>

**Note 4: Reconciliation of Total comprehensive income for the Period/Year to EBITDA**

The table below reconciles the total comprehensive income for the period / year to EBITDA. EBITDA is calculated as total comprehensive income for the period / year, plus finance costs, total tax expenses /(credit), depreciation expense, Impairment / (reversal) of service concessions / property, plant and equipment, less income from investment in mutual funds, interest income on investment in fixed deposits and other finance income.

Particulars	(₹ million)			
	For the nine months period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Total comprehensive income for the period / year (A)</b>	<b>2,657.14</b>	<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>
Add: Finance costs (B)	4,805.86	4,153.38	2,295.83	1,012.57
Add: Total tax expenses (C)	26.76	(57.33)	6.36	(67.82)
Add: Depreciation expense (D)	3,100.59	3,101.12	1,809.22	1,157.41
Add: Impairment / (reversal) of service concessions / property, plant and equipment (E)	231.66	(456.96)	456.96	-
Less: Income from investment in mutual funds (F)	98.21	190.89	48.64	49.94
Less: Interest income on investment in fixed deposits (G)	103.62	102.09	22.63	0.86
Less: Other finance income (H)	10.05	0.32	-	-
<b>Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (I = A + B + C + D + E – F – G - H)</b>	<b>10,610.13</b>	<b>11,504.11</b>	<b>6,036.24</b>	<b>4,154.86</b>

Note: The amounts appearing in the column titled “For the nine months period ended December 31, 2020”, represent the figures for the nine month period ended on that date whereas the amounts appearing in the columns titled “For the year ended March 31, 2020”, “For the year ended March 31, 2019” and “For the year ended March 31, 2018” represent the annual figures for the years ending on March 31, 2020, March 31, 2019 and March 31, 2018 respectively. These amounts are not comparable to that extent.

**Note 5: Reconciliation of Total comprehensive income for the Period/Year to EBIT**

The table below reconciles the total comprehensive income for the period / year to EBIT. EBIT is calculated as total comprehensive income for the period / year plus finance costs, total tax expenses /(credit), less income from investment in mutual funds, interest income on investment in fixed deposits and other finance income.

Particulars	(₹ million)			
	For the nine months period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Total comprehensive income for the period / year (A)</b>	<b>2,657.14</b>	<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>
Add: Finance costs (B)	4,805.86	4,153.38	2,295.83	1,012.57
Add: Total tax expenses (C)	26.76	(57.33)	6.36	(67.82)
Less: Income from investment in mutual funds (D)	98.21	190.89	48.64	49.94
Less: Interest income on investment in fixed deposits (E)	103.62	102.09	22.63	0.86
Less: Other finance income (F)	10.05	0.32	-	-
<b>Earnings before interest and tax expenses (EBIT) (G = A + B + C - D - E – F)</b>	<b>7,277.88</b>	<b>8,859.95</b>	<b>3,770.06</b>	<b>2,997.45</b>

Note: The amounts appearing in the column titled “For the nine months period ended December 31, 2020”, represent the figures for the nine month period ended on that date whereas the amounts appearing in the columns titled “For the year ended March 31, 2020”, “For the year ended March 31, 2019” and “For the year ended March 31, 2018” represent the annual figures for the years ending on March 31, 2020, March 31, 2019 and March 31, 2018 respectively. These amounts are not comparable to that extent.

**Note 6: Reconciliation of Total current assets and Total current liabilities to Current ratio**

The table below reconciles the total current assets as at the period / year end and total current liabilities as at the period / year end to Current ratio. Current ratio is calculated as total current assets as at period / year end divided by total current liabilities as at the period / year end.

Particulars	₹ million			
	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>Current assets</b>				
Investments	1,700.01	-	75.72	-
Trade receivables	3,213.11	2,458.33	1,140.61	1,061.89
Cash and cash equivalents	11,838.36	4,088.41	1,603.66	1,672.92
Bank balances other than cash and cash equivalents above	1,389.77	1,299.74	19.66	10.50
Other current financial assets	1,524.48	1,282.63	553.26	498.85
Other current assets	280.02	235.72	45.91	115.25
<b>Total current assets (A)</b>	<b>19,945.75</b>	<b>9,364.83</b>	<b>3,438.82</b>	<b>3,359.41</b>
<b>Current liabilities</b>				
Borrowings	-	-	-	4,230.00
Trade payables	186.68	332.91	161.96	130.17
Other financial liabilities	2,526.03	3,617.60	462.98	1,088.51
Provisions	1.91	-	-	-
Other current liabilities	292.82	240.27	12.42	13.70
Current tax liability	0.32	4.10	0.07	-
<b>Total current liabilities (B)</b>	<b>3,007.76</b>	<b>4,194.88</b>	<b>637.43</b>	<b>5,462.38</b>
<b>Current Ratio (C = A/B)</b>	<b>6.63</b>	<b>2.23</b>	<b>5.39</b>	<b>0.62</b>

**Note 7: Reconciliation of Total comprehensive income for the period / year to Interest coverage ratio**

The table below reconciles the total comprehensive income for the period / year to Interest coverage ratio. Interest coverage ratio is calculated as EBITDA for the period / year end divided by finance cost for the period / year end. EBITDA is calculated as total comprehensive income for the period / year, plus finance costs, total tax expenses /(credit), depreciation expense, Impairment / (reversal) of service concessions / property, plant and equipment, less income from investment in mutual funds, interest income on investment in fixed deposits and other finance income.

Particulars	₹ million			
	For the nine months period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Total comprehensive income for the period / year (A)</b>	<b>2,657.14</b>	<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>
Add: Finance costs (B)	4,805.86	4,153.38	2,295.83	1,012.57
Add: Total tax expenses /(credit) (C)	26.76	(57.33)	6.36	(67.82)
Add: Depreciation expense (D)	3,100.59	3,101.12	1,809.22	1,157.41
Add: Impairment / (reversal) of service concessions / property, plant and equipment (E)	231.66	(456.96)	456.96	-
Less: Income from investment in mutual funds (F)	98.21	190.89	48.64	49.94
Less: Interest income on investment in fixed deposits (G)	103.62	102.09	22.63	0.86
Less: Other finance income (H)	10.05	0.32	-	-
EBITDA (I = A + B + C + D + E – F – G – H)	10,610.13	11,504.11	6,036.24	4,154.86
<b>Interest coverage ratio (J = I/B)</b>	<b>2.21</b>	<b>2.77</b>	<b>2.63</b>	<b>4.10</b>

Note: The amounts appearing in the column titled “For the nine months period ended December 31, 2020”, represent the figures for the nine month period ended on that date whereas the amounts appearing in the columns titled “For the year ended March 31, 2020”, “For the year ended March 31, 2019” and “For the year ended March 31, 2018” represent the annual figures for the years ending on March 31, 2020, March 31, 2019 and March 31, 2018 respectively. These amounts are not comparable to that extent.

**Note 8: Reconciliation of Total comprehensive income for the period / year to Debt service coverage ratio**

The table below reconciles the total comprehensive income for the period / year to Debt service coverage ratio. Debt service coverage ratio is calculated as EBITDA for the period / year end divided by finance cost for the period / year end and repayment of borrowings for the period / year end. EBITDA is calculated as total comprehensive income for the period / year, plus finance costs, total tax expenses /(credit), depreciation expense, Impairment / (reversal) of service concessions / property, plant and equipment, less income from investment in mutual funds, interest income on investment in fixed deposits and other finance income.

Particulars	₹ million			
	For the nine months period ended December 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Total comprehensive income for the period / year (A)</b>	<b>2,657.14</b>	<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>
Add: Finance costs (B)	4,805.86	4,153.38	2,295.83	1,012.57
Add: Total tax expenses (C)	26.76	(57.33)	6.36	(67.82)
Add: Depreciation expense (D)	3,100.59	3,101.12	1,809.22	1,157.41
Add: Impairment / (reversal) of service concessions / property, plant and equipment (E)	231.66	(456.96)	456.96	-
Less: Income from investment in mutual funds (F)	98.21	190.89	48.64	49.94
Less: Interest income on investment in fixed deposits (G)	103.62	102.09	22.63	0.86
Less: Other finance income (H)	10.05	0.32	-	-
EBITDA (I = A + B + C + D + E – F – G – H)	10,610.13	11,504.11	6,036.24	4,154.86
Repayment of Borrowings (J)	518.80	273.91	590.0	283.0
<b>Debt service coverage ratio (K = I/ (J + B))</b>	<b>1.99</b>	<b>2.60</b>	<b>2.09</b>	<b>3.21</b>

Note: The amounts appearing in the column titled “For the nine months period ended December 31, 2020”, represent the figures for the nine month period ended on that date whereas the amounts appearing in the columns titled “For the year ended March 31, 2020”, “For the year ended March 31, 2019” and “For the year ended March 31, 2018” represent the annual figures for the years ending on March 31, 2020, March 31, 2019 and March 31, 2018 respectively. These amounts are not comparable to that extent.

**Note 9: Reconciliation of Total Unit holder's equity and Total borrowings to Debt/Equity ratio – Consolidated basis**

The table below reconciles the total Unit holder's equity as at the period / year end and total borrowings as at the period / year end to the Debt/equity ratio. Debt/Equity ratio is calculated as total borrowings as at period / year end divided by total Unit holder's equity as at the period / year end.

Particulars	(₹ million)			
	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>Unit holder's equity</b>				
Unit capital (A)	53,145.69	53,145.69	28,380.00	28,380.00
Other equity				
Retained earnings /(accumulated deficit) (B)	(5,253.67)	(2,659.44)	(1,613.89)	252.56
<b>Total Unit holder's equity (C) = (A+B)</b>	<b>47,892.02</b>	<b>50,486.25</b>	<b>26,766.11</b>	<b>28,632.56</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings (D)	86,787.60	62,637.00	25,902.00	19,112.50
<b>Short term borrowings (secured) (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,230.00</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Other Current Liabilities				
Current maturities of long term borrowings	617.99	1,241.04	216.65	619.58
<b>Sub-total (F)</b>	<b>617.99</b>	<b>1,241.04</b>	<b>216.65</b>	<b>619.58</b>
<b>Total borrowings (G) = (D+E+F)</b>	<b>87,405.59</b>	<b>63,878.04</b>	<b>26,118.65</b>	<b>23,962.08</b>
<b>Debt/Equity ratio (H)= (G/C)</b>	<b>1.83</b>	<b>1.27</b>	<b>0.98</b>	<b>0.84</b>

**Note 10: Reconciliation of Total Unit holder's equity and Total borrowings to Debt/Equity ratio – Standalone basis**

The table below reconciles the total Unit holder's equity as at the period / year end and total borrowings as at the period / year end to the Debt/equity ratio. Debt/Equity ratio is calculated as total borrowings as at period / year end divided by total Unit holder's equity as at the period / year end.

Particulars	(₹ million)			
	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>Unit holder's equity</b>				
Unit capital (A)	53,145.69	53,145.69	28,380.00	28,380.00
Other equity				
Retained earnings / (accumulated deficit) (B)	568.70	(1,713.72)	(519.17)	774.00
<b>Total Unit holder's equity (C) = (A+B)</b>	<b>53,714.39</b>	<b>51,431.97</b>	<b>27,860.83</b>	<b>29,154.00</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	59,306.58	39,482.21	16,795.46	9,941.47
<b>Total borrowings (D)</b>	<b>59,306.58</b>	<b>39,482.21</b>	<b>16,795.46</b>	<b>9,941.47</b>
<b>Debt/Equity ratio (E) = (D/C)</b>	<b>1.10</b>	<b>0.77</b>	<b>0.60</b>	<b>0.34</b>

**Reconciliation of Total Comprehensive Income for the Year to EBITDA**

The table below reconciles the total comprehensive income /(loss) for the year to EBITDA. EBITDA is calculated as total comprehensive income/ (loss) for the year, plus finance costs, total tax expenses, depreciation expense, less finance income.

Particulars	(₹ million)		
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Total comprehensive income/ (loss) for the year (A)</b>	<b>(10.58)</b>	<b>(0.16)</b>	<b>0.53</b>
Add: Finance costs (B)	15.28	9.17	9.80
Add: Total tax expense (C)	(4.04)	(2.14)	(2.73)
Add: Depreciation expense (D)	3.27	0.00*	-
Less: Finance income (E)	(5.32)	(5.94)	(3.92)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA) F = (A + B + C + D - E)</b>	<b>(1.39)</b>	<b>0.93</b>	<b>3.68</b>

\* Amounts less than ₹ 0.01 million.



## OVERVIEW OF INDIGRID

*The following overview is qualified in its entirety by, and is subject to, the more detailed information contained in, or referred to elsewhere, in this Draft Shelf Prospectus. Statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results of IndiGrid to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction of the accuracy of the underlying assumptions by IndiGrid, the Parties to IndiGrid or the Lead Manager or any other person or that these results will be achieved or are likely to be achieved. Investment in NCDs involves risks. Bidders are advised not to rely solely on this overview and should read this Draft Shelf Prospectus in its entirety and, in particular, the section entitled “Risk Factors” on page 18.*

### Structure and description of IndiGrid

The Sterlite Sponsor settled IndiGrid on October 21, 2016, as an irrevocable trust, pursuant to the Original Trust Deed, under the provisions of the Indian Trusts Act, 1882. IndiGrid was registered with SEBI on November 28, 2016 as an infrastructure investment trust under Regulation 3(1) of the InvIT Regulations having registration number IN/InvIT/16-17/0005. The Sterlite Sponsor settled IndiGrid for an initial sum of ₹ 10,000.

For details of the registered office and contact person of the Sterlite Sponsor, please see the section entitled “General Information” on page 61.

Further, IIML has been appointed as the Investment Manager, and SPTL has been appointed as the Project Manager to IndiGrid for all Portfolio Assets (other than JKTPL and PrKTCL). IGL is the Project Manager for JKTPL and PrKTCL. For further details, please see the section entitled “Parties to IndiGrid” and “Description of Portfolio Assets – IndiGrid Limited” on pages 190 and 185.

### Investment Objectives

In terms of the Amended and Restated Trust Deed, the investment objectives and strategy of IndiGrid is to make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations, in such special purpose vehicles or holding entities, infrastructure projects, schemes, arrangements or securities in India as permitted under the InvIT Regulations, charter documents of respective undertaking and other applicable laws. Further, the investment objectives and strategy of IndiGrid includes investment in power transmission and renewable energy generated through hydel, solar, wind, biomass, geothermal, tidal, wave and other renewable natural resources.

Any investment by IndiGrid shall only be in infrastructure special purpose vehicles or infrastructure projects or securities of Indian companies in accordance with the provisions of the InvIT Regulations and the investment strategy as detailed in the section entitled “Our Business” on page 134. Investments by IndiGrid shall be in compliance with the provisions of the InvIT Regulations.

As on the date of this Draft Shelf Prospectus, IndiGrid is not permitted to undertake any activity which is prohibited under the InvIT Regulations.

Subject to the restrictions prescribed under, and requirements of, applicable law, IndiGrid may not carry on any other principal activity.

### Fee and expenses

#### *Annual Expenses*

The expenses in relation to IndiGrid, other than such expenses incurred in relation to operations of Portfolio Assets, broadly include fee payable to: (i) the Trustee; (ii) the Investment Manager; (iii) the Project Manager; (iv) the Auditor; (v) the Valuer; and (iv) other intermediaries, advisors and consultants.

Further, in relation to the fees payable to the Trustee, Investment Manager and Project Manager, please see below.

#### *Fee to the Trustee*

The Trustee is entitled to an annual fee of ₹ 2.00 million and any out of pocket expenses, exclusive of any taxes. The annual fee is subject to revision every two years from the date of the Amended and Restated Trust Deed, subject to a cap of 10%. The consolidated Trustee fee for the Fiscal 2020 amounted to ₹ 2.36 million.

### ***Fee to the Investment Manager***

The Investment Manager is entitled to a fee aggregating to 1.75% of the difference between revenue from operations and operating expenses (other than the fee of the Investment Manager) of each Portfolio Asset, per annum. For this purpose, the operating expenses do not include depreciation, finance cost and income tax expense. This fee is exclusive of all taxes. For each Financial Year, such fee shall be payable every three months, based on actuals, within a period of 15 days from the date of declaration of financial results by IndiGrid (being the period ended March 31, June 30, September 30 and December 31, respectively, of each financial year). The consolidated Investment Manager fees for Fiscal 2020 amounted to ₹ 238.79 million.

### ***Fee to the Project Manager***

The Project Manager for all Portfolio Assets (other than JKTPL and PrKTCL) is entitled to a fee amounting to 10% of the gross expenditure incurred by each Portfolio Asset (other than JKTPL and PrKTCL) in relation to operation and maintenance costs, per annum. IndiGrid, or any or all of the Portfolio Assets, as the case may be, shall bear any service tax and other applicable taxes payable on the fee and any other payments made to the Project Manager in terms of the Project Implementation and Management Agreement, provided that the Project Manager shall be liable to pay income tax on such fee and payments. For each Financial Year, the fee shall be payable every six months, based on actuals, within a period of 15 days from the date of declaration of financial results by IndiGrid (being the periods ending March 30 and September 30, respectively, of each financial year). The consolidated Project Manager fees for Fiscal 2020 amounted to ₹ 63.66 million. IGL, as the Project Manager for JKTPL and PrKTCL is entitled to a fee as specified in the IGL O&M Contract and the IGL Work Order, respectively. For further details, please see the section entitled “*Parties to IndiGrid – Project Manager – IndiGrid Limited*” on page 218.

### ***Issue Expenses***

For details in relation to the issue expenses for this Issue, please see the section entitled “*Objects of the Issue*” on page 79.

### ***Details of credit ratings***

IndiGrid has been assigned the ‘CRISIL AAA/Stable’ for the ₹ 5,000 million non-convertible debentures on July 1, 2019 and ‘CRISIL PP-MLD AAAR/Stable’ for the ₹ 2,000 million long term principal protected marked linked debentures on July 3, 2019. IndiGrid has been assigned ‘CRISIL AAA/Stable’ for the ₹ 14,000 million non-convertible debentures on May 29, 2019. IndiGrid has been assigned ‘CRISIL PP-MLD AAAR/Stable’ for the ₹ 1,750 million long term principal protected marked linked debentures on January 22, 2020 and March 12, 2020. Further, IndiGrid has been assigned ‘CRISIL AAA/Stable’ for the ₹ 3,500 million non-convertible debentures on June 4, 2020, while reaffirming its long-term rating ‘CRISIL AAA/Stable’ for the ₹ 1,150 million bank facilities June 4, 2020. IndiGrid has been assigned ‘CRISIL AAA/Stable’ for the ₹ 3,500 million non-convertible debentures on June 4, 2020, ‘CRISIL AAA/Stable’ for the ₹ 5,000 million non-convertible debentures on June 18, 2020, (and re-affirmed on August 28, 2020) and ‘CRISIL AAA/Stable’ for the ₹ 2,500 million non-convertible debentures on November 6, 2020.

Further, IndiGrid has been assigned a short-term rating of [ICRA]A1+ for its commercial paper programme by ICRA. India Ratings & Research Private Limited has assigned ‘IND AAA/Stable’ for the bank loan availed by IndiGrid, IND A1+ for the commercial papers of IndiGrid and has affirmed ‘IND AAA/Stable’ rating for each of the market-linked debentures, long-term senior debt, non-convertible debentures and bank loan of IndiGrid.

IndiGrid has been assigned Corporate Credit Rating ‘CCR AAA/Stable’ on May 29, 2019, while reaffirming its Corporate Credit Rating as ‘CCR AAA/Stable’ by CRISIL on April 16, 2020, assigned ‘Provisional IND AAA/Stable’ to market linked debentures and reaffirmed ‘IND AAA/Stable’ for non-convertible debentures and bank loan by India Ratings on April 3, 2020 and reaffirmed ‘ICRA AAA (Stable)’ by ICRA on April 27, 2020, the rationale for which will be available on their respective websites. IndiGrid has also been assigned a long-term rating of ‘[ICRA]AAA’ by ICRA on March 16, 2021 for the non-convertible debentures issued in March 2021.

## DESCRIPTION OF PORTFOLIO ASSETS

### Details of Portfolio Assets

IndiGrid's assets comprise (i) BDTCL, JTCL, MTL, RTCL and PKTCL, which are held by IGL and PTCL, which is held by IndiGrid; (ii) ENICL, which was acquired from the Sterlite Sponsor; (iii) GPTL, which was acquired from SGL4; (iv) JKTPL, which was acquired from Kalpataru Power Transmission Limited and Techno Electric and Engineering Company Limited; (v) NTL and OGPTL, which are held by IGL1 and IGL2, respectively; (vi) PrKTCL which was acquired from Reliance Infrastructure Limited. Further, IndiGrid has acquired 49% of the issued, subscribed and paid-up equity share capital of NER and is in the process of acquiring 100% of the issued, subscribed and paid-up equity share capital of NER, either directly or indirectly from the Sterlite Sponsor in terms of the NER Share Purchase Agreement. The details of the Portfolio Assets are provided below:

#### 1. **IndiGrid Limited (formerly, Sterlite Grid 1 Limited)**

IGL was incorporated on March 30, 2010 under the Companies Act, 1956. The name of Sterlite Grid 1 Limited was changed to IndiGrid Limited and a new certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Pune on June 22, 2020. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400 098.

##### *Capital structure of IGL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020	Number of preference shares of ₹ 10 each as on December 31, 2020
Authorised capital	17,673,250	27,066,750
Issued, subscribed and paid-up capital	17,673,250	27,062,475

Pursuant to the Securities Purchase Agreement, IndiGrid holds 100% of the issued, subscribed and paid-up share capital of IGL as on the date of this Draft Shelf Prospectus.

#### 2. **Bhopal Dhule Transmission Company Limited**

BDTCL was incorporated on September 8, 2009 under the Companies Act, 1956 as a special purpose vehicle. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### *Capital structure of BDTCL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	2,000,000
Issued, subscribed and paid-up capital	600,000*

*\*51% of the equity shares of BDTCL have been pledged by IGL in favour of lenders of BDTCL and shall continue to be pledged in favour of SBICAP Trustee Limited and in relation to the NCDs issued and ECBs availed by BDTCL.*

Pursuant to the Securities Purchase Agreement, IndiGrid indirectly holds 100% of the issued, subscribed and paid-up share capital of BDTCL as on the date of this Draft Shelf Prospectus.

#### 3. **Jabalpur Transmission Company Limited**

JTCL was incorporated on September 8, 2009 under the Companies Act, 1956 as a special purpose vehicle. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### *Capital structure of JTCL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	2,000,000
Issued, subscribed and paid-up capital	550,000*

*\*76% of the equity shares of JTCL have been pledged by IGL in favour of lenders of IndiGrid.*

Pursuant to the Securities Purchase Agreement, IndiGrid indirectly holds 100% of the issued, subscribed and paid-up

share capital of JTCL as on the date of this Draft Shelf Prospectus.

#### 4. ***Maheshwaram Transmission Limited***

MTL was incorporated on August 14, 2014 under the Companies Act, 2013. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### *Capital structure of MTL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	1,000,000
Issued, subscribed and paid-up capital	470,000*

\* 51% of the equity shares of MTL have been pledged by IGL2 in favour of lenders of IndiGrid.

Pursuant to the MTL Share Purchase Agreement, IndiGrid indirectly holds 100% of the issued, subscribed and paid-up share capital of MTL as on the date of this Draft Shelf Prospectus.

#### 5. ***RAPP Transmission Company Limited***

RTCL was incorporated on December 20, 2012 under the Companies Act, 1956. Its registered office is F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### *Capital structure of RTCL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	5,000,000
Issued, subscribed and paid-up capital	4,771,110*

\* 51% of the equity shares of RTCL have been pledged by IGL in favour of lenders of IndiGrid and 26% of the equity shares of RTCL have been pledged by IGL1 in favour of the lenders of IndiGrid.

Pursuant to the RTCL Share Purchase Agreement, IndiGrid indirectly holds 100% of the issued, subscribed and paid-up share capital of RTCL as on the date of this Draft Shelf Prospectus.

#### 6. ***Purulia & Kharagpur Transmission Company Limited***

PKTCL was incorporated on December 15, 2012 under the Companies Act, 1956. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### *Capital structure of PKTCL*

Particulars	Number of equity shares of ₹ each as on December 31, 2020
Authorised capital	7,000,000
Issued, subscribed and paid-up capital	6,754,300*

\* 51% of the equity shares of PKTCL have been pledged by IGL in favour of lenders of IndiGrid.

Pursuant to the PKTCL Share Purchase Agreement, IndiGrid indirectly holds 100% of the issued, subscribed and paid-up share capital of PKTCL as on the date of this Draft Shelf Prospectus.

#### 7. ***Patran Transmission Company Limited***

PTCL was incorporated on December 19, 2012 under the Companies Act, 1956. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

##### *Capital structure of PTCL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	50,000,000
Issued, subscribed and paid-up capital	50,000,000*

\* 73% of the equity shares of PTCL have been pledged by IndiGrid in favour of its lenders.

Pursuant to the PTCL Share Purchase Agreement, IndiGrid directly holds 74% of the issued, subscribed and paid-up share capital of PTCL (with 100% economic ownership) as on the date of this Draft Shelf Prospectus.

8. **East – North Interconnection Company Limited**

ENICL was incorporated on February 1, 2007 under the Companies Act, 1956. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

*Capital structure of ENICL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020	Number of preference shares of ₹ 10 each as on December 31, 2020
Authorised capital	1,050,000	1,000,000
Issued, subscribed and paid-up capital	1,050,000*	NIL

\*51% of the equity shares of ENICL have been pledged by IndiGrid in favour of lenders of ENICL for the term loan facility availed by ENICL.

Pursuant to the ENICL Share Purchase Agreement, IndiGrid holds 100% of the issued, subscribed and paid-up share capital of ENICL as on the date of this Draft Shelf Prospectus.

9. **Gurgaon – Palwal Transmission Limited**

GPTL was incorporated on October 26, 2015 under the Companies Act, 2013. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

*Capital structure of GPTL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	800,000
Issued, subscribed and paid-up capital	688,600*

\*In respect of lenders of GPTL, 48.91% of the equity shares of GPTL held by IndiGrid have been pledged by IndiGrid and 2.09% of the equity shares of GPTL have been pledged by SGL4 in favour of lenders of such GPTL for the term loan facility availed by GPTL.

Pursuant to the GPTL Share Purchase Agreement, IndiGrid holds 49% of the issued, subscribed and paid-up share capital of GPTL (with 100% economic ownership) as on the date of this Draft Shelf Prospectus.

10. **Jhajjar KT Transco Private Limited**

JKTPL was incorporated on May 19, 2010 under the Companies Act, 1956. Its registered office is situated at 101, Part III, GIDC Estate, Sector 28, Gandhinagar 382 028, Gujarat.

*Capital structure of JKTPL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	23,000,000
Issued, subscribed and paid-up capital	22,657,143*

\*99% of the equity shares of JKTPL have been pledged by IndiGrid in favour of lenders of IndiGrid.

Pursuant to the JKTPL Share Purchase Agreement, IndiGrid holds 100% of the issued, subscribed and paid-up share capital of JKTPL as on the date of this Draft Shelf Prospectus. In terms of the JKTPL Share Purchase Agreement, 74% of the issued, subscribed and paid-up share capital of JKTPL was acquired in September, 2020 and the remaining 26% of the issued, subscribed and paid-up share capital of JKTPL was acquired in October, 2020.

11. **IndiGrid1 Limited (formerly, Sterlite Grid 2 Limited)**

IGL1 was incorporated on May 11, 2005 under the Companies Act, 1956. The name of Sterlite Grid 2 Limited was changed to IndiGrid 1 Limited and a new certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai on July 31, 2020. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400 098.

*Capital structure of IGL1*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	90,000,000
Issued, subscribed and paid-up capital	87,300,000*

\*99% of the equity shares of IGL1 have been pledged by IndiGrid in favour of lenders of IndiGrid.

Pursuant to the 2019 Securities Purchase Agreement, IndiGrid holds 100% of the issued, subscribed and paid-up share capital of IGL1 as on the date of this Draft Shelf Prospectus.

## 12. **NRSS XXIX Transmission Limited**

NTL was incorporated on July 29, 2013 under the Companies Act, 2013. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

### *Capital structure of NTL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	25,000,000
Issued, subscribed and paid-up capital	21,387,144*

\*99% of the equity shares of NTL have been pledged by IGL1 in favour of lenders of IndiGrid.

Pursuant to the NTL Share Purchase Agreement, IndiGrid indirectly holds 100% of the issued, subscribed and paid-up share capital of NTL as on the date of this Draft Shelf Prospectus.

## 13. **IndiGrid2 Limited (formerly, Sterlite Grid 3 Limited)**

IGL2 was originally incorporated on August 14, 2014 under the Companies Act, 2013 as Sterlite Grid 3 Limited. Subsequently, the name of Sterlite Grid 3 Limited was changed to IndiGrid 2 Limited and a new certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai on July 31, 2020. Its registered office is situated at Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400 098.

### *Capital structure of IGL2*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	26,050,000
Issued, subscribed and paid-up capital	26,050,000

Pursuant to the 2019 Securities Purchase Agreement, IndiGrid holds 100% of the issued, subscribed and paid-up share capital of IGL2 as on the date of this Draft Shelf Prospectus.

## 14. **Odisha Generation Phase - II Transmission Limited**

OGPTL was incorporated on April 17, 2015 under the Companies Act, 2013. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065.

### *Capital structure of OGPTL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	1,500,000*
Issued, subscribed and paid-up capital	1,403,510 <sup>#</sup>

\*The authorised share capital of OGPTL was increased on July 25, 2018 from ₹ 13,200,000 divided into 1,320,000 equity shares of ₹ 10 each to ₹ 15,000,000 divided into 1,500,000 equity shares of ₹ 10 each.

<sup>#</sup>30% of the equity shares of OGPTL have been pledged by IGL2 in favour of lenders of OGPTL for the term loan facility availed by OGPTL.

<sup>#</sup>NDU is given to the extent of 21% of the equity shares of OGPTL by IGL2 in favour of lenders of OGPTL for the term loan facility availed by OGPTL.

Pursuant to the OGPTL Share Purchase Agreement, IndiGrid indirectly holds 100% of the issued, subscribed and paid-up share capital of OGPTL as on the date of this Draft Shelf Prospectus.

## 15. **Parbati Koldam Transmission Company Limited**

PrKTCL was originally incorporated as Bina Dehgam Transmission Company Limited on September 2, 2002 under the Companies Act, 1956. Subsequently, its name was changed from Bina Dehgam Transmission Company Limited to Parbati Koldam Transmission Company Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana at New Delhi on December 13, 2005. Further, the Registrar of Companies, National Capital Territory of Delhi & Haryana at New Delhi issued a certificate for

commencement of business on May 14, 2008. Subsequently, PrKTCL amended its Memorandum of Association by way of a special resolution dated September 6, 2016 and changed the place of its registered office from the state of Delhi to Haryana. The Regional Director by way of its order dated October 23, 2017 confirmed the change in the state of the registered office. Consequently, the Registrar of Companies at Delhi issued a certificate of registration of the order of the Regional Director dated October 23, 2017 on November 13, 2017. Its registered office is situated at 5<sup>th</sup> Floor, FF-1A JMD Galleria, Sector 48, Sohna Road, Gurgaon, Haryana 122 018.

*Capital structure of PrKTCL*

Particulars	Number of equity shares of ₹ 10 each as on December 31, 2020
Authorised capital	331,000,000
Issued, subscribed and paid-up capital	272,837,000*

\*51% of the equity shares of PrKTCL have been pledged by IndiGrid in favour of lenders of PrKTCL.

Pursuant to the PrKTCL Share Purchase Agreement, IndiGrid holds 74% of the issued, subscribed and paid-up share capital of PrKTCL as on the date of this Draft Shelf Prospectus.

**16. NER – II Transmission Limited**

NER was incorporated on April 21, 2015 under the Companies Act, 2013. Its registered office is situated at F-1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar, Mathura Road, New Delhi 110 065 .

*Capital structure of NER*

Particulars	Number of equity shares of ₹ 10 as on March 31, 2020
Authorised capital	3,000,000
Issued, subscribed and paid-up capital	2,322,420

Pursuant to the NER Share Purchase Agreement, IndiGrid holds 49% of the issued, subscribed and paid-up share capital of NER as on the date of this Draft Shelf Prospectus.

Except as disclosed in the section entitled “*Our Business - Insurance*”, the Trustee confirms that adequate insurance for the Portfolio Assets has been obtained. For further details in relation to the Portfolio Assets, please see the section entitled “*Our Business*” on page 134.

**Structure of IndiGrid**

Please refer to the structure chart illustrating the relationship between IndiGrid, the Trustee, the Sponsors, the Investment Manager, the Project Manager and the Unitholders as on the date of this Draft Shelf Prospectus in the section entitled “*Our Business*” on page 134.

## **PARTIES TO INDIGRID**

### **A. The KKR Sponsor – Esoteric II Pte. Ltd.**

#### ***History and Certain Corporate Matters***

Esoteric II Pte. Ltd. is one of the Sponsors of IndiGrid. Esoteric II Pte. Ltd. was established under the laws of Singapore as a private company limited by shares.

Esoteric II Pte. Ltd., by way of its letter dated September 8, 2020 to the Investment Manager, proposed to seek induction as a ‘sponsor’ of IndiGrid, in accordance with Regulation 22(7) of the InvIT Regulations. Subsequently, the Unitholders of IndiGrid approved the induction of Esoteric II Pte. Ltd. as a ‘Sponsor’ of IndiGrid at the annual general meeting of IndiGrid held on September 28, 2020.

Esoteric II Pte. Ltd. is a company affiliated with funds, vehicles and/or entities managed and/or advised by affiliates of KKR. Founded in 1976, KKR is a leading global investment firm with approximately US\$252 billion of assets under management as of December 31, 2020. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities.

The KKR Sponsor’s registered office is situated at 10 Changi Business Park, Central-2, #05-01, Hansapoint, Singapore 486030. For further details, please see the section entitled “*General Information*” on page 61.

#### ***Background of the KKR Sponsor***

##### **KKR’s Global Infrastructure Strategy**

In 2008, KKR established a dedicated infrastructure team and strategy focused on global investment opportunities. KKR has been one of the more active infrastructure investors globally over the past several years, having deployed more than \$26 billion across over 40 infrastructure assets.

Today, KKR’s Infrastructure platform has expanded to include approximately 52 dedicated investment professionals across 10 offices covering a broad spectrum of investment opportunities in various infrastructure subsectors, including: midstream energy, renewables, power & utilities, water and wastewater, waste, telecommunications and transportation, among others.

##### **KKR’s Track Record in India**

KKR has invested or committed \$5.7 billion of equity in private equity deals in India since 2010 with 19 investments made and 11 active portfolio companies today, including 3 investments in the infrastructure sector.

In accordance with the eligibility criteria specified under the InvIT Regulations, the KKR Sponsor has a net worth of not less than Rs. 1,000 million.

Neither the KKR Sponsor, nor its promoters or directors, has any interest in a business which competes or is likely to compete, either directly or indirectly with the activities of the Trust (where compete means engaging in the business of the owning, operation and maintenance of (i) inter-state power transmission projects in the Republic of India; and (ii) solar power generation projects in the Republic of India), other than as set out below:

KKR Asia Pacific Infrastructure Investors SCSp (which indirectly holds investment in Esoteric II), through its affiliate(s), has established and registered with the Securities and Exchange Board of India an infrastructure investment trust in India, named Virescent Renewable Energy Trust (Registration Number: IN/InvIT/20-21/0018), whose business may compete with that of IndiGrid. Going forward, it is the strategy of the Virescent Renewable Energy Trust to acquire renewable energy assets, including solar power generation assets operating across India.

KKR Asia Pacific Infrastructure Investors SCSp (which indirectly holds investment in Esoteric II), through its affiliate(s), has also acquired 100% of the issued and paid-up share capital (on a fully diluted basis) of the following companies, which own and operate solar power generation projects within India: (i) Terralight Kanji Solar Private Limited (formerly, Shapoorji Pallonji Solar PV (India)); (ii) TN Solar Power-Energy Private Limited (India); (iii) Solar Edge Power and Energy Private Limited (India); (iv) Terralight Rajapalayam Solar Private Limited (formerly, Shapoorji Pallonji Suryaprakash Private Limited (India)); and (v) Universal Mine Developers and Service Providers



Private Limited (India).

Further, neither the KKR Sponsor nor any of the promoters or directors of the KKR Sponsor: (i) are restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; (iii) are in the list of wilful defaulters published by the RBI; or (iv) are Fugitive Economic Offenders, (v) in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

#### ***Brief Biography of the Directors of the KKR Sponsor***

The board of directors of the KKR Sponsor is entrusted with the overall management of the KKR Sponsor. Please see below a brief biography of the directors of the KKR Sponsor:

#### **1. Cecilio Velasco**

Cecilio Velasco is a Director of the KKR Sponsor. He holds a bachelors' of science degree in business administration in finance and accounting, magna cum laude from Georgetown University. Cecilio joined KKR in 2012 and is a director on the Asia Pacific Infrastructure team. During his time at KKR, Cecilio has worked with the Americas and European infrastructure teams and has been involved in KKR's investments in Nitrogen Renewables, NextEra Energy Partners, Acciona Energia Internacional, Bayonne Water, Middletown Water and SSM Solar, among others. Prior to joining KKR, he worked at Goldman, Sachs & Co. in New York in the natural resources investment banking division, where he was involved in a variety of merger, acquisition and other corporate advisory transactions.

#### **2. Tang Jin Rong**

Tang Jin Rong is a Director of the KKR Sponsor. Jin Rong holds a bachelors' of accountancy degree (Honours), Second Class (Lower) from Nanyang Technological University, Nanyang Business School. He joined KKR in 2020 as a member of the funds operation team. Previously, he worked at GIC Pte Ltd overseeing deal execution and finance operations matters. Prior to that, he was at PricewaterhouseCoopers LLP, providing assurance services to clients.

#### **3. Ngan Nim Ying**

Ngan Nim Ying is a Director of the KKR Sponsor. She holds a Bachelor's degree in Physics and Economics with a minor in Management Sciences from Massachusetts Institute of Technology. Nim Ying joined KKR in 2017 and is a Principal on the Private Equity Team focused on Southeast Asia. During her time at KKR, Nim Ying has been involved in the firm's investments in Barghest Building Performance, Voyager Innovations, V3 Group and Metro Pacific Hospitals Holding. Prior to joining KKR, she was an engagement manager in McKinsey & Company's Singapore office.

#### ***Unitholding of the KKR Sponsor***

For details of the Unitholding of the KKR Sponsor, please see the sections entitled "*Information concerning the Units—Unit holding of IndiGrid as at March 31, 2021*" and "*Information concerning the Units – Top 10 Unitholders and the Units held by them as at March 31, 2021*" on pages 75 and 76, respectively.

#### **B. The Sterlite Sponsor - Sterlite Power Transmission Limited**

##### ***History and Certain Corporate Matters***

Sterlite Power Transmission Limited is one of the Sponsors of IndiGrid with effect from November 15, 2020.

IndiGrid was settled on October 21, 2016 with Sterlite Power Grid Ventures Limited as the Sponsor of the Trust. SPGVL was incorporated in India under the Companies Act, 2013 with corporate identity number U33120PN2014PLC172393. SPGVL was originally incorporated on June 3, 2014 at Ahmedabad.

On May 30, 2018, the board of directors of SPGVL and SPTL approved a scheme of amalgamation between SPGVL, SPTL and their respective shareholders (the "**Proposed Scheme**"), which has been filed before the Mumbai bench of the National Company Law Tribunal on July 17, 2018 and admitted on September 12, 2018. Pursuant to the Proposed Scheme, SPGVL was merged with SPTL and SPTL will hold investments in various companies. The rationale for the Proposed Scheme was (i) the streamlining of the corporate structure and consolidation of the investments within SPTL,

(ii) pooling of resources of SPTL and SPGVL resulting in a stronger balance sheet to meet future investment requirements, (iii) cost savings through legal entity rationalization, and (iv) reduction of administrative responsibilities, multiplicity of records and legal and regulatory compliances.

The Mumbai bench of the National Company Law Tribunal, by way of its order dated May 22, 2020, approved the Proposed Scheme. The effective date of the Proposed Scheme is November 15, 2020. Accordingly, with effect from November 15, 2020, SPGVL has merged with SPTL. Consequently, SPTL is one of the Sponsors of IndiGrid.

The Sterlite Sponsor's registered office is situated at 4<sup>th</sup> Floor, Godrej Millennium, 9 Koregaon Road, Pune, Maharashtra 411 001, and its corporate office is situated at F-1, The Mira Corporate Suites 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110 065. For further details, please see the section entitled "*General Information*" on page 61.

### ***Background of the Sterlite Sponsor***

SPTL an independent power transmission company operating in the private sector in India.

In accordance with the eligibility criteria specified under the InvIT Regulations, the Sterlite Sponsor has a net worth of not less than Rs. 1,000 million. Further, in accordance with such eligibility criteria, SPTL has been a developer of power transmission assets with at least two projects of SPTL having been completed.

The following diagrams illustrate SPTL's operational and under-construction projects and their locations within India:



Other than as stated below, the Sterlite Sponsor does not have any interest in a business which competes or is likely to compete, either directly or indirectly with the activities of the Trust: (i) bidding, designing, constructing, owning,

operating and maintaining power transmission, power distribution, storage, EV charging and renewable generation assets across multiple geographies; (ii) upgrading, uprating and strengthening existing power delivery system; (iii) creating a pan-India, efficient optical ground wire network to deliver high-speed data that runs over existing power transmission lines; (iv) manufacturing of complete range of power conductors from ACSR to High Performance Conductors (HPC) like composite core, INVAR, ACSS and GAP type; (v) it serves as the project manager for the Trust in accordance with the project implementation and management agreement dated August 28, 2020 for all Portfolio Assets (other than JKTPL and PrKTCL) and (vi) other business activities incidental to the above activities.

Further, neither the Sterlite Sponsor nor any of the promoters or directors of the Sterlite Sponsor: (i) are restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; (iii) are in the list of wilful defaulters published by the RBI; (iv) are Fugitive Economic Offenders, or (v) in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

#### ***Board of Directors of the Sterlite Sponsor***

The board of directors of the Sterlite Sponsor is entrusted with the overall management of the Sterlite Sponsor. Please see below the details in relation to the board of directors of the Sterlite Sponsor:

<b>Sr. No.</b>	<b>Name</b>	<b>DIN</b>
(a).	Pravin Agarwal	00022096
(b).	Pratik Agarwal	03040062
(c).	A R Narayanaswamy	00818169
(d).	Arun Todarwal	00020916
(e).	Haixia Zhao	08560321
(f).	Anoop Seth	00239653

#### ***Brief Biography of the Directors of the Sterlite Sponsor***

Please see below a brief biography of the directors of the Sterlite Sponsor:

**1. Pravin Agarwal**

Pravin Agarwal is the Chairman of the Sterlite Sponsor.

**2. Pratik Agarwal**

Pratik Agarwal is the Managing Director of the Sterlite Sponsor.

**3. A. R. Narayanaswamy**

A. R. Narayanaswamy is an Independent Director of the Sterlite Sponsor.

**4. Arun Todarwal**

Arun Todarwal is a an Independent Director of the Sterlite Sponsor.

**5. Haixia Zhao**

Flora Haixia Zhao is an Independent Director of the Sterlite Sponsor.

**6. Anoop Seth**

Anoop Seth is an Independent Director Director of the Sterlite Sponsor.

#### ***Unitholding of the Sterlite Sponsor***

For details of the Unitholding of the Sterlite Sponsor, please see the sections entitled “*Information concerning the Units– Unit holding of IndiGrid as at March 31, 2021*” on page 75.

**C. The Trustee – Axis Trustee Services Limited**

## ***History and Certain Corporate Matters***

Axis Trustee Services Limited is the Trustee in respect of IndiGrid. The Trustee is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debtsecurities Trustees) Regulations, 1993, as a debenture trustee having registration number IND000000494 which is valid until suspended or cancelled by SEBI. The Trustee is a wholly-owned subsidiary of Axis Bank Limited.

### ***Background of the Trustee***

The Trustee is a wholly-owned subsidiary of Axis Bank Limited. The Trustee's services are aimed at catering to the individual needs of the client and enhancing client satisfaction. As Trustee, it ensures compliance with all statutory requirements and believes in the highest ethical standards and best practices in corporate governance. It aims to provide the best services in the industry with its well trained and professionally qualified staff with a sound legal acumen. The Trustee is involved in varied facets of debenture and bond trusteeships, including, advisory functions and management functions. The Trustee also acts as a security trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders.

The Trustee is also involved in providing services as (i) a facility agent for complex structured transactions with advice on suitability of the transaction on operational aspects; (ii) an escrow agent; (iii) a trustee to alternative investment funds; (iv) custodian of documents as a safekeeper; (v) a trustee to real estate investment funds etc.

The Trustee is not an Associate of the Sponsors or the Investment Manager. Further, neither the Trustee nor any of the promoters or directors of the Trustee (i) are restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI; (ii) is a promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; (iii) are in the list of wilful defaulters published by the RBI; (iv) are Fugitive Economic Offenders, or (v) in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

### ***Board of Directors of the Trustee***

The Board of Directors of the Trustee is entrusted with the responsibility for the overall management of the Trustee. Please see below the details in relation of the board of directors of the Trustee:

<b>Sr. No.</b>	<b>Name</b>	<b>DIN</b>
1.	Rajesh Kumar Dahiya	07508488
2.	Sanjay Sinha	08253225
3.	Ganesh Sankaran	07580955

### ***Brief Profiles of the Directors of the Trustee***

1. **Sanjay Sinha** is the Managing Director and Chief Executive Officer of the Trustee.
2. **Rajesh Kumar Dahiya** is a Non-Executive Director on the board of the Trustee.
3. **Ganesh Sankaran** is a Non-Executive Director on the board of the Trustee.

### ***Key Terms of the Amended and Restated Trust Deed***

The Trustee has executed the amended and restated trust deed dated January 19, 2021 with the KKR Sponsor, the Sterlite Sponsor and the Investment Manager, pending registration with the Sub-Registrar at New Delhi. The Amended and Restated Trust Deed provides for the powers, duties, rights, liabilities of the Trustee, which are in accordance with the Indian Trusts Act, 1882 and the InvIT Regulations. Further, the Amended and Restated Trust Deed also includes certain provisions in relation to the Unitholders, which, among others, include the rights and liabilities of Unitholders. The key terms of the Amended and Restated Trust Deed are provided below:

- ***Powers of the Trustee***

The Trustee has been provided with various powers under the Amended and Restated Trust Deed in accordance with the Indian Trusts Act, 1882 and the InvIT Regulations, including but not limited to:

- (i) The Trustee shall, in relation to IndiGrid, have all powers of a person competent to contract, acting as a legal and beneficial owner of such property.
- (ii) The Trustee shall have the power to determine, in accordance with the Investment Management Agreement and the investment objectives, distributions to Unitholders and other rights attached to the Units in compliance with the InvIT Regulations.
- (iii) The Trustee shall oversee voting of Unitholders.
- (iv) The Trustee shall have the power to do the following, which may be delegated to the Investment Manager: (a) cause the offering of Units through the offer documents; (b) issue and allot Units; (c) cause the offer documents to be provided to investors; (d) summon and conduct meetings of the Unitholders in accordance with the relevant InvIT Documents and the InvIT Regulations; and (e) subject to and only in accordance with the terms of the InvIT Documents and the InvIT Regulations, approve a transfer of Units.
- (v) The Trustee shall invest and hold the InvIT Assets in the name of the Trust for the benefit of the Unitholders in accordance with the provisions of the InvIT Regulations, the InvIT Documents, the Amended and Restated Trust Deed and the investment objectives. The Trustee shall be empowered to make investment decisions with respect to the underlying assets or projects of the Trust, including any further investments or divestment, subject to InvIT Regulations, provided such power is delegated to, and exclusively exercised by, the Investment Manager pursuant to the Investment Management Agreement, and in this regard the Trustee is also empowered to: (a) acquire, hold, manage, trade and dispose off shares, stocks, convertibles, debentures, bonds and other equity or equity-related securities of all kinds issued by any special purpose vehicle, infrastructure projects or securities in India, whether in physical or dematerialized form, including power to hypothecate, pledge or create encumbrances of any kind on such securities held by the InvIT in the such SPVs or infrastructure projects to be used as collateral security for any borrowings by the InvIT; (b) keep the capital and monies of the InvIT on deposit with banks or other institutions whatsoever; (c) accept contributions (d) collect and receive the profit, interest, dividend and income of the InvIT as and when the same may become due and receivable; (e) invest in securities or in units of mutual funds in accordance with the InvIT Regulations; (f) invest in money market instruments including government securities, treasury bills, certificates of deposit and commercial papers in accordance with applicable law; (g) to give, provide and agree to provide to any special purpose vehicle financial assistance in the form of investment in share capital of any class including ordinary, preference, participating, non-participating, voting, non-voting or other class, and in the form of investment in securities convertible into share capital; and (h) to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer land and building and immovable property of any kind including any rights and interest therein;
- (vi) Subject to the provisions of the InvIT Regulations, the Trustee, in consultation with the Investment Manager, shall have the power to make such reserves out of the income or capital as the Trustee may deem proper and any decisions of the Trustee whether made in writing or implied from its acts, so far as the applicable law may permit, shall be conclusive and binding on the Unitholders and all persons actually or prospectively interested under the Amended and Restated Trust Deed.
- (vii) The Trustee shall have the power to employ and pay at the expense of the Trust, any agent in any jurisdiction whether attorneys, solicitors, brokers, banks, trust companies or other agents whether associated or connected in any way with the Trustee or not, without being responsible for the default of any agent if employed in good faith to transact any business, including without limitation, the power to appoint agents to raise funds, or do any act required to be transacted or done in the execution of the trusts hereof including the receipt and payment of moneys and the execution of documents.
- (viii) The Trustee shall, on behalf of the Trust as set out in the Amended and Restated Trust Deed, have the power to appoint the Investment Manager by the execution of an Investment Management Agreement, on behalf of the Trust, to manage the Trust in accordance with the terms and conditions set out in the Amended and Restated Trust Deed, the Investment Management Agreement and applicable law.
- (ix) The Trustee shall oversee the activities of the Investment Manager in the interest of the Unitholders and ensure that the investment Manager complies with the InvIT Regulations and applicable law

shall obtain a compliance certificate from the Investment Manager on a quarterly basis, in the form prescribed by SEBI, if any.

- (x) The Trustee shall, on behalf of the Trust as set out in the Amended and Restated Trust Deed, have the power to appoint the Project Manager by the execution of a project implementation and management agreement, on behalf of the Trust, for the operation and management of the InvIT Assets in accordance with the terms and conditions set out in the Amended and Restated Trust Deed, the Project Implementation and Management Agreement and applicable law.
- (xi) The Trustee shall oversee activities of the Project Manager in terms of the InvIT Regulations and the project implementation and management agreement and shall obtain a compliance certificate from the Project Manager on a quarterly basis, in the form prescribed by SEBI, if any.
- (xii) The Trustee may, in consultation with the Investment Manager, appoint any custodian in order to provide custodian services, and may permit any property comprised in the Trust to be and remain deposited with a custodian or with any person or persons in India or in any other jurisdiction subject to such deposit being permissible under the applicable law.
- (xiii) In the event of any capital gains tax, income tax, stamp duty or other duties, fees or taxes (and any interest or penalty chargeable thereon), whatsoever becoming payable in any jurisdiction in respect of the Trust or any part thereof or in respect of documents issued or executed in pursuance of the Amended and Restated Trust Deed in any circumstances whatsoever, the Trustee shall have the power and duty to pay all such duties, fees or taxes (and any interest or penalty chargeable thereon) as well as to create any reserves for future potential tax liability out of the Trust or the income thereof, or to the extent of the amount invested in the Units by the Unitholders, as may be permitted under applicable law, and the Trustee may pay such duties, fees or taxes (and any such interest or penalty) notwithstanding that the same shall not be recoverable from the Trustee. For avoidance of doubt, it is clarified that pursuant to this Amended and Restated Trust Deed, no Unitholder will be required to make a contribution as a capital commitment to the Trust (other than the face value for Units already paid).
- (xiv) The Trustee shall, subject to the advice of the Investment Manager, have the power to pay the Trust expenses out of the funds held by the Trust.
- (xv) The Trustee shall, in discharge of its duties, have the power to take the opinion of legal/tax counsel in any jurisdiction concerning any disputes or differences arising under the Amended and Restated Trust Deed or any matter relating to the Amended and Restated Trust Deed and the fees of such counsel shall be paid out of the funds held in the Trust.
- (xvi) The Trustee may, in execution of the Trust or in exercise of any of the powers hereby or by law given to the Trustee sell, rent or buy any property, or borrow property from or carry out any other transaction with the trustees of any other trust or the executors or administrators of any estate notwithstanding that the Trustee is the same Person as those trustees, executors or administrators or any of them and where the Trustee is the same Person as those trustees, executors or administrators, the transaction shall be binding on all Persons then or thereafter interested hereunder though effected and evidenced only by an entry in the books of accounts of the Trustee, provided such power is delegated to, and exclusively exercised by, the Investment Manager pursuant to the Investment Management Agreement. The Trustee shall ensure that no conflicts of interest shall arise whilst conducting such activities .
- (xvii) The Trustee shall have the power to: (a) accept any property before the time at which it is transferable or payable; (b) pay or allow any claim on any evidence that it thinks sufficient; (c) accept any security movable or immovable in lieu of any amounts payable to it; (d) alter the dates for payment of any amounts payable to it; and (e) compromise, compound, abandon or otherwise settle any claim or thing whatsoever relating to the Trust or the Amended and Restated Trust Deed.
- (xviii) The Trustee shall, subject to the advice of the Investment Manager, have the power to borrow funds, including any subordinated equity or other funds from any Person or authority (whether governmental or otherwise, whether Indian or overseas) on such terms and conditions and for such periods and for the purpose of the Trust and subject to approval of the Unitholders in accordance with and as may be required in terms of the InvIT Regulations .

- (xix) Subject to the conditions laid down in any offer document or placement memorandum, and the InvIT Regulations, the Trustee may, subject to any advice of the Investment Manager, retain any proceeds received by the Trust from any SPV.
- (xx) The Trustee may, make rules to give effect to, and carry out the Investment Objectives. In particular, and without prejudice to the generality of such power, the Trustee may provide, not inconsistent with the provisions of the Amended and Restated Trust Deed and the InvIT Regulations, for all or any of the following matters namely: (a) manner of maintaining of the records and particulars of the Unitholders; (b) norms of investment by the InvIT in accordance with the Investment Objectives of the Trust and in accordance with the powers and authorities of the Trustee, as set out herein; (c) matters relating to entrustment / deposit or handing over of any securities or special purpose vehicles of the Trust to any one or more custodians and the procedure relating to the holding thereof by the custodian; (d) such other administrative, procedural or other matters relating to the administration or management of the affairs of the Trust and which matters are not by the very nature required to be included or provided for in the Amended and Restated Trust Deed or by the management thereof and which matters are not in consistent provisions thereof; (e) procedure for seeking the vote of the Unitholders either by calling a meeting or through postal ballot or otherwise; and (f) procedure for summoning and conducting meetings of Unitholders. The aforementioned power to make rules may be delegated by the Trustee to the Investment Manager, subject to the InvIT Regulations and in terms of the Investment Management Agreement.
- (xxi) The Trustee shall cause the Depository to maintain the Depository Register.
- (xxii) The Trustee shall advise the Investment Manager in relation to the appointment of valuer, auditors, registrar and transfer agent, merchant bankers, custodian, credit rating agency and any other intermediary or service provider or agent as may be applicable with respect to the activities pertaining to the Trust, in a timely manner, in accordance with the InvIT regulations and applicable law. The Investment Manager shall ensure that the activities of, and the services provided by, any of the intermediaries set out above are as per the provisions of the InvIT Regulations and applicable law.
- (xxiii) The Trustee shall review the reports required in terms of InvIT Regulations and applicable law, as submitted by the Investment Manager. In the event such reports are not submitted in a timely manner, the Trustee, after due follow-up, shall intimate the same to SEBI.
- (xxiv) The Trustee shall have the power to open one or more bank accounts for the purposes of the InvIT, to deposit and withdraw money and fully operate the same .
- (xxv) The Trustee shall have the power to take up with SEBI or with the stock exchange(s) as applicable, any matter which has been approved in any meeting of the Unitholders, if the matter requires such action
- (xxvi) Without prejudice to any other provisions of the Amended and Restated Trust Deed, the Trustee shall also have the following powers and authorities:
  - (a) to institute, conduct, compromise, compound, or abandon any legal proceedings for or on behalf of or in the name of the Trust or the Trustee, and to defend, compound or otherwise deal with any such proceedings against the Trust or Trustee or its officers or concerning the affairs of the Trust, and also to compound and allow time for payment or satisfaction of any equity due and of any claims or demands by or against the Trust and observe and perform in relation to any decisions thereof;
  - (b) to make and give receipts, releases and other discharges for moneys payable to the Trust and for the claims and demands of the Trust;
  - (c) to enter into all such negotiations and contracts, and, execute and do all such acts, deeds and things for or on behalf of or in the name of the Trust as the Trustee may consider expedient for or in relation to any of the matters or otherwise for the purposes of the Trust;
  - (d) to sign, seal, execute, deliver and register according to law all deeds, documents, agreements, and assurances in respect of the Trust;

- (e) to negotiate, sign, seal, execute and deliver the InvIT Documents, including but not limited to, any issue agreement, share purchase agreement, services agreement, deed of right of first offer, debenture subscription agreement, escrow agreement, underwriting agreement, loan documentation, draft offer document, offer document, final offer document or any other deed, agreement or document in connection with the Trust or the Units, including any amendments, supplements or modifications thereto;
  - (f) take into their custody and/or control all the capital, assets, property of the Trust and hold the same in trust for the Unitholders in accordance with the Amended and Restated Trust Deed and the InvIT Regulations; and
  - (g) generally to exercise all such powers as it may be required to exercise under the InvIT Regulations for the time being in force and do all such matters and things as may promote the Trust or as may be incidental to or consequential upon the discharge of its functions and the exercise and enforcement of all or any of the powers and rights under the Amended and Restated Trust Deed.
- (xxvii) Subject to applicable law, the Trustee may at any time, buyback the Units from the Unitholders.
- (xxviii) For administrative and operational convenience, the Trustee may, delegate to any committee or any other Person, any powers set out above and the duties set out below, or as available to it under the InvIT Regulations and Applicable Law, including, inter alia, management of the assets and investments of the InvIT vested in it under the Amended and Restated Trust Deed, taking investment decisions, listing and allotment of Units and making distributions in accordance with the InvIT Regulations, provided, however, the Trustee shall remain responsible and liable for any such Persons' acts of commission or omission to the extent that the Trustee itself would have been responsible and liable for such acts except the roles and responsibilities delegated by the Trustee to Investment Manager, Project Manager or any third party expert, or any sub-delegation by the Investment Manager or the Project Manager. Any action taken by such committee or Persons in respect of the InvIT shall be construed as an act done by the Trustee except in case of gross negligence or wilful misconduct or fraud on part of such Person, in which case, such Persons shall indemnify the InvIT and the Unitholders.

- *Duties of the Trustee*

The Trustee shall perform its duties as required under the Amended and Restated Trust Deed in accordance with the Indian Trusts Act, 1882 and the InvIT Regulations, including but not limited to:

- (i) The Trustee shall use best endeavours to carry on and conduct the business of the Trust in a proper and efficient manner in the best interest of the Unitholders.
- (ii) If so required, the Trustee, on behalf of the Trust, shall, appoint an Investment Manager and/or Project Manager of the Trust (as applicable) in accordance with the InvIT Regulations.
- (iii) If so required, in accordance with the InvIT Regulations and the Amended and Restated Trust Deed, the Trustee shall, on behalf of the Trust enter into the Investment Management Agreement with the Investment Manager.
- (iv) (a) It is the responsibility of the Trustee to ensure that the Investment Manager complies with reporting and disclosure requirements in accordance with InvIT Regulations and in case of any delay or discrepancy require the Investment Manager to rectify such delay or discrepancy on an urgent basis; (b) The Trustee shall oversee activities of the Investment Manager in the interest of the Unitholders, and ensure that the Investment Manager complies with Regulation 10 of the InvIT Regulations, including in relation to reporting and disclosure requirements prescribed thereunder and obtain a compliance certificate from the Investment Manager on a quarterly basis. In case of any delay by the Investment Manager in reporting or any discrepancy in the reports or disclosures, the Trustee shall require the Investment Manager to rectify the same on an urgent basis; (c) The Trustee shall review the transactions carried out between the Investment Manager and its Associates and where the Investment Manager has advised that there may be a conflict of interest, it shall obtain a certificate from a practicing chartered accountant that such transaction is on arm's length basis; (d) The Trustee shall review the valuation report submitted by the Investment Manager; (e) The Trustee shall require the Investment Manager to set up such systems and procedures and submit such reports



to the Trustee, as may be necessary for effective monitoring of the functioning of the Trust; (f) The Trustee shall ensure that the Investment Manager convenes meetings of the Unitholders in accordance with the InvIT Regulations and oversee the voting by Unitholders. The Trustee shall ensure that the Investment Manager convenes meetings of Unitholders not less than one every year and the period between such meetings shall not exceed 15 months.

- (v) The Trustee shall provide SEBI and the stock exchange(s), where applicable, such information as may be sought by SEBI or by the stock exchange(s) pertaining to the activity of the InvIT. The Trustee shall comply with intimation requirements under the InvIT Regulations, including in relation to intimating SEBI in case of any discrepancy in the operation of the Trust with the InvIT Regulations and the offer document or placement memorandum. The Trustee shall also immediately inform SEBI in case any act which is detrimental to the interest of the Unitholders is noted.
- (vi) The Trustee shall at all times exercise due diligence in carrying out its duties and protecting the interests of the Unitholders .
- (vii) In case of change in the Investment Manager, due to removal or otherwise, the Trustee shall, prior to such change obtain approval from the Unitholders in accordance with the InvIT Regulations. The Trustee shall appoint a new investment manager within the time period prescribed under the InvIT Regulations. The previous investment manager shall continue to act as such at the discretion of the Trustee until such time as the new investment manager is appointed. The Trustee shall ensure that the new investment manager shall stand substituted as a party in all the documents to which the earlier Investment Manager was a party. The Trustee shall also ensure that the earlier Investment Manager continues to be liable for all its acts of omissions and commissions for the period during which it served as investment manager notwithstanding its termination.
- (viii) In case of change in the Project Manager due to removal or otherwise, the Trustee shall appoint a new project manager within the time period prescribed under the InvIT Regulations. The Trustee may, either suo moto or based on the advice of the concessioning authority(ies) appoint an administrator in connection with an infrastructure project for such terms and on such conditions as it deems fit. The previous project manager shall continue to act as the project manager till such time a new project manager is appointed. All costs and expenses in this regard will be borne by the new project manager. The Trustee shall ensure that the new project manager shall stand substituted as a party in all the documents to which the earlier Project Manager was a party. The Trustee shall also ensure that the earlier Project Manager continues be liable for all its acts of omissions and commissions for the period during which it served as project manager, notwithstanding its termination.
- (ix) The Trustee shall oversee activities of the Project Manager other than that relating to the revenue streams from the infrastructure projects in terms of the InvIT Regulations and shall obtain a compliance certificate from the Project Manager on a quarterly basis, in the form prescribed by SEBI, if any.
- (x) The Trustee shall ensure that in case of Change in Control of the Project Manager, written consent is obtained from the concessioning authority(ies) in terms of the concession agreement(s), prior to such change, if applicable.
- (xi) The Trustee shall ensure that subscription amount is kept in a separate bank account in name of the InvIT and is only utilised for adjustment against allotment of Units or refund of money to the applicant till the time such Units are listed and the same will be utilized for the objectives of the offering as will be mentioned in the offer document.
- (xii) The Trustee shall cause the books of accounts of the InvIT to be in accordance with the Amended and Restated Trust Deed.
- (xiii) The Trustee shall ensure that all acts, deeds and things are done for the attainment of the Investment Objectives of the InvIT and in compliance with the InvIT Regulations and to secure the best interests of the Unitholders.
- (xiv) The Trustee shall file such reports as may be required by SEBI or any other regulatory authority or as required under the InvIT Regulations with regard to the activities carried on by the InvIT.

- (xv) The Trustee shall periodically review the status of the Unitholders' complaints and their redressal undertaken by the Investment Manager.
- (xvi) The Trustee and its directors, officers, employees and agents shall at all times maintain the greatest amount of confidentiality as regards the activities and assets of the InvIT and such other matter connected with them and the InvIT generally and shall not disclose any confidential information to any other Person, other than the Investment Manager, or the Project Manager, unless such information is required to be disclosed to some regulatory authority, court or any other Person under any order of court or any law in force in India .
- (xvii) The assets and liabilities of the InvIT shall at all times be segregated from the assets and liabilities of the Trustee and the assets and liabilities of other trusts managed by the Trustee. The assets held under the InvIT shall be held for the exclusive benefit of the Unitholders and such assets shall not be subject to the claims of any creditor or any Person claiming under any other fund administered by the Trustee or by the Investment Manager respectively.
- (xviii) The Trustee shall ensure that the remuneration of the Valuer is not linked to or based on the value of the asset being valued.
- (xix) The Trustee shall obtain the prior approval from the Unitholders in accordance with Regulation 22 of the InvIT Regulations and from SEBI in case of Change in control of the Investment Manager.
- (xx) The Trustee and its Associates shall not invest in Units of the Trust.
- (xxi) The Trustee shall fulfil its obligations in terms of Regulation 9 of the InvIT Regulations.
- (xxii) The Trustee shall ensure that the activity of the InvIT is being operated in accordance with the provisions of the Amended and Restated Trust Deed, the InvIT Regulations, other Applicable Law and the InvIT Documents and in case of any discrepancy, it shall inform SEBI immediately in writing.
- (xxiii) The Trustee shall maintain records in accordance with the InvIT Regulations.
- (xxiv) (a) The Trustee shall delegate all such powers to the Investment Manager as may be required by the Investment Manager to carry out its obligations under the Investment Management Agreement and under Applicable Law. (b) The Trustee shall delegate all such powers to the Project Manager as may be required by the Project Manager to carry out its obligations under the Project Implementation and Management Agreement and under Applicable Law.

- *Rights of the Trustee*

The Trustee shall have the following rights:

- (i) The Trustee may, in the discharge of its duties, act upon any advice obtained in writing from any bankers, accountants, brokers, lawyers, professionals, consultants, or other experts acting as advisers to the Trustee.
- (ii) Subject to applicable law, no Unitholder shall be entitled to inspect or examine IndiGrid's premises or properties without the permission of the Trustee, who shall give such permission, if necessary, in consultation with the Investment Manager. Further, no Unitholder shall be entitled to require discovery of any information respecting any detail of IndiGrid's activities or any matter which may relate to the conduct of the business of IndiGrid and which information may, in the opinion of the Trustee and the Investment Manager adversely affect the interest of the Unitholder.
- (iii) Without prejudice to any other provisions of the Amended and Restated Trust Deed, but save as otherwise provided for in any offer document of the Trust, the Trustee shall be entitled to reimburse itself and shall be entitled to charge the Trust, and shall be entitled to be indemnified and be kept indemnified by the Trust and from any distributions made by the Trust to the Unitholders, with the expenses, outgoings, taxes, levies, and liabilities (including indemnity obligations of the Trust, if any) as set out in this Amended and Restated Trust Deed.

- *Liabilities of the Trustee*

The liabilities of the Trustee in terms of the Amended and Restated Trust Deed are as follows:

- (i) The Trustee shall only be chargeable for such monies, stocks, funds and securities as the Trustee shall have actually received and shall not be liable or responsible for any banker, broker, custodian or other Person in whose hands the same may be deposited or placed, nor for the deficiency or insufficiency in the value of any investments of the Trust nor otherwise for any involuntary loss. Any receipt signed by the Trustee for any monies, stocks, funds, shares, securities, investment or property, paid, delivered or transferred to the Trustee under or by virtue of the Amended and Restated Trust Deed or in exercise of the duties, functions and powers of the Trustee shall effectively discharge the Trustee or the Person or Persons paying, delivering or transferring the same therefrom or from being bound to see to the application thereof, or being answerable for the loss or misapplication thereof provided that the Trustee and such Persons shall have acted in good faith, without negligence and shall have used their best efforts in connection with such dealings and matters.
- (ii) The Trustee shall not be under any liability on account of anything done or omitted to be done or suffered by the Trustee in good faith in accordance with, or in pursuance of any request or advice of the Investment Manager.
- (iii) The Trustee may accept as sufficient evidence for the value of any investment or for the cost price or sale price thereof or for any other fact within its competence, a certificate by a valuer or a stockbroker or any other professional Person appointed by the Investment Manager for the purpose.
- (iv) The Trustee shall not be under any obligation to institute, acknowledge the service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions hereof or in respect of the InvIT Assets or any part thereof or any corporate action which in its opinion would or might involve it in expense or liability unless the Investment Manager shall so request in writing and the Trustee is satisfied that the value of the investment is sufficient to provide adequate indemnity against costs, claims, damages, expenses or demands to which it may be put as Trustee as a result thereof. The costs in relation to such action, suit, proceedings or claims (whether undertaken upon request of Investment Manager or otherwise) incurred by the Trustee in connection with or arising out of the InvIT, shall be borne by the Trust.
- (v) The Trustee shall not be liable in respect of any action taken or damage suffered by it on reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or (without being limited in any way by the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities .
- (vi) The Trustee shall not be liable to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any Person or body acting with or purporting to exercise the authority of any government (which legally or otherwise) it shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of these presents the Trustee shall not be under any liability therefore or thereby.
- (vii) The Trustee shall not be responsible to any Unitholder for the authenticity of any signature affixed to any document or be in any way liable for any forged or unauthorized signature on or for acting upon or giving effect to any such forged or unauthorized signature. The Trustee shall be entitled but not bound to require that the signature of any Unitholder to any document required to be signed by him under or in connection with these presents shall be verified to the Trustee's reasonable satisfaction .
- (viii) Nothing contained in the Amended and Restated Trust Deed shall be construed so as to prevent the Trustee from acting as a trustee of other trusts or alternate investment funds or venture capital funds or private equity funds or real estate investments trusts or infrastructure investment trusts or private trusts or customised fiduciary trusts separate and distinct from the Trust, and retaining for its own use and benefit all remuneration, profits and advantages which it may derive therefrom, as permitted under applicable law.
- (ix) If the Trustee is required by the InvIT Regulations or any applicable law to provide information regarding the Trust and/or the Sponsors and/or Unitholders, the Trust's investments and income therefrom and provisions of these presents and complies with such request in good faith, whether or not it was in fact enforceable, the Trustee shall not be liable to the Unitholders or to any other party as a result of such compliance or in connection with such compliance.
- (x) The Trustee shall not incur any liability for any act or omission or (as the case may be), failing to do any act

or thing which may result in a loss to a Unitholder (by reason of any depletion in the value of the InvIT Assets or otherwise), except in the event that such loss is a direct result of fraud, gross negligence or wilful default on the part of the Trustee or results from a breach by the Trustee of the Amended and Restated Trust Deed, as determined by a court of competent jurisdiction.

- (xi) If the Trustee engages any external advisors or experts (in accordance with the Amended and Restated Deed), to discharge its obligations under the Amended and Restated Deed, or undertakes any work which is not covered within the scope of work of the Trustee under the Amended and Restated Deed and such additional work is beyond the obligations of the Trustee under applicable law, the Trustee shall be entitled to recover such costs, charges and expenses which the Trustee may incur in this regard, from the funds of the Trust. Further, it is clarified that, the Trustee will not be required to utilize funds held by the Trustee for any other trust for which Axis Trustee Services Limited is appointed as a trustee, for discharging its obligations as the Trustee under the Amended and Restated Deed.
- (xii) It is hereby clarified that the liability of the Trustee shall be limited to the extent of the fee received by it, in all circumstances whatsoever except in case of any gross negligence or wilful misconduct or fraud on the part of the Trustee as settled by a court of competent jurisdiction.

- *Provisions relating to Unitholders*

- (i) Notwithstanding anything to the contrary contained in any of the InvIT Documents, the aggregate liability of each Unitholder in the Trust shall be limited to making the Capital Contribution payable by it in respect of the Units subscribed to by it. For the avoidance of doubt, the Unitholders shall not be responsible or liable, directly or indirectly, for acts, omissions or commissions of the Trustee, the Investment Manager, the Sponsors, or any other Person, whether or not such act, omission or commission, has been approved by the Unitholders in accordance with the InvIT Regulations or not.
- (ii) Each Unit allotted to the Unitholders shall have one vote for any decisions requiring a vote of Unitholders.
- (iii) No Unitholder shall enjoy preferential voting or any other rights over another Unitholder.
- (iv) In no event shall the Trustee or the Investment Manager be bound to make payment to any Unitholder, except out of the funds held by it for that purpose under the provisions of the Amended and Restated Trust Deed.
- (v) A Unitholder whose name and account details are entered in the Depository Register shall be the only Person entitled to be recognized by the Trustee as having a right, title, interest in or to the Units registered in his name and the Trustee shall recognize such holder as an absolute owner and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express or implied, save as expressly provided or as required by any court of competent jurisdiction to recognize any trust or equity or interest affecting the title of the Units.
- (vi) The Unitholders shall not give any directions to the Trustee or the Investment Manager (whether in a meeting of Unitholders or otherwise) if it would require the Trustee or the Investment Manager to do or omit doing anything which may result in: (a) the Trust or the Trustee, in its capacity as the trustee of the Trust or the Investment Manager, in its capacity as the investment manager of the InvIT ceasing to comply with applicable law; (b) interference with the exercise of any discretion expressly conferred on the Trustee by the Amended and Restated Trust Deed or the Investment Manager by the Investment Management Agreement, or the determination of any matter which requires the agreement of the Trustee or the Investment Manager, provided that nothing in the Amended and Restated Trust Deed shall limit the right of the Unitholder to require the due administration of the Trust in accordance with the Amended and Restated Trust Deed.
- (vii) The depository register shall (save in case of manifest error) be conclusive evidence of the number of Units held by each depositor and in the event of any discrepancy between the entries of the depository register and any statement issued by the depository, the entries in the depository register shall prevail unless the depositor proves to the satisfaction of the Trustee and the depository that the depository register is incorrect.
- (viii) The Unitholders shall have the right to call for certain matters to be subject to their consent, in accordance with the InvIT Regulations and applicable law.

- (ix) The Unitholders may, in accordance with the provisions of the InvIT Documents and Applicable Law, transfer any of the Units to an investor where such investor accepts all the rights and obligations of the transferor and the Trustee or site Investment Manager shall give effect to such transfer in accordance with applicable law.
- (x) The Trustee shall and shall ensure that the Investment Manager obtains the consent of the Unitholders for the matters prescribed under the InvIT Regulations, in accordance with the provisions of the InvIT Regulations.

Further, in accordance with the Amended and Restated Trust Deed, in addition to the fee, distributions and expense reimbursements described in the Amended and Restated Trust Deed, the InvIT Assets shall be utilized to indemnify and hold harmless the Trustee, the Sponsors and any of their respective officers, directors, shareholders, sponsors, partners, members, employees, advisors and agents (“**Indemnified Parties**”) from and against any claims, losses, costs, damages, liabilities and expenses, including legal fee (“**Losses**”) suffered or incurred by them by reason of their activities on behalf of IndiGrid, suffered or incurred by the Trustee in relation to any proceedings, unless such Losses resulted from fraud, gross negligence or willful misconduct of the Indemnified Parties as determined by a court of competent jurisdiction.

IndiGrid is subject to dissolution and termination in accordance with and subject to the InvIT Regulations and applicable law, in accordance with the conditions set forth in the Amended and Restated Trust Deed.

#### **D. The Investment Manager – IndiGrid Investment Managers Limited (formerly, Sterlite Investment Managers Limited)**

##### ***History and Certain Corporate Matters***

IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited), is the investment manager of IndiGrid and is majority owned by Electron IM Pte. Ltd., an affiliate of KKR.

The Investment Manager is a public company incorporated in India under the Companies Act, 1956, with corporate identity number U28113MH2010PLC308857. The Investment Manager was originally incorporated as MALCO Industries Limited on April 22, 2010 at Chennai. Subsequently, the name of the Investment Manager was changed to Sterlite Infraventures Limited and a new certificate of incorporation was issued on January 23, 2012. Further, the name of the Investment Manager was changed to Sterlite Investment Managers Limited and a new certificate of incorporation was issued by the Registrar of Companies, Chennai, on March 25, 2017. Subsequently, the Investment Manager’s registered office was changed from the State of Tamil Nadu to the State of Maharashtra, and a certificate of registration was issued by the Registrar of Companies, Maharashtra at Mumbai on May 3, 2018. The Investment Manager’s registered office is situated at Unit No. 101, First Floor, Windsor, Village Kolkalyan, Off CST Road, Vidyanaigari Marg, Kalina, Santacruz East, Mumbai 400 098. Subsequently, the name of the Investment Manager was changed to IndiGrid Investment Managers Limited and a new certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai on December 14, 2020. The Investment Manager has experience in providing advisory services for bids.

##### ***Background of the Investment Manager***

IIML has previously been involved in providing advisory services within the Sterlite group for bids, including in relation to power transmission projects across India, mega power plant projects and certain renewable energy projects. IIML has also been acting as the investment manager for IndiGrid since IndiGrid’s inception in accordance with the InvIT Regulations.

Additionally, IIML has made representations to various government agencies in relation to the bidding procedure. Such representations were in the form of general advisory and recommendations in relation to improving the existing bidding process implemented by governmental agencies in relation to infrastructure projects and the existing regulatory framework relating to certain infrastructure sectors, specifically aimed at improvement of private participation and investment in such infrastructure sectors.

The Investment Manager has not less than two employees, who have at least five years of experience each, in the field of fund management or advisory services or development in the infrastructure sector, and not less than one employee who has at least five years of experience in the relevant sub-sectors in which IndiGrid proposes to invest, namely power transmission projects and renewable energy in India. Further, not less than half the directors of the Investment Manager are independent, and are not directors or members of the governing board of another infrastructure investment trust registered under the InvIT Regulations. The Investment Manager conducts operations pertaining to IndiGrid from

Unit No. 101, First Floor, Windsor, Village KoleKalyan, Off CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400 098. The net worth (being, the total of paid-up share capital, securities premium and retained earnings) of the Investment Manager as on December 31, 2020 was ₹ 130.00 million.

Pursuant to the IM SSPA and the shareholders' agreement dated April 30, 2019 (read with the amended and restated shareholders' agreement between Electron IM Pte. Ltd., the Sterlite Sponsor and the Investment Manager dated August 4, 2020), entered into by SPTL, the Investment Manager and Electron IM Pte. Ltd., an affiliate of KKR, currently owns 60% of the paid-up equity share capital of the Investment Manager is held by Electron IM Pte. Ltd. Additionally, Electron IM Pte. Ltd. has agreed to acquire an additional 14% in the Investment Manager, subject to the terms and conditions set out in the IM SSPA.

The Investment Manager confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, personnel and resources to perform its functions, duties and responsibilities with respect to the management of IndiGrid, in accordance with the InvIT Regulations, the Investment Management Agreement and applicable law.

Neither the Investment Manager nor any of the promoters or directors of the Investment Manager (i) are restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; (iii) are in the list of wilful defaulters published by the RBI or the or the caution list of the Export Credit Guarantee Corporation; (iv) are Fugitive Economic Offenders, or (v) in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

#### ***Long Term Incentive Plan 2020***

The Nomination and Remuneration Committee of the Investment Manager formulated the Long Term Incentive Plan 2020 ("**Scheme 2020**"), a Unit-based incentive plan for the employees of the Investment Manager. The Scheme 2020 was approved by the Board of Directors of the Investment Manager on April 28, 2020.

Scheme 2020 shall be operated and administered by the Board of Directors of the Investment Manager. No member of the Nomination and Remuneration Committee shall be personally liable for any action or decision taken in good faith with respect to Scheme 2020. All persons who were employees of the Investment Manager as on December 31, 2019 and other employees as identified by the Investment Manager from time to time, are eligible to receive grant under Scheme 2020. The Units linked rights granted under Scheme 2020 will vest annually under three equal tranches in April 2021, April 2022, and April 2023, respectively, in the manner provided under Scheme 2020.

#### ***Board of Directors of the Investment Manager***

The board of directors of the Investment Manager is entrusted with the responsibility for the overall management of the Investment Manager. Please see below the details in relation of the board of directors of the Investment Manager:

Sr. No.	Name, Designation, DIN	Age	Address	Date of Appointment	Details of other Directorships/ Partnerships
1.	<b>Rahul D. Asthana</b>  Independent Director  DIN: 00234247	68	B 1101 Patliputra Society, 4 Bungalows, Versova, Andheri (W), Mumbai 400053	December 26, 2017	(a). Aegis Logistics Limited (b). NBS International Limited (c). Mahindra Vehicle Manufacturers Limited (d). Mahindra Waste to Energy Solutions Limited (e). Mahindra Integrated Business Solutions Private Limited
2.	<b>Tarun Kataria</b>  Independent Director  DIN: 00710096	62	93 Sarnath, 59 Bhulabhai Desai Road, Cumballa Hill, Mumbai 400 026	October 29, 2016	(a). Westlife Development Limited (b). Mapletree Logistics Trust Ltd. (Singapore) (c). Global Moats Fund, Mauritius (d). Eagle Hospitality Trust Management Ltd. (e). Jubilant Pharma Ltd.
3.	<b>Pratik Agarwal</b>  Non-Executive Director  DIN: 03040062	38	A 403/404, Samudra Mahal, 3 <sup>rd</sup> Floor, Dr Annie Besant Road, Worli, Mumbai 400018	July 19, 2011	Sterlite Power Transmission Limited

Sr. No.	Name, Designation, DIN	Age	Address	Date of Appointment	Details of other Directorships/ Partnerships
4.	<b>Harsh Shah</b> Chief Executive Officer and Whole-time Director DIN: 02496122	37	B407 Sunset2 Raheja Vihar Chandivali Farm Road, Powai, Mumbai 400 072	January 15, 2018	(a). Bhopal Dhule Transmission Company Limited (b). Patran Transmission Company Limited (c). Maheshwaram Transmission Limited (d). IndiGrid Limited (e). RAPP Transmission Company Limited (f). NRSS XXIX Transmission Limited (g). Jabalpur Transmission Company Limited (h). IndiGrid 1 Limited (i). Parbati Koldam Transmission Company Limited
5.	<b>Sanjay Nayar</b> Non-Executive Director DIN: 00002615	60	Rushilla, Flat no. 9, 17/C, Carmichael Road, Mumbai 400026	June 7, 2019	(a). Max Healthcare Institute Limited (b). J B Chemicals and Pharmaceuticals Limited (c). Valleyview Probuild Private Limited (d). Heritage View Developers Private Limited (e). Sealink View Probuild Private Limited (f). Sea View Probuild Private Limited (g). EPIMONEY Private Limited (h). Radiant Life Care Private Limited (i). Grameen Impact Investments India Private Limited (j). Seynse Technologies Private Limited (k). Indian School Of Business (l). Pratham Education Foundation (m). Pratham Institute For Literacy Education And Vocational Training (n). Avendus Capital Private Limited (o). EPI Venture Partners LLP (p). ASFM Enterprises (q). Tranzmute LLP
6.	<b>Ashok Sethi</b> Independent Director DIN: 01741911	67	Flat 403, 4 <sup>th</sup> Floor, Tower B1, Godrej Platinum, Pirojsha Nagar, Vikhroli (E) Mumbai 400079	October 20, 2020	Tata Consulting Engineers Limited

**Details of change in Directors of the Investment Manager in the last three years:**

Sr. No.	Name	Designation	DIN	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
1.	Pratik Agarwal	Non-Executive Director	03040062	Change in designation with effect from July 31, 2018	Not Applicable	Stepped down to Non-Executive Director
2.	Harsh Shah	Chief Executive Officer and Whole-time Director	02496122	Change in designation with effect from July 31, 2018	Not Applicable	Stepped Up as Whole Time Director
3.	Sanjay Nayar	Non-Executive Director	00002615	Appointed with effect from June 7, 2019	Not Applicable	Representative of Electron IM Pte. Ltd.
4.	Kuldip Kaura	Independent Director	00006293	Resigned with effect from June 7, 2019	Appointed on October 28, 2016	Resignation
5.	Shashikant H. Bhojani	Independent Director	00196767	Demise on July 22, 2020	Appointed on April 27, 2017	-
6.	Ashok Sethi	Independent Director	01741911	Appointed with effect from October 20, 2020	Not Applicable	Appointment

**Brief Biography of the Directors of the Investment Manager**

Please see below a brief biography of the directors of the Investment Manager:

1. **Rahul D. Asthana**

Rahul D. Asthana, IAS (Retd.), was appointed as an Additional Independent Director on the board of the Investment Manager on December 26, 2017 and as an Independent Director on September 28, 2018. He holds a master's degree in business administration in international business from ICPE University of Ljubljana, Slovenia and a bachelor's degree in technology (aeronautical) from Indian Institute of Technology, Kanpur. Currently, he serves as a non-executive director on the board of Aegis Logistics Limited, and NBS International Limited. He is also a director on the board of directors of Mahindra Vehicles Manufacturing Limited and Mahindra Waste to Energy Solutions Limited. Previously, he served as the Metropolitan Commissioner of Mumbai, Metropolitan Region Development Authority between 2011 and 2013, where his primary role was planning for the Mumbai Metropolitan region and implementation of large infrastructure projects. He served as the chairman of Mumbai Port Trust from 2008 to 2011 where he was heading operations and management of Mumbai Port. He was responsible for the formulation and approvals for new projects of capacity addition and implementation of large projects on a public private partnership basis. He has also served as the Principal Secretary, Energy Department of Government of Maharashtra and was responsible for formulating the renewable energy policy for the State of Maharashtra. He has also served as the chief executive officer and general manager of Brihanmumbai Electric Supply and Transport dealing with distribution of power in South Mumbai and bus transport in Greater Mumbai.

2. ***Tarun Kataria***

Tarun Kataria was appointed as an Additional Independent Director on the board of the Investment Manager on October 29, 2016 and as an Independent Director on September 22, 2017. He holds a master's degree in business administration (finance) from the Wharton School of the University of Pennsylvania and is a chartered accountant. He is also an independent non-executive director (and member of the nomination and remuneration committee) of Mapletree Logistics Trust Ltd., an entity listed on the Singapore Stock Exchange. He is an independent director in Global Moats Fund, Mauritius. In India, he is an independent non-executive director (and chair of the risk management committee) of Westlife Development Limited. He is also an independent director in Eagle Hospitality Trust Management Limited and Jubilant Pharma Limited. He has almost 31 years of investment banking and capital markets experience in New York, Hong Kong, Singapore and Mumbai. He was previously the chief executive officer (India) of Religare Capital Markets Limited. Prior to this he was the managing director and head of global banking and markets at HSBC India, vice chairman of HSBC Securities and Capital Markets Private Limited and non-executive director of HSBC InvestDirect Limited. Before moving to India, Tarun Kataria was based in Hong Kong as the managing director and head of institutional sales, Asia Pacific for HSBC Global Markets, where he was responsible for all client-facing activity in foreign exchange, derivatives, equities and fixed income.

3. ***Pratik Agarwal***

Pratik Agarwal was appointed as an Executive Director of the Investment Manager on July 19, 2011 and was re-designated as a Non-Executive Director on July 31, 2018. He holds a master's degree in business administration from London Business School and a bachelor's degree from Wharton Business School, University of Pennsylvania. Pratik Agarwal has over 10 years of experience in building core infrastructure businesses in India. He is the Chairman of Confederation of Indian Industry Core Committee on Transmissions and on the Advisory Board of India Brazil Chamber of Commerce.

4. ***Harsh Shah***

Harsh Shah was appointed as an Additional Executive Director on the Board of the Investment Manager on January 15, 2018. His appointment was regularized and he was appointed as the Chief Executive Officer and Whole-time Director with effect from August 1, 2018. He holds a master's degree in business administration from National University of Singapore and a bachelor's degree in electrical engineering from Nirma Institute of Technology, Gujarat University. He has extensive experience in infrastructure sector across bidding, financing, operations, mergers and acquisitions and regulatory policy. He was instrumental in setting up IndiGrid, India's first infrastructure investment trust in the power transmission sector. He is also a member of the SEBI Advisory Committee for InvITs and REITs. Previously, he served as the Chief Financial Officer of SPTL. Prior to joining Sterlite, he has worked with Larsen & Toubro Limited, L&T Infrastructure Finance Company Limited and Procter & Gamble International Operations Pte. Limited.

5. ***Sanjay Nayar***

Sanjay Nayar was appointed as a Non-Executive Director to the Board of the Investment Manager in 2019. He is the Chairman of KKR India. He joined KKR in 2009 and was a Partner and CEO of KKR India until



December 2020. Prior to joining KKR, he served as CEO of Citigroup's Indian and South Asian operations and was a member of Citigroup's Management Committee and Asia Executive Operating Committee. He is a member of the Board of US-India Strategic Partnership Forum, the Governing Board of Indian School of Business and is an Executive Member of CII PE/VC Committee. He is additionally on the board of Max Healthcare Institute Limited, Avendus Capital Private Limited and JB Chemicals Limited, and is on the Advisory Board of Habitat for Humanity, Advisory - Committee Chairman of Grameen Impact Investments India and a Founding Member of Brookings-India.

6. ***Ashok Sethi***

Ashok Sethi was appointed as was appointed as an Independent Director on the board of the Investment Manager on October 20, 2020. He holds a bachelor's degree of technology in Metallurgical Engineering from the Indian Institute of Engineering at Kharagpur. He has over 30 years of experience in the power sector with experience in project execution, operations, commercial, regulatory, advocacy and policy making. He is currently the Non-Executive Chairman of Tata Consulting Engineers Limited. He was also the Chief Operating Officer and Executive Director of The Tata Power Company Limited. He was also the chairman of various subsidiary companies of Tata Power. He was a director on the board of directors of The Tata Power Trading Company limited, Maithon Power Limited, Powerlinks Transmission Limited, Adjaristsqali Geogia LLC and was previously the Chairman of Industrial Energy Limited and Tata Power Community Development Trust. He was awarded CBIP Special Recognition Award 2019 for 'Excellent Contribution in Power Sector' Development. He has also a Member of the Institute of Directors.

***Brief profiles of the Key Personnel of the Investment Manager***

In addition to Harsh Shah, please see below the details of the other key personnel of the Investment Manager.

1. ***Jyoti Kumar Agarwal***

Jyoti Kumar Agarwal was appointed as the Chief Financial Officer of the Investment Manager on November 3, 2020. He holds a bachelor's degree in commerce from the University of Calcutta and has been awarded the post graduate diploma in management from the Indian Institute of Management at Calcutta. He is a chartered accountant and has cleared all three levels of CFA from the CFA Institute, USA. He has over 4 years of experience in credit trading, fixed income, asset management and related matters. He has previously worked with The Boston Consulting Group, Franklin Templeton Asset Management (India) Private Limited, Deutsche Bank AG and Credit Suisse Securities (India) Private Limited.

2. ***Divya Bedi Verma***

Divya Bedi Verma is the Deputy Chief Financial Officer of the Investment Manager. She holds a bachelor's degree in commerce from Delhi University and is a qualified chartered accountant. She has completed the R12.x Oracle General Ledger Management Fundamentals Ed 1 LVC, R12.x Oracle Order Management Fundamentals Ed 1 LVC, R12.x Oracle E-Business Suite Essentials for Implementers Ed 1 LVC, 11i Oracle Order Management Fundamentals Ed 2 and 11i Oracle Receivables Fundamentals Ed 3 courses from Oracle University. She has over 19 years of experience in the field of managing finance operations, reporting, planning and compliances system change. She has worked in a global environment across the manufacturing, publishing and infrastructure industries. She has previously worked with Imaje India Private Limited, Elsevier and ATS Infrastructure Limited. She has received the CFO Next 100 award for exceptional contribution to the world of finance in December 2015 and December 2017.

3. ***Meghana Pandit***

Meghana Pandit is the Head - M&A and Investor Relations of the Investment Manager. She holds a bachelor's degree in commerce and a master's degree in management studies from the University of Mumbai and a post graduate diploma in financial analysis from the Institute of Chartered Financial Analysts of India. She has over 12 years of experience in investment banking, covering the infrastructure sector across private equity transactions, mergers and acquisitions, initial public offerings, qualified institutional placements and infrastructure investment trusts, in sub-sectors such as roads, airports, renewable power, thermal power, ports and real estate. She has previously worked in Essar Steel Limited, Deloitte Financial Advisory Services India Private Limited and IDFC Bank.

4. ***Kundan Kishore***

Kundan Kishore is the Head – Human Resources of the Investment Manager. He has over 11 years of experience across different human resources functions. He holds a bachelor's degree in engineering (Electrical Engineering) from Rajiv Gandhi Proudyogiki Vishwavidyalaya, Bhopal and has completed the two-year (full-time) post graduate diploma in management (human resource) in 2009 from the International Management Institute. He has previously worked with Bennett, Coleman & Co. Ltd. KEC International Limited and TransUnion CIBIL Limited.

5. ***Swapnil Patil***

Swapnil Patil was appointed the company secretary of the Investment Manager on April 23, 2017. He holds a bachelor's degree in commerce and master's degree in law from University of Pune. He is also an associate member of the Institute of Company Secretaries of India. He has previously worked with Tata Motors Limited, Sterlite Technologies Limited and Sterlite Power Transmission Limited. He has several years of experience in statutory compliances, mergers and acquisitions, corporate restructuring, governance, corporate codes and policies, compliance management, fund raising, regulatory liaising, investor relations, litigation and all aspects of secretarial function.

6. ***Bigyan Parija***

Bigyan Parija was appointed as the Chief Design Officer of the Investment Manager, upon his transfer from SPGVL to the Investment Manager on July 1, 2019. He holds a bachelor's degree in Mechanical Engineering from Utkal University. He has over 20 years of experience in design and engineering, project management and business acquisition in the power transmission sector. Prior to joining IndiGrid, he was the Senior Vice President - Engineering & Routing of SPGVL.

7. ***Satish Talmale***

Satish Talmale is the Chief Operating Officer of the Investment Manager. He has over 20 years of experience in general profit and loss management, business transformation, portfolio risk management, services operations, project management, sales and commercial operations and hands-on operation & maintenance services. He holds a bachelor's degree in mechanical engineering from University of Amravati and has completed the executive program in business management from Indian Institute of Management, Calcutta. He has previously worked with Ingersoll- Rand (India) Limited, GE India Industrial Private Limited, and Larsen & Toubro Limited.

***Key Terms of the Investment Management Agreement***

The Investment Manager has entered into the Investment Management Agreement, in terms of the InvIT Regulations. The Investment Management Agreement provides for powers, duties, rights and liabilities of the Investment Manager, in accordance with the InvIT Regulations, the key terms of which, are set out below:

A. ***Powers of the Investment Manager***

The Investment Manager has been provided with various powers under the Investment Management Agreement in accordance with the InvIT Regulations, including but not limited to:

- (i) The Investment Manager shall take all decisions in relation to the management and administration of InvIT Assets and the investments of IndiGrid as may be incidental or necessary for the advancement or fulfilment of the Investment Objectives of IndiGrid in accordance with the InvIT Regulations.
- (ii) The Investment Manager shall make the investment decisions with respect to the underlying assets or projects of IndiGrid, including any further investments or divestments, subject to InvIT Regulations and in accordance with the offer document, and in this regard is also empowered to do the following acts on behalf of IndiGrid:
  - (a) acquire, hold, manage, trade and dispose off shares, stocks, convertibles, debentures, bonds and other equity or equity-related securities and other debt or mezzanine securities of all kinds issued by any SPVs, infrastructure projects in India, whether in physical or dematerialised form, including power to hypothecate, pledge or create encumbrances of any kind on such securities held by IndiGrid in such special purpose vehicles, or infrastructure projects to be used as collateral security for any borrowings by IndiGrid;

- (b) keep the capital and monies of IndiGrid in deposit with banks or other institutions whatsoever;
  - (c) accept contributions;
  - (d) collect and receive the profit, interest, repayment of principal of debt or debt like or equity or equity like mezzanine securities, dividend, return of capital of any type by the special purpose vehicles, or infrastructure projects and income of IndiGrid as and when the same may become due and receivable;
  - (e) invest in securities or in units of mutual funds in accordance with the InvIT Regulations;
  - (f) invest in money market instruments including government securities, treasury bills, certificates of deposit and commercial paper in accordance with applicable law;
  - (g) to give, provide and agree to provide to any special purpose vehicle's financial assistance in the form of investment in share capital of any class including ordinary, preference, participating, non-participating, voting, non-voting or other class, and in the form of investment in securities convertible into share capital; and
  - (h) to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer land and building and immovable property of any kind including any rights and interest therein.
- (iii) The Investment Manager along with the Trustee has appointed the Project Manager by execution of the Project Implementation and Management Agreement.
  - (iv) The Investment Manager shall oversee activities of the Project Manager with respect to revenue streams from the projects and the Project Implementation and Management Agreement and in terms of the InvIT Regulations and applicable law. The Investment Manager shall obtain a compliance certificate from the Project Manager on a quarterly basis, in the form as may be specified by SEBI.
  - (v) The Trustee hereby authorizes the Investment Manager to do all such other acts, deeds and things as may be incidental or necessary for the advancement or fulfillment of the Investment Objectives of IndiGrid, as set out in the offer document.
  - (vi) The Investment Manager shall have the power to issue and allot Units. The Investment Manager shall have the power to accept subscriptions to Units of IndiGrid and issue and allot Units to Unitholders or such other persons and undertake all related activities. Further, the Investment Manager shall, subject to and only in accordance with the terms of the InvIT Documents and applicable law, have the power to transfer the Units.
  - (vii) The Investment Manager shall cause the depository to maintain a register of Unitholders if required.
  - (viii) The Investment Manager shall make such reserves out of the income or capital as it may deem proper and any directions of the Trustee in this behalf whether made in writing or implied from their acts shall, so far as the law may permit, be conclusive and binding. Any distribution made from such reserves shall be in accordance with the InvIT Regulations.
  - (ix) The Investment Manager may cause IndiGrid to borrow, for the purpose of the InvIT and the InvIT Assets and subject to approval of the Unitholders in accordance with the InvIT Regulations.
  - (x) The Investment Manager shall have the power to exercise all rights of the InvIT in the InvIT Assets, including voting rights, rights to appoint directors, whether pursuant to securities held by it, or otherwise, in such manner as it deems to be in the best interest of IndiGrid, and in accordance with the InvIT Regulations and applicable law.
  - (xi) The Investment Manager may use the services of external advisors and rely on the information provided in the due diligence process of assessing investment proposals as it deems necessary in its sole discretion.
  - (xii) The Investment Manager shall have the power to employ and pay at the expense of the InvIT, any agent in any jurisdiction whether attorneys, solicitors, brokers, banks, trust companies or other agents, without being responsible for the default of any agent if employed in good faith to transact any business, including without limitation, the power to appoint agents to raise funds, or do any act required to be transacted or done in the execution of the responsibilities hereof including the receipt and payment of moneys and the execution of

documents.

- (xiii) The Investment Manager may appoint any custodian in order to provide custodian services, and may permit any property comprised in IndiGrid to be and remain deposited with a custodian or with any Person or Persons in India or in any other jurisdiction subject to such deposit as authorised by the Trustee and permissible under the applicable law.
- (xiv) The Investment Manager, in consultation with the Trustee, shall appoint valuers, auditor, registrar and transfer agent, merchant banker, custodian, credit rating agency or any other intermediary or service provide or agent as may be applicable with respect to the activities pertaining to IndiGrid as per the provisions of the InvIT Regulations and applicable law. The Investment Manager shall appoint an auditor for a period of not more than five consecutive years subject to approval of the Unitholders in terms of the InvIT Regulations.
- (xv) In the event of any capital gains tax, income tax, stamp duty or other duties, fees or taxes (and any interest or penalty chargeable thereon) whatsoever becoming payable in any jurisdiction in respect of IndiGrid or any part thereof or in respect of documents issued or executed in pursuance of the Amended and Restated Trust Deed in any circumstances whatsoever, the Investment Manager shall have the power and duty to pay all such duties, fees or taxes (and any interest or penalty chargeable thereon) as well as to create any reserves for future potential tax liability (and any such interest or penalty) out of IndiGrid's income (and any such interest or penalty). For avoidance of doubt, it is clarified that pursuant to the Amended and Restated Trust Deed, no Unitholder will be required to make a contribution as a capital commitment to IndiGrid (other than the issue price for Units allotted).
- (xvi) The Investment Manager shall have the power to pay InvIT Expenses out of the funds of IndiGrid, or from any or all of the Special Purpose vehicles or Holding Companies, in such proportion, as may be determined from time to time.
- (xvii) The Investment Manager shall have the power to take the opinion of legal / tax counsel in any jurisdiction concerning any difference arising under the Investment Management Agreement or any matter in any way relating to this Agreement or to its duties in connection with the Investment Management Agreement.
- (xviii) The Investment Manager shall have the power to: (a) accept any property before the time at which it is transferable or payable; (b) pay or allow any equity or claim on any evidence that it thinks sufficient; (c) pay or allow any equity or claim on any evidence that it thinks sufficient; (d) allow any time of payment of any equity; and (e) compromise, compound, abandon, submit to arbitration or otherwise settle any equity account, claim or thing whatsoever relating to IndiGrid or the Investment Management Agreement.
- (xix) Subject to the conditions laid down in any offer document, the Investment Manager may retain the invested capital portion of any proceeds received by IndiGrid from any special purpose vehicles.
- (xx) The Investment Manager may. make rules to give effect to. and carry out the Investment Objectives, subject to applicable law. In particular, and without prejudice to the generality of such power, the Investment Manager may provide for all or any of the following matters, namely. In particular, and without prejudice to the generality of such power, the Investment Manager may provide for all or any of the following matters, namely: (a) manner of maintaining of the records and particulars of Unitholders; (b) norms of investment by IndiGrid in accordance with the Investment Objectives of IndiGrid and in accordance with the powers and authorities of the Trustee as set out in the Amended and Restated Trust Deed; (c) matters relating to entrustment / deposit or handing over of any securities or special purpose vehicles of IndiGrid to any one or more custodians and the procedure relating to the holding thereof by the custodian; (d) such other administrative, procedural or other matters relating to the administration or management of the affairs of IndiGrid thereof and which matters are not by the very nature required to be included or provided for in the Deed or by the management thereof and which matters are not in consistent with the provisions thereof; (e) procedure for seeking the vote of the Unitholders either by calling a meeting or through postal ballot or otherwise; and (f) procedure for summoning and conducting of meetings of Unitholders.
- (xxi) Subject to applicable law, no Unitholder shall be entitled to inspect or examine IndiGrid's premises or properties without the prior permission of the Investment Manager. Further, no Unitholder shall be entitled to require discovery of any information with respect to any detail of IndiGrid's activities or any matter which may be related to the conduct of the business of IndiGrid and which information may, in the opinion of the Investment Manager adversely affect the interest of other Unitholders.
- (xxii) The Investment Manager may buyback the Units from the Unitholders at the end of the Term of IndiGrid or

in any other manner in accordance with applicable law, if so directed by the Trustee.

(xxiii) The Investment Manager shall also have the following powers and authorities:

- (a) to institute, conduct, compromise, compound, or abandon any legal proceedings for or on behalf of or in the name of IndiGrid, and to defend, compound or otherwise deal with any such proceedings against IndiGrid or the Investment Manager or its officers or concerning the affairs of IndiGrid, and also to compound and allow time for payment or satisfaction of any equity due and of any claims or demands by or against IndiGrid and to refer any differences to arbitration and observe and perform any awards thereof;
- (b) to make and give receipts, releases and other discharges for moneys payable to IndiGrid and for the claims and demands of IndiGrid;
- (c) to enter into all such negotiations and contracts, and, execute and do all such acts, deeds and things for or on behalf of or in the name of IndiGrid as the Investment Manager may consider expedient for or in relation to any of the matters or otherwise for the purposes of IndiGrid;
- (d) to ascertain, appropriate, declare and distribute or reinvest the surplus generally or under IndiGrid, to determine and allocate income, profits and gains and expenses in respect of IndiGrid to and amongst of the Unitholders, to carry forward, reinvest or otherwise deal with any surplus and to transfer such sums as the Investment Manager may, deem fit to one or more reserve funds which may be established by the Investment Manager;
- (e) to open one or more bank accounts for the purposes of IndiGrid, to deposit and withdraw money and fully operate the same;
- (f) to sign, seal, execute, deliver and register according to law all deeds, documents, and assurances in respect of IndiGrid;
- (g) pay out of the income of IndiGrid after deducting all expenses, the income and other distributions in accordance with the InvIT Regulations;
- (h) take into their custody and/or control all the capital, assets, property of IndiGrid and hold the same in trust for the Unitholders in accordance with the Deed and the InvIT Regulations;
- (i) generally to exercise all such powers as it may be required to exercise under the InvIT Regulations for the time being in force and do all such matters and things as may promote the investment objectives of IndiGrid or as may be incidental to or consequential upon the discharge of its functions and the exercise and enforcement of all or any of the powers and rights under the Investment Management Agreement and the InvIT Regulations.

**B. *Duties of the Investment Manager***

The Investment Manager shall perform its duties as required under the Investment Management Agreement in accordance with the InvIT Regulations, including but not limited to:

- (i) The Investment Manager shall coordinate with the Trustee, as may be necessary, with respect to the operations of IndiGrid.
- (ii) The Investment Manager shall ensure that the valuation of InvIT Assets is done by the valuer(s) in accordance with Regulation 21 of the InvIT Regulations.
- (iii) The Investment Manager shall arrange for adequate insurance coverage for InvIT Assets in accordance with Regulation 10(7) of the InvIT Regulations. The Investment Manager shall ensure that assets held by the SPVs are adequately insured.
- (iv) The Investment Manager shall maintain proper books of accounts, documents and records with respect to IndiGrid, in the manner set out in the Deed, to give a true, fair and accurate account of the investments, expenses, earnings, profits etc. of IndiGrid. The financial year of the InvIT shall begin from the date of the Deed and shall end on the immediately succeeding March 31 and on the anniversary thereof in each succeeding year unless otherwise determined. The Investment Manager shall ensure that audit of the accounts

of IndiGrid by the auditors is undertaken in accordance with the InvIT Regulations and such report is submitted to the designated stock exchange within the time stipulated by the designated stock exchange, if any, and in accordance with the InvIT Regulations.

- (v) The Investment Manager shall declare distributions to Unitholders in accordance with Regulation 18 of the InvIT Regulations. Subject to Applicable Law, such percentage of the net distributable cash flows of the SPVs, shall be distributed to IndiGrid, in terms of the InvIT Regulations. The distributions shall be made within the time period prescribed by the InvIT Regulations.
- (vi) The Investment Manager shall convene meetings of the Unitholders in accordance with Regulation 22 of the InvIT Regulations and maintain records pertaining to the meetings in accordance with Regulation 26 of the InvIT Regulations.
- (vii) The Investment Manager shall intimate the Trustee prior to any Change in Control of the Investment Manager to enable the Trustee to seek prior approval from the Unitholders and SEBI in this regard and shall ensure that no such change is given effect to, until the approval of the Unitholders and SEBI has been obtained, or this Agreement is terminated and a new investment manager has been appointed in accordance with the terms hereof, or in compliance with any other requirement under the InvIT Regulations and Applicable Law.
- (viii) The Investment Manager will monitor IndiGrid, including monitoring current and projected financial position of IndiGrid and the InvIT Assets including the SPVs. The Investment Manager shall place before its board of directors, a report on the activity and performance of IndiGrid in accordance with the InvIT Regulations. The Investment Manager shall designate an employee from the team or director as the compliance officer for monitoring of compliance with the InvIT Regulations and any circulars or guidelines issued thereunder and intimating SEBI in case of non-compliance.
- (ix) The Investment Manager shall maintain records pertaining to the activity of IndiGrid in terms of Regulation 26 of the InvIT Regulations.
- (x) The Investment Manager shall manage IndiGrid in accordance with the InvIT Regulations and the investment objectives of IndiGrid, and shall ensure that the investments made by IndiGrid are in accordance with the investment conditions enumerated in Regulation 18 of the InvIT Regulations and in accordance with the investment objectives.
- (xi) The Investment Manager shall review the transactions carried out between the Project Manager and its Associates and where the Project Manager has advised that there may be a conflict of interest, shall obtain confirmation from a practicing chartered accountant that such transaction is on an arm's length basis.
- (xii) The Investment Manager shall ensure adequate and timely redressal of all Unitholders' grievances pertaining to the activities of IndiGrid.
- (xiii) The Investment Manager shall submit to the Trustee: (a) quarterly reports on the activities of IndiGrid including receipts for all funds received by it and for all payments made, status of compliance with the InvIT Regulations, specifically Regulations 18, 19 and 20 of the InvIT Regulations, performance report, status of development of under-construction projects, within the time period specified under the InvIT Regulations; (b) valuation reports as required under the InvIT Regulations within the time period specified under the InvIT Regulations; (c) proposal to acquire or sell or develop or bid for any asset or project or expand existing completed assets or projects along with rationale for the same; (d) details of any action which requires approval from the Unitholders as may be specified under the InvIT Regulations; (e) details of transactions it enters into with its Associates; (f) details of any other material fact including change in its directors, change in its shareholding, change in control of the Investment Manager, any legal proceedings that may have a significant bearing on the activity of IndiGrid, within seven working days of such action; and (g) such information, document and records as pertaining to the activities of IndiGrid as may be reasonably necessary for the Trustee with respect to its responsibilities under the Deed or the InvIT Regulations. In the event of failure of the Investment Manager to submit information or reports as specified above in a timely manner and in terms of the InvIT Regulations, the Trustee shall intimate SEBI.
- (xiv) The Investment Manager shall be responsible for all activities pertaining to the issue and listing of the Units of IndiGrid in accordance with Applicable Law including: (a) filing of offer document with SEBI; (b) filing the draft and final offer document with SEBI and the stock exchanges within the prescribed time period; (c) dealing with all matters up to allotment of Units to the Unitholders; (d) obtaining in-principle approval from the designated stock exchange; and (e) dealing with all matters relating to the issue and listing of the Units of

IndiGrid as specified under Chapter IV of the InvIT Regulations and any guidelines as may be issued by SEBI in this regard.

- (xv) The Investment Manager is also responsible to ensure that the disclosures made in any offer document or offer document contain material, true, correct and adequate disclosures and are in accordance with the InvIT Regulations and Applicable Law, and such offer document or placement memorandum should not contain any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading
- (xvi) In case of occurrence of any event specified in Regulations 17(1)(a) to 17(1)(g) of the InvIT Regulations, the Investment Manager shall apply for delisting of units of IndiGrid to SEBI and the designated stock exchange in accordance with the InvIT Regulations and applicable law.
- (xvii) The Investment Manager shall within the time period prescribed under the InvIT Regulations, submit an annual report to all the Unitholders electronically or provide physical copies and to the designated stock exchanges.
- (xviii) The Investment Manager shall, in accordance with the requirements of the InvIT Regulations and other Applicable Laws, including any requirements prescribed by SEBI or the stock exchanges from time to time, disclose half-yearly reports within the time period prescribed under the InvIT Regulations to stock exchanges and provide any information having bearing on the operation or performance of IndiGrid as well as price sensitive information and other information that is required in terms of the InvIT Regulations and applicable law.
- (xix) Without prejudice to any other provision of the Investment Management Agreement, the Investment Manager will also have the following duties and obligations:
  - (a) ensure that computation and declaration of net asset value of IndiGrid is based on the valuation done by the valuer in accordance with the InvIT Regulations;
  - (b) maintain regular interaction with the Trustee on performance of IndiGrid and providing the Trustee with any information in relation to the operations of IndiGrid as maybe required;
  - (c) conducting its affairs and the affairs of IndiGrid in such a manner that no Unitholder will have any personal liability (except to the extent of their Unitholding, where such Unit is partly paid) with respect to any liability or obligation of IndiGrid;
  - (d) maintaining relationships with the Unitholders of IndiGrid and keep them updated on investment activities of IndiGrid in accordance with the terms of the InvIT documents;
  - (e) collecting all dividends, fee, property and other payments due and receivable by IndiGrid declaring distribution to the Unitholders in the manner set out in the Amended and Restated Trust Deed and in terms of the InvIT Regulations;
  - (f) to ensure that no commission or rebate or any other remuneration, arising out of transaction pertaining to IndiGrid is collected by the Investment Manager or its Associates, other than as specified in the offer document or any other document as may be specified by SEBI for the purpose of the issue of the units of IndiGrid;
  - (g) to ensure that InvIT assets including the SPVs, have proper legal titles, to the extent applicable and that all the material contracts entered into on behalf of IndiGrid or IndiGrid's assets are legal, valid, binding and enforceable by and on behalf of IndiGrid;
  - (h) to ensure that the activities of the intermediaries or agents or service providers appointed by it are in accordance with the InvIT Regulations or any guidelines or circulars issued thereunder;
  - (i) to ensure that any possible conflict of interest involving its role as Investment Manager is reported to the Trustee;
  - (j) to ensure that disclosures or reporting to Unitholders, SEBI, the Trustee and the designated stock exchange(s) are in accordance with the InvIT Regulations and any other applicable law;

- (k) provide SEBI, the designated stock exchanges and Trustee, where applicable, such information as may be sought by SEBI or by the designated stock exchanges or Trustee pertaining to the activity of IndiGrid;
  - (l) to inform the Trustee in writing about any change in the representations and warranties provided by it under the Investment Management Agreement during the term of the Investment Management Agreement; and
  - (m) taking any other actions reasonably incidental to any of the foregoing or necessary or convenient in order to fully effect or evidence any action or transaction contemplated under the Investment Management Agreement.
- (xx) The Investment Manager shall provide to the Trustee such assistance as may be required by the Trustee in fulfilling its obligation towards IndiGrid under Applicable Law or as may be required by any regulatory authority with respect to IndiGrid.

#### C. *Liabilities of the Investment Manager*

The liabilities of the Investment Manager in terms of the Investment Management Agreement are as follows:

- (i) The Investment Manager shall not be liable in respect of any action taken or damage suffered by it on reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or (without being limited in any way by the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities.
- (ii) The Investment Manager shall not be liable to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (which legally or otherwise) it shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of these presents, the Investment Manager shall not be under any liability therefore or thereby. However, it shall duly inform the Trustee and the Unitholders of the same.
- (iii) If the Investment Manager is required by the InvIT Regulations or any applicable law to provide information regarding IndiGrid and/or the Unitholders, InvIT investments and income therefrom and provisions of these presents and complies with such request in good faith, whether or not it was in fact enforceable, the Investment Manager shall not be liable to the Unitholder or any of them or to any other party as a result of such compliance or in connection with such compliance.
- (iv) The Investment Manager shall not incur any liability for any act or omission which may result in a loss to a Unitholder (by reason of any depletion in the value of InvIT Assets or otherwise), except in the event that such loss is a result of fraud or negligence or default on the part of the Investment Manager, or where the Investment Manager fails to exercise due care in relation to its obligations under the Investment Management Agreement.
- (v) If the distributions are not made within the period prescribed in the InvIT Regulations, the Investment Manager shall be liable to pay interest to the Unitholders at the rate as may be prescribed in the InvIT Regulations until the distribution is made and such interest shall not be recovered in the forms of fee or any other form payable to the Investment Manager by IndiGrid.
- (vi) The Investment Manager shall be liable to any Unitholder for the authenticity of any signature or of any seal affixed to any endorsement or other document affecting the title to or the transmission of Units or interests in IndiGrid or of any investments of the InvIT or be in any way liable for any forged or unauthorized signature or seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorized signature or seal. The Investment Manager shall be bound to require that the signature of any Unitholder to any document required to be signed by such Unitholder, under or in connection with these presents shall be verified to its reasonable satisfaction.

Further, in terms of the Investment Management Agreement, in addition to the fees, distributions and expense reimbursements herein described, the Trustee shall, from the InvIT Assets, indemnify and hold harmless the Investment Manager and its respective officers, directors, shareholders, partners, members, employees, advisors and



agents (“**Indemnified Parties**”) from and against any claims, losses, costs, damages, liabilities, suits, proceedings and expenses, including legal fees (“**Losses**”) suffered or incurred by them by reason of their activities on behalf of IndiGrid, unless such Losses have resulted from fraud, negligence, dishonest acts of commissions or omissions, reckless disregard of duty or breach of duties under the Investment Management Agreement and applicable law and wilful misconduct of the Indemnified Parties.

The Trustee, its directors, employees, officers (“**Trustee Party**”) shall be indemnified by the Investment Manager against any and all direct and actual losses, actions, claims, suits, proceedings, damages, liabilities, costs and expenses including legal fees, incurred or suffered by the Trustee Party in connection with the breach of any of the terms of the Investment Management Agreement by the Investment Manager, or failure in furnishing information required by SEBI or any regulatory authority with respect to IndiGrid, or furnishing wrong information by the Investment Manager under the InvIT Regulations or related to IndiGrid including in any offer documents, or arising out of gross negligence, wilful default or misconduct or fraud on part of the Investment Manager, in carrying out its obligations under the Investment Management Agreement, the Amended and Restated Trust Deed, other InvIT documents, any information memorandum / offer documents and Applicable Law. The Trustee acknowledges and agrees that the aggregate maximum liability of the Investment Manager in each financial year, shall be limited to the aggregate fees payable to the Investment Manager for the immediately preceding two financial years, in accordance with the terms of the Investment Management Agreement, provided that such aggregate maximum liability shall not be applicable in the event such liability of the Investment Manager to indemnify the Trustee Party arises in connection with any gross negligence, wilful default or misconduct or fraud of the Investment Manager.

The Investment Management Agreement is effective from the date of execution of the Investment Management Agreement and shall terminate in accordance with the terms of the Investment Management Agreement. The appointment of the Investment Manager may be terminated by the Trustee or the Unitholders, in accordance with the procedure specified under the InvIT Regulations.

#### **Unitholding of the Investment Manager**

For details of the Units held by the Investment Manager, please see the sections entitled “*Information Regarding the Units – Unitholding of the Sponsors, Investment Manager, Project Manager and Trustee*” on page 76.

### **E. The Project Manager**

#### **Sterlite Power Transmission Limited**

##### ***History and Certain Corporate Matters***

Sterlite Power Transmission Limited is the Project Manager in respect of the Portfolio Assets of IndiGrid (other than for JKTPPL and PrKTCL). For details, please see the section entitled “*Parties to IndiGrid – The Sterlite Sponsor – Sterlite Power Transmission Limited*” on page 191.

##### ***Background of the Project Manager***

Our Project Manager an independent power transmission company in the private sector in India. For details, please see the section entitled “*Parties to IndiGrid – The Sterlite Sponsor – Sterlite Power Transmission Limited*” on page 191.

Neither the Project Manager nor any of the promoters or directors of the Project Manager (i) are restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; (iii) is in the list of wilful defaulters published by the RBI; (iv) are Fugitive Economic Offenders, or (v) in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

##### ***Key terms of the Project Implementation and Management Agreement***

The Project Manager has entered into the Project Implementation and Management Agreement, in terms of the InvIT Regulations, which provides the scope of services, functions, duties and responsibilities of the Project Manager.

The functions, duties and responsibilities of the Project Manager in terms of the Project Implementation and Management Agreement and the InvIT Regulations are as follows:

- (i) The Project Manager shall undertake implementation, development, maintenance, operation and management of IndiGrid's assets including making arrangements for the appropriate maintenance, either directly or through the appointment and supervision of agents, if any, as may be necessary for discharge of its duties under the terms of the Project Implementation and Management Agreement, the O&M agreements (including the Transmission Services Agreements) and under the InvIT Regulations.
- (ii) The Project Manager shall, either directly or through appropriate agents, oversee the progress of development, approval status and other aspects of InvIT assets that may be under development or, of any new projects, until its completion in accordance with any agreement that may be entered into in this regard, including the supervision of agents appointed for such purpose.
- (iii) The Project Manager shall discharge all obligations in respect of achieving timely completion of the infrastructure projects, wherever applicable, implementation, development, maintenance, operation and management of the infrastructure projects in terms of the O&M agreements, the Project Implementation and Management Agreement and the InvIT Regulations.
- (iv) The Project Manager shall provide compliance certificate(s), as may be specified, to the Investment Manager and the Trustee in accordance with the InvIT Regulations, in the form prescribed by SEBI, if any.
- (v) The Project Manager provide the Investment Manager details of transactions carried out between itself and its associates and disclose any conflict of interest in such cases to the Investment Manager, in accordance with the InvIT Regulations.
- (vi) The Project Manager shall intimate the Trustee prior to any change in control of the Project Manager to enable the Trustee to seek approval from the relevant authority in accordance with the TSAs or other project documents pertaining to the InvIT Assets, if applicable.
- (vii) The Project Manager shall provide to the Trustee and Investment Manager or to such other person as the Trustee and/or the Investment Manager may direct, all information that may be necessary for each of them to maintain the records of IndiGrid and as may be required for making submissions to SEBI or other Governmental authority, including with respect to relevant approvals, consents and other documents required in relation to the project and the reporting requirements under the InvIT Regulations, in a proper and timely manner, and in the format prescribed (if any), as required by the Trustee and /or Investment Manager.
- (viii) The Project Manager shall appoint one of its qualified employees reasonably acceptable to the Investment Manager and the each of the Portfolio Assets with adequate and appropriate experience as a principal contact for the board of directors of each Portfolio Asset, the Trustee and the Investment Manager in relation to the project and the services. The Project Manager shall have full authority, to receive directions and instructions from each Portfolio Asset and to take action in relation to and ensure compliance with such directions and instructions and report back to each Portfolio Asset, Trustee and the Investment Manager.
- (ix) The Project Manager shall at all time ensure that the transactions or arrangement entered into by the Project Manager with a related party is on an arm's-length basis.
- (x) The Project Manager shall promptly inform the parties to the Project Implementation and Management Agreement in writing of any act, occurrence or event, which the Project Manager believes is reasonably likely to increase the cost of or the time for implementation taken in relation to a project, or materially to change the financial viability, quality or function of the project.
- (xi) If any defects are found in the maintenance, materials and workmanship of the services provided under the Project Implementation and Management Agreement by the Project Manager and/or by the agents, the Project Manager shall promptly, in consultation and agreement with the other parties to the Project Implementation and Management Agreement regarding appropriate remedying of the defects, and at its own cost, repair, replace or otherwise make good (as any Portfolio Asset shall, at its discretion, determine) such defects as well as any damage caused by such defect.
- (xii) The Project Manager shall be liable to the other parties to the Project Implementation and Management Agreement for any direct loss or damage attributable to the non-performance or breach of the obligations of the Project Manager including those of the agents, under the Project Implementation and Management

Agreement. Except as set out in the Project Implementation and Management Agreement, the Trustee and the Investment Manager acknowledge and agree that the aggregate maximum liability of the Project Manager shall be limited to the fee payable to the Project Manager in accordance with the terms of the Project Implementation and Management Agreement.

- (xiii) The duties of Project Manager shall also include the following:
- (a) supervision of revenue streams from IndiGrid's assets and providing the necessary certification as may be required under applicable laws and the InvIT Regulations;
  - (b) execution and completion of activities in relation to InvIT Assets under development in accordance with and in the manner contemplated in any agreement entered into by InvIT Assets;
  - (c) exercise diligence and vigilance in carrying out its duties and protecting InvIT Assets;
  - (d) keeping the Investment Manager informed on all matters which have a material bearing on the operations of InvIT Assets;
  - (e) liaising with governmental authorities in respect of its obligations under the Project Implementation and Management Agreement and the O&M Agreements;
  - (f) take appropriate measures to mitigate the risks which may be encountered by the InvIT in respect of InvIT Assets;
  - (g) keep proper records for actions taken in respect of IndiGrid's assets; and
  - (h) complying with the instructions of the Investment Manager and the Trustee and the provisions of the InvIT Regulations.
- (xiv) The parties to the Project Implementation and Management Agreement may, from time to time, agree to provisions for additional services to be rendered by the Project Manager. If, in the assessment of the Project Manager, additional services are required for the purposes of carrying out its duties and obligations under the Project Implementation and Management Agreement, the O&M agreements and applicable law, the Project Manager shall notify the parties to the Project Implementation and Management Agreement in writing of such requirement and obtain prior written approval of the Parties in this regard.
- (xv) In case of any inconsistency or discrepancy between the Project Implementation and Management Agreement and the O&M agreements, the Project Manager shall bring the same into the notice of the Trustee. The Trustee, in consultation with the Investment Manager, shall issue instructions for resolving the inconsistency. The Project Manager shall be bound to comply with the instructions of the Trustee.
- (xvi) Notwithstanding anything to the contrary contained in the Project Implementation and Management Agreement, nothing contained in the Project Implementation and Management Agreement shall be construed to limit or restrict the performance of any duties or obligations of the Project Manager, Investment Manager or the Trustee contained in the InvIT Regulations and other applicable law.
- (xvii) During the term of the Project Implementation and Management Agreement, in the event the representations provided by the Project Manager under the Project Implementation and Management Agreement, become untrue or incorrect or incomplete in any respect, the Project Manager shall, within a reasonable time, inform the Trustee and Investment Manager of such event.

Further, in terms of the Project Implementation and Management Agreement, Trustee, the Investment Manager and their respective directors, employees, officers and the InvIT ("**Indemnified Parties**") shall be indemnified by the Project Manager against any claims, losses, costs, damages, liabilities and expenses, including legal fees from and incurred or suffered by the Indemnified Parties in connection with the breach of any of the terms of the Project Implementation and Management Agreement by the Project Manager, or failure in furnishing information required by SEBI or any regulatory authority with respect to IndiGrid, or furnishing wrong information by the Project Manager under the InvIT Regulations or related to IndiGrid including in any offer documents, or arising out of gross negligence, willful default or fraud on part of the Project Manager, in carrying out its obligations under the Project Implementation and Management Agreement, the other InvIT documents in relation to IndiGrid as specified under the Project Implementation and Management Agreement, information memorandum / offer documents and applicable law. The Trustee and the Investment Manager acknowledge and agree that the aggregate maximum liability of the Project

Manager in each financial year shall be limited to the fees payable to the Project Manager in such financial year in accordance with the terms of the Project Implementation and Management Agreement.

The Project Implementation and Management Agreement shall remain effective, unless terminated by the parties in accordance with the provisions of the Project Implementation and Management Agreement or extended by mutual consent expressed in writing by the Parties to the Project Implementation and Management Agreement, for the period that the Transmission Agreements are in force.

### **IndiGrid Limited**

IndiGrid Limited is the Project Manager for two of our Portfolio Assets, JKTPL and PrKTCL. For further details please see the section entitled “*Description of Portfolio Assets – IndiGrid Limited*” on page 185.

Neither IGL nor any of the promoters or directors of IGL (i) are restrained or prohibited or debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; (iii) is in the list of wilful defaulters published by the RBI; or (iv) are Fugitive Economic Offenders.

### ***Operation and Maintenance Contract with JKTPL***

JKTPL (the “**Employer**”) and IndiGrid Limited (the “**Contractor**”) entered into an operation and maintenance contract dated September 28, 2020 (the “**O&M Agreement**”). The Employer is engaged in the business of power transmission and has been awarded the 400 kV Jhajjar power transmission system project - PPP - 1 (the “**Project**”) by HVPNL, pursuant to the JKTPL TSA.

*Services:* Pursuant to the O&M Agreement, the Employer has appointed the Operator to operate and maintain the Transmission System, as defined in the O&M Agreement (the “**Transmission System**”) and provide operation and maintenance services in relation to the Project thereto (collectively, the “**O&M Services**”), in accordance with the terms and conditions set out in the O&M Agreement.

*Scope of work:* The indicative scope of work for the Contractor, as set out in the O&M Agreement is as follows:

- (i) ensuring safe, smooth, and uninterrupted flow of electricity on the Transmission System during normal operating conditions;
- (ii) undertaking operation and maintenance of the Transmission System in an efficient, coordinated and economical manner, in accordance with applicable laws, JKTPL TSA and as specified in the O&M Agreement;
- (iii) procuring that the availability of the system capacity is not less than the normative availability;
- (iv) minimising disruption to the Transmission System in the event of accidents or other incidents affecting the safety and use of the Transmission System by providing rapid and effective response and maintaining liaison with emergency services of the state;
- (v) carrying out periodic preventive maintenance of the Transmission System in accordance with the maintenance program;
- (vi) undertaking routine maintenance in accordance with the maintenance program, including prompt repairs of all components of the Transmission System so as to ensure compliance with the maintenance requirements and the specifications and standards, as specified in the O&M Agreement;
- (vii) undertaking major maintenance such as essential replacement (including line replacement), repairs to structures, repairs to substation parts and other general repairs;
- (viii) Preventing, with the assistance of the concerned law enforcement agencies, any encroachments on the Transmission System and the Licensed Premises (as defined in the O&M Agreement);
- (ix) protection of the environment and provision of equipment and materials therefore;
- (x) operation and maintenance of all communication, control, and administrative systems necessary for the

efficient operation of the Transmission System;

- (xi) maintaining a public relations unit to Interface with and attend to suggestions from the users, government agencies, media and other agencies,
- (xii) complying with the safety requirements in accordance with the JKTPL TSA;
- (xiii) operation and maintenance of all project assets diligently and efficiently and in accordance with good industry practice;
- (xiv) maintaining reliability in operating the Transmission System;
- (xv) modify, repair or otherwise make improvements to the Transmission System to ensure normative availability;
- (xvi) taking all Applicable Permits (as defined in the O&M Agreement);
- (xvii) providing all tools, tackles, equipment's, material, labour, skill and all other resources for required for maintaining availability, reliability and meeting emergency conditions;
- (xviii) deploying adequate security staff for ensuring ward and watch of all project assets;
- (xix) deploying adequate skilled and unskilled workforce, in required shifts, to ensure round the clock maintenance and supervision as per the maintenance manuals / SOP of preventive maintenance and maintenance requirement;
- (xx) undertaking any additional responsibility or carry out such work as may be specified by the government instrumentality or the authority; and
- (xxi) acting as the project manager for the implementation, development, maintenance, operation and management of the Project, in accordance with the InvIT Regulations.

*Obligations of the Contractor:* The obligations of the Contractor, as set out in the O&M Agreement is as follows:

- (i) execute the Works (as defined in the O&M Agreement ) in accordance with the terms and conditions of the O&M Agreement, JKTPL TSA and applicable laws;
- (ii) make, or cause to be made, necessary applications to the relevant government instrumentalities with such particulars as may be required for obtaining Applicable Permits, in accordance with the terms and conditions of the O&M Agreement, JKTPL TSA and applicable laws,
- (iii) procure, as required, the appropriate proprietary rights, licences, agreement and permissions for materials, methods, processes, and systems used or incorporated into the Transmission System;
- (iv) make reasonable efforts to maintain harmony and good industrial relations among the personnel employed by it or its sub-contractors in connection with the performance of its obligations as specified in the O&M Agreement;
- (v) ensure and procure that its sub-contractors comply with all Applicable Permits (as defined in the O&M Agreement) and applicable laws;
- (vi) not do or omit to any do any act, deed or thing which may in any manner be violative of the provisions of the O&M Agreement and applicable laws;
- (vii) procure that all equipment and facilities comprising the Transmission System are operated and maintained in accordance with the specifications and standards, maintenance requirements, safety requirements and good industry practice, as specified in the O&M Agreement;
- (viii) support, cooperate with and facilitate HVPNL, in the implementation and operation of the Project in accordance with the O&M Agreement;
- (ix) ensure that the personnel engaged by in the performance of its obligations under the O&M Agreement are at all times properly trained for their respective functions;

- (x) at its own cost and in accordance with applicable laws, procure the electricity required for consumption at its residential and office premises and for auxiliary consumption of the acquired temporary premises, go-downs and such all the places where ever the condition is applicable;
- (xi) pay, at all times during the subsistence of the O&M Agreement, all taxes, levies, duties, cesses, and all other statutory charges payable in respect of the O&M Agreement;
- (xii) pay provident fund, ESI, gratuity & all other statutory charges leviable on deployment of employees and workers;
- (xiii) comply with/provide and/or undertake any other obligation, compliance, reports, certificate or information as requested by India Grid Trust, Axis Trustee Services Limited or Sterlite Investment Managers Limited or as required under the InvIT Regulations; and
- (xiv) ensure co-ordination with other contractors for smooth functioning of Project.

*Fees and other expenses:* The remuneration, cost and expense for the Independent Engineer and Safety Consultant, each as defined in the O&M Agreement, engaged for the Project by the Employer, would be paid by the Employer and the same would be recovered from the Contractor, as specified in the O&M Agreement. Further, the Contract Price (as defined in the O&M Agreement), shall be payable by the Employer to the Contractor as specified in the O&M Agreement.

*Indemnity:*

- (i) The Contractor will indemnify, defend, save and hold harmless the Employer and its officers, servants, agents, Employer owned and/or controlled entities / enterprises, against any and all suits, proceedings, actions, demands and claims from third parties for any loss, damage, cost and expense of whatever kind and nature, whether arising out of any breach by the Contractor of any of its obligations under O&M Agreement or any related agreement or on account of any defect or deficiency in the provision of services by the Contractor to any user or from any negligence of the Contractor under contract or tort or on any other ground whatsoever, except to the extent that any such suits, proceedings, actions, demands and dams have arisen due to any negligent act or omission, or breach or default of the O&M Agreement on the part of the Employer.
- (ii) The Employer shall indemnify, defend, save and hold harmless the Contractor against any and all suits, proceedings, actions, demands and claims from third parties for any loss, damage, cost and expertise of whatever kind and nature arising out of defect in title and/or the rights of the Employer in the Project and site comprised in the Project, and/or (1) breach by the Employer of any of its obligations under the O&M Agreement or any related agreement, which materially and adversely affect the performance by the Contractor of its obligations under the O&M Agreement, save and except that where any such claim, suit, proceeding, action, and/or demand has arisen due to a negligent act or omission, or breach of any of its obligations under any provision of the O&M Agreement or any related agreement and/or breach of its statutory duty on the part of the Contractor, its subsidiaries, affiliates, contractors, servants or agents, the same shall be the liability of the Contractor.
- (iii) The Contractor shall indemnify the Employer specifically for loss of Unitary Charges (as defined in the O&M Agreement)/other revenue payable to the Employer or any penalty payable by the Employer to HVPNL under the JKTPL TSA due to a default under the JKTPL TSA, to the extent that such default can be clearly identified to failure of the respective assets under control of the related O&M Contractor under the O&M Agreement.

*Termination*

- (i) As per the O&M Agreement, it is agreed between the Contractor and the Employer that in the event any party commits material breach of any of the terms and conditions contained in the O&M Agreement, and fails to remedy such breach within a period of 30 days from the date of receiving a notice from the other party in that case the other party shall have the right to terminate the O&M Agreement by giving 30 days notice to the party in breach.
- (ii) Any compensation payable to the Contractor in case of termination, for reasons not attributable to Contractor's default to perform its obligations under the O&M Agreement, shall be mutually decided among the parties at the time of termination;
- (iii) The O&M Agreement shall terminate automatically upon termination of the JKTPL TSA. If the termination of the JKTPL TSA is attributable directly or indirectly to Contractor's failure to perform its obligations under

the O&M Agreement or any force majeure event the Contractor shall not be entitled to any termination compensation or breakage costs

- (iv) The Contractor agrees that upon the termination of the JKTPL TSA, directly or indirectly attributable to the Contractor's failure to perform, the Contractor shall be responsible for and shall Indemnify the Employer for
- (a). the amount that HVPNL calls upon the issuing bank to pay under the Performance Security (as defined in the O&M Agreement) and the costs of procuring the Performance Security
  - (b). the amount required to discharge the Employer's debt due to the Senior Lenders (as defined in the O&M Agreement), Including the principal, Interest, finance charges, penal interest and any other fees, costs, or charges payable to the Senior Lenders; and
  - (c). any amount payable by the Employer to HVPNL for any defects or deficiencies in the Works.

#### **Work Order with PrKTCL**

PrKTCL (the “**Owner**”) issued a work order to IndiGrid Limited (the “**Service Provider**”) dated March 2, 2021 (the “**Work Order**”).

*Services:* The Work Order has been issued to the Service Provider for providing services in connection with the operations of a project, comprising the inter-state transmission system for evacuation of power from the Parbati-II HEP implemented by NHPC Limited and Koldam HEP implemented by NTPC Limited (the “**Project**”), in accordance with the Work Order.

*Scope of work:* The indicative scope of work for the Service Provider shall include, amongst others, (i) routine and preventive maintenance, (ii) corrective maintenance, (iii) emergency response, (iv) certain project manager responsibilities such as implementation, development, maintenance, operation and management of the Project, pursuant to the InvIT Regulations, (v) document management system, (vi) compliance management, (vii) operational excellence, (viii) regulatory support, (ix) IT systems support, and further as specified in the Work Order (the “**Services**”).

*Obligations of the Service Provider:* The obligations of the Service Provider, as set out in the Work Order is as follows:

- (i). Service Provider warrants that all Services shall be in accordance with currently accepted professional engineering standards and practices for services of a similar nature. Any nonconformances to the currently accepted prudent practices shall be immediately informed to Owner. In case of major non-conformance materially impacting safety and quality of equipment and personnel, same has to be communicated at the earliest but not later than 2 hours from the time of such finding.
- (ii). Services shall be complete, accurate and correct in all the respect. If during the discharge of the Services, any of the information or the report review supplied by the Service Provider is found to be incomplete and incorrect, it will be completed or, as the case may be, corrected by Service Provider without any additional chaise to the Owner.
- (iii). If any Services, prove to be deficient in that they fail to meet the requirement of codes and/or standards set forth in the specifications, or any engineering information proves to be incomplete or incorrect, then Service Provider shall correct the said deficient services as necessary to remedy the defect without any additional charge to the Owner. The Service Provider shall furnish the Owner such information relating to the Services from time to time and upon reasonable request. In case the change in scope is of major and fundamental nature, proper compensation shall be mutually agreed upon based on re- execution or modification work. However, minor changes shall be accommodated by the Service Provider without change in price.
- (iv). In rendering the Services, the Service Provider undertakes that:
  - (a). It shall comply with Owner’s internal policies including Owner’s code of conduct/ethics and insider trading code of the Owner (as may be delivered by Owner to the Service Provider or as published on its website) and ensure that it renders its obligations to the satisfaction of Owner;
  - (b). It holds all valid licenses, registration and permissions that arc required under the applicable laws for carrying out the Services;

- (c). It will comply with applicable Union, State and local laws, ordinance, regulations in performing its obligations including procurement of licenses, permissions, certificates, etc, and payment of taxes, if required;
- (d). It will provide regular updates at such intervals as may be specified by Owner with respect to Services provided in terms of the Work Order;
- (e). It shall ensure that the Services rendered to Owner are of high order, quality and standard, performance which must be commensurate with the expectations of Owner;
- (f). It shall not use the name and/or logo of Owner in any manner either for credit arrangements or otherwise. It is agreed that Owner will not in any way be responsible for the debts, liabilities or obligations of the Service Provider and/or his employees or agents or services.
- (g). It shall render the Services in a lawful manner;
- (h). It shall perform and observe all rules and regulations of Owner as may be applicable;
- (i). It shall not do or cause to be done anything, which is prejudicial to the interest of Owner or whereby the business or reputation of Owner may be injured or damaged;
- (j). It shall not assign the Work Order and or any of its obligations under the Work Order to any third party without the prior written consent of Owner;
- (k). It shall not enter into any agreement with any contractor or sub-contractor in connection with the Services to be provided under the terms of the Work Order without the prior written consent of Owner; and
- (l). It shall in a proficient and diligent manner perform all the Services.

*Indemnity:* As per the Work Order, the Service Provider has agreed to indemnify the Owner and its directors, executives, employees and agents and to keep them fully indemnified against all losses, damages, harm or injury which Owner/or and its directors, executives, employees and agents may suffer due to or in connection with:

- (i). reasons or acts of omission or commission attributable to the Service Provider and the employees or personnel deputed by the Service Provider,
- (ii). breach or non-performance by the Service Provider of any of their obligations or duties or covenants under the Work Order,
- (iii). suits, proceedings, claims, demands or actions of any nature which may be filed against Owner and/or its directors, executives, employees and agents by any third party in connection with the Services provided or any worker or agent of the Service Provider;
- (iv). the representations or warranties made by the Service Provider to Owner being untrue, incorrect or misleading;
- (v). non-observance or non-performance by the Service Provider of the terms, conditions, agreements and provisions contained in the Work Order and/or the statutory rules and regulations applicable and in force, from time to time, for carrying out its obligations under the Work Order; or
- (vi). any damage caused to the Products while the Service Provider is performing the Services.

The indemnity given by the Service Provider as specified in the Work Order, shall not be affected by; (i) the termination of the Work Order; (ii) the Service Provider being wound up or liquidated or amalgamated with any other company; (iii) any of the terms and/or conditions of the Work Order being changed or altered; and (iv) any time being given for performance as a result of breach on part of the Service Provider being waived by Owner.

*Termination:* As per the Work Order, the Owner has the right to terminate the Work Order upon notice of fifteen (15) days or upon appointment of a new service provider/ project manager (whichever is later) in the event of:

- (i). failure of Service Provider to perform the Services in accordance with the terms of the Work Order and to the entire satisfaction of Owner without any further cost to Owner from the date of notice;
- (ii). the Service Provider is unable to pay its debts or becomes insolvent or an order is made or a resolution passed for the administration, winding-up or dissolution of the Service Provider (otherwise than for the purposes of amalgamation or reconstruction) or an administrator or other receiver, manager, trustee, liquidator, administrator, or similar officer is appointed over all or any substantial part of the assets of the



Service Provider or the Service Provider enters into or proposes any composition or arrangement with its creditors generally or anything analogous to the foregoing occurs in any applicable jurisdiction;

- (iii). the death or incapacity of the principal officer or a partner of the Service Provider if in the opinion of the Owner, the principal officer or partner was mainly responsible to look after the obligations of the Service Provider;
- (iv). the failure of the Service Provider to obtain or keep in effect any license or permit required by state or local laws for performance of the Service Provider's obligation under the Work Order or suffers violation of any law, ordinance, rule or regulation of any governmental agency in connection with Services conducted by the Service Provider;
- (v). the filing of or conviction of the Service Provider or any of its partners or principal officers or officers or managers of any crime involving moral turpitude or felony or any other crime or offense that is likely to adversely affect the reputation of Owner;
- (vi). assignment or an attempt to assign the Work Order without Owner's prior written consent; and
- (vii). the representations and warranties made by the Service Provider under the Work Order are false or misleading.

In any such event, Owner shall be entitled to get the work completed through any third party at the risk and cost of Service Provider and recover the amount from the amounts payable to Service Provider. If sufficient balance is not available from the amounts remaining to be paid to Service Provider, then Owner may recover the amount through other means.

Notwithstanding anything contained in the Work Order, the Owner may also terminate the Work Order or all or any part of the Services for convenience or on being instructed so by Axis Trustee Services Limited at any time *without* assigning any reason by providing Service Provider with thirty (30) days prior written notice of termination specifying a termination date. Upon termination of the Work Order pursuant this clause, Owner shall pay to Service Provider the charges incurred up to the date of termination for the Services, together with any other payments due and payable in accordance with the provisions of the Work Order subject to the right to set off or adjust any amounts that may be due to Owner by the Service Provider. The Service Provider shall continue to be liable for all its acts of omissions and commissions for the period during which it served as the Service Provider until cessation of work. Further, the terms of nature that are intended to survive the expiry or termination of the Work Order, shall continue to survive.

## OTHER PARTIES INVOLVED IN INDIGRID

### The Auditor

#### *Background and terms of appointment*

The Investment Manager, in consultation with the Trustee, has appointed S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003), having their office at Ground Floor, Panchshil Tech Park, Yerwada, Pune 411 006, with effect from November 7, 2016, as the auditors of IndiGrid for a period of five years, subject to approval of the Unitholders each year. The Auditors have audited the Financial Information, which have been included in this Draft Shelf Prospectus. There has been no change in the auditors of the Trust in the past three years.

For further details regarding the policy adopted by the Investment Manager on appointment of the auditors, please see the section entitled “*Corporate Governance - Policies of the Board of Directors of the Investment Manager in relation to IndiGrid*” on page 231.

#### *Functions, Duties and Responsibilities of the Auditor*

The functions, duties and responsibilities of the Auditor will be in accordance with the InvIT Regulations. Presently, in terms of the InvIT Regulations, the Auditor is required to comply with the following conditions at all times:

1. the Auditor shall conduct audit of the accounts of IndiGrid and draft the audit report based on the accounts examined by him and after taking into account the relevant accounting and auditing standards, as may be specified by SEBI;
2. the Auditor shall, to the best of his information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of IndiGrid, including profit or loss and cash flow for the period and such other matters as may be specified;
3. the Auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of IndiGrid;
4. the Auditor shall have a right to require such information and explanation pertaining to activities of IndiGrid as he may consider necessary for the performance of his duties as auditor from the employees of IndiGrid or parties to IndiGrid or the holdco or the special purpose vehicles or any other person in possession of such information.

### The Valuer

#### *Background and terms of appointment*

The Investment Manager, in consultation with the Trustee, has appointed S Sundararaman (IBBI Registration No. IBBI/RV/06/2018/10238) with effect from April 1, 2020, as the valuer of IndiGrid, until the conclusion of the next annual general meeting. In accordance with the InvIT Regulations, the Valuer has undertaken a full valuation of the Portfolio Assets as of December 31, 2020, and the report in relation to such valuation as on December 31, 2020 is available at [www.indigrid.co.in](http://www.indigrid.co.in). The valuation report of all Portfolio Assets is available at <https://www.indigrid.co.in/index.html>.

For further details regarding the policy adopted by the Investment Manager on appointment of the valuer, please see the section entitled “*Corporate Governance - Policies of the Board of Directors of the Investment Manager in relation to IndiGrid*” on page 231.

#### *Functions, Duties and Responsibilities of the Valuer*

The functions, duties and responsibilities of the Valuer will be in accordance with the InvIT Regulations. Presently, in terms of the InvIT Regulations, the Valuer is required to comply with the following conditions at all times:

1. the Valuer shall ensure that the valuation of IndiGrid assets is impartial, true and fair and is in accordance with Regulation 21 of the InvIT Regulations;
2. the Valuer shall ensure that adequate and robust internal controls to ensure the integrity of its valuation reports;
3. the Valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform valuations;
4. the Valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet

its liabilities;

5. the Valuer and any of its employees involved in valuing of the assets of IndiGrid, shall not, (i) invest in units of IndiGrid or in the assets being valued; and (ii) sell the assets or units of IndiGrid held prior to being appointed as the Valuer, until the time such person is designated as Valuer of IndiGrid and not less than six months after ceasing to be Valuer of IndiGrid;
6. the Valuer shall conduct valuation of IndiGrid's assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;
7. the Valuer shall act with independence, objectivity and impartiality in performing the valuation;
8. the Valuer shall discharge its duties towards IndiGrid in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete a given assignment;
9. the Valuer shall not accept remuneration, in any form, for performing a valuation of IndiGrid's assets from any person other than IndiGrid or its authorised representative;
10. the Valuer shall before accepting any assignment from any related party of IndiGrid, disclose to IndiGrid any direct or indirect consideration which the Valuer may have in respect of such assignment;
11. the Valuer shall disclose to IndiGrid any pending business transactions, contracts under negotiation and other arrangements with the investment manager or any other party whom IndiGrid is contracting with and any other factors that may interfere with the Valuer's ability to give an independent and professional valuation of the assets;
12. the Valuer shall not make false, misleading or exaggerated claims in order to secure assignments;
13. the Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
14. the Valuer shall not accept an assignment which interferes with its ability to do fair valuation;
15. the Valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

## CORPORATE GOVERNANCE

*The section below is a summary of the corporate governance framework in relation to IndiGrid, implemented by the Investment Manager and each of the Portfolio Assets.*

### 1. Investment Manager

#### ***Board of Directors***

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

In addition to the applicable provisions of the Companies Act, the board of directors of the Investment Manager shall adhere to the following:

- (a) Not less than 50% of the board of directors of the Investment Manager shall comprise of independent directors and not directors or members of the governing board of an investment manager of another infrastructure investment trust registered under the InvIT Regulations. The independence of directors shall be determined in accordance with the Companies Act and would be determined vis-a-vis each of the Investment Manager and the Sponsors;
- (b) The chairperson of the board of directors of the Investment Manager shall be a non-executive independent director;
- (c) Collective experience of directors of the Investment Manager shall cover a broad range of commercial experience, particularly experience in infrastructure sector (including the applicable sub-sector), investment management or advisory and financial matters.

For details of the current composition of the board of directors of the Investment Manager, please see the section entitled “*Parties to IndiGrid – Investment Manager – Board of Directors*” on page 204.

##### *Quorum*

The quorum of the board of directors of the Investment Manager shall be in accordance with the Companies Act. At least 50% of the directors present shall be independent directors.

##### *Frequency of meetings*

The board of directors of the Investment Manager shall meet at least four times every year, with a maximum gap of 120 days between any two successive meetings. Additionally, the board of directors of the Investment Manager, prior to any meeting of the Unitholders, shall approve the agenda for Unitholders’ meetings.

##### *Remuneration of Directors*

*Sitting fee:* The directors of the Investment Manager will receive sitting fee for attending board meetings and meetings of the committees, in accordance with the Companies Act.

*Other remuneration payable to independent directors:* Of the fees payable to the Investment Manager (being 1.75% of the difference between revenue from operations and operating expenses (other than the fee of the Investment Manager) of each Portfolio Asset, per annum), an amount not exceeding 0.4% shall be payable to the independent directors of the Investment Manager (“**Overall Limit**”), as approved by the Unitholders of IndiGrid on September 28, 2020.

The board of directors of the Investment Manager shall confirm to the Trustee that the independent directors being considered for performance remuneration have complied with the following:

- (i) The attendance of a particular independent director is not less than 75% or as otherwise specified in the relevant independent director’s appointment letter. If an independent director has not achieved the specified attendance, he/ she shall not be entitled to any performance remuneration for the relevant period.
- (ii) The independent director(s) have complied with the code of conduct for independent directors as provided under Schedule IV of the Companies Act, 2013 (“**Code of Conduct**”), to the extent the provisions thereof can be applied to IndiGrid. Any independent director considered by the board of directors of the Investment Manager to be in breach of the Code of Conduct shall not be entitled to any performance remuneration.

Upon completion of the evaluation exercise, the board of directors (excluding independent directors) shall approve the performance remuneration payable to each independent director through a unanimous resolution and make a recommendation to the Trustee for the payment of performance remuneration, including the amount payable to each independent director within the Overall Limit approved by the Unitholders of IndiGrid.

The remuneration payable to the independent directors will be within the overall limit of the fee payable to the Investment Manager.

#### ***Committees of the board of directors***

<b>Name of committee</b>	<b>Composition</b>	<b>Present Members</b>	<b>Quorum</b>	<b>Frequency of meetings</b>
Investment Committee	The Investment Committee shall comprise of directors constituting at least 50% of the board of directors of the Investment Manager. All members, including the chairperson of the Investment Committee shall be independent directors. The company secretary of the Investment Manager shall act as the secretary to the Investment Committee.	Tarun Kataria (Chairperson); Ashok Sethi; Rahul Asthana; Sanjay Nayar and Pratik Agarwal.	The quorum shall be at least 50% of the number of members of the Investment Committee and subject to a minimum of two members.	The Investment Committee shall meet at least four times every year, with a maximum gap of 120 days between any two successive meetings. Additionally, the Investment Committee shall meet prior to any investments or divestments of assets for such number of times as required considering the scope and terms of reference of the Committee.
Audit Committee	The Audit Committee shall comprise of directors constituting at least 50% of the board of directors of the Investment Manager, with at least 50% of the Audit Committee comprising independent directors. The chairperson of the Audit Committee shall be an independent director. All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise. The company secretary of the Investment Manager shall act as the secretary to the Audit Committee.	Tarun Kataria (Chairperson); Ashok Sethi; Rahul Asthana; Sanjay Nayar and Pratik Agarwal.	The quorum shall be at least 50% of the directors, of which at least 50% of the directors present, shall be independent directors and subject to a minimum of two members being present in person.	The Audit committee shall meet at least once in every calendar quarter, with a maximum interval of 120 days between any two consecutive meetings of the Committee, such that at least four meetings are held in each calendar year and further such number of times as required considering the scope and terms of reference of the Committee.
Stakeholders' Relationship Committee	The Stakeholders' Relationship Committee shall comprise of directors constituting at least one third of the board of directors of the Investment Manager, with at least one independent director also being a member of the Stakeholders' Relationship Committee. The chairperson of the Stakeholders' Relationship Committee shall be a non-executive director.	Rahul Asthana (Chairperson); Sanjay Nayar; and Pratik Agarwal.	The quorum shall be at least 50% of the number of members of the Stakeholders' Relationship Committee and subject to a minimum of two members.	The Stakeholders' Relationship Committee shall meet at least two times every year, or as frequently as determined by the board of directors of the Investment Manager or as directed by the Trustee.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee shall comprise of at least three non-executive directors of the board of directors of the Investment Manager, with at least 50% of the members of the Nomination and Remuneration Committee being independent directors. The chairperson of the Nomination and	Rahul Asthana (Chairperson); Tarun Kataria; Ashok Sethi; Sanjay Nayar and Pratik Agarwal.	The quorum shall be at least 50% of the members of the Nomination and Remuneration Committee and subject to a minimum of two members.	The Nomination and Remuneration Committee shall meet at least two times every year, or as frequently as determined by the board of directors of the Investment Manager or as directed by the Trustee.

Name of committee	Composition	Present Members	Quorum	Frequency of meetings
	Remuneration Committee shall be an independent director.			
Allotment Committee	Not applicable	Rahul Asthana (Chairperson); Harsh Shah; Ashok Sethi; Sanjay Nayar and Pratik Agarwal.	The quorum shall be at least two members of the Allotment Committee.	As and when required.
Risk Management Committee	Not applicable	Rahul Asthana (Chairperson); Ashok Sethi; Tarun Kataria; Sanjay Nayar and Pratik Agarwal.	The quorum shall be at least two members, of which 50% shall be Independent Directors.	As and when required.
Bidding Committee	The Bidding Committee shall comprise of the board of directors of the Investment Manager who are not subject to potential conflicts of interest, with 50% of the members, including the chairperson being independent directors.	Tarun Kataria (Chairperson); Rahul Asthana, Sanjay Nayar and Harsh Shah	The quorum shall be one third of the total strength of the Committee or two members which is higher, however, presence of at least one independent director is mandatory.	As and when required.

For details of the scope of each committee, please see below.

#### Investment Committee

##### *Terms of reference of the Investment Committee*

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

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

#### Audit Committee

##### *Terms of reference of the Audit Committee*

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

- (i) Provide recommendations to the board of directors regarding any proposed distributions;
- (ii) Overseeing IndiGrid's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- (iii) Giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of IndiGrid and the audit fee, subject to the approval of the unitholders;
- (iv) Reviewing and monitoring the independence and performance of the statutory auditor of IndiGrid, and effectiveness of audit process;
- (v) Approving payments to statutory auditors of IndiGrid for any other services rendered by such statutory auditors;

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

- (xxii) Reviewing the statement of significant related party transactions, submitted by the management;
- (xxiii) Reviewing the management letters/letters of internal control weaknesses issued by the statutory auditors; and
- (xxiv) Formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.

#### Stakeholders' Relationship Committee

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

The terms of reference of the Stakeholders' Relationship Committee shall include the following:

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

#### Nomination and Remuneration Committee

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

The terms of reference of the Nomination and Remuneration Committee include the following:

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

#### Allotment Committee

##### *Terms of reference of the Allotment Committee*

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



- (i) Deciding the final terms of allotment of debentures;
- (ii) Approving allotment of debentures; and
- (iii) Taking decisions on all authorities conferred by the resolution constituting the Allotment Committee and/or for all the matters which are necessary for effective implementation of the resolution constituting the Allotment Committee.

#### **Risk Management Committee**

##### *Terms of reference of the Risk Management Committee*

The terms of reference of the Risk Management Committee include the following:

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

#### **Bidding Committee**

##### *Terms of reference of the Bidding Committee*

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

- (i) To consider matters with respect to prospective investment opportunities during the development phase of infrastructure projects.

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

The Investment Manager has adopted the following policies in relation to IndiGrid, which have previously been published or issued, and shall be incorporated in, and form part of, this Draft Shelf Prospectus, as on the date of this Draft Shelf Prospectus:

<b>Sr. No.</b>	<b>Title of Document</b>	<b>Available at</b>
1.	Borrowing Policy	<a href="https://www.indigrid.co.in/pdf/Borrowing_Policy.pdf">https://www.indigrid.co.in/pdf/Borrowing_Policy.pdf</a>
2.	Policy in relation to Related Party Transactions and Conflict of Interests	<a href="https://www.indigrid.co.in/pdf/RPT_Policy.pdf">https://www.indigrid.co.in/pdf/RPT_Policy.pdf</a>
3.	Policy on Appointment of Auditor and Valuer	<a href="https://www.indigrid.co.in/pdf/Policy_on_Appointment_of_Auditor_and_Valuer.pdf">https://www.indigrid.co.in/pdf/Policy_on_Appointment_of_Auditor_and_Valuer.pdf</a>
4.	Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons	<a href="https://www.indigrid.co.in/pdf/CODE_OF_INTERNAL_PROCEDURES_AND_CONDUCT_FOR_REGULATING_MONITORING_AND_REPO_RTING_OF_TRADING_BY_DESIGNATED_PERSONS.pdf">https://www.indigrid.co.in/pdf/CODE_OF_INTERNAL_PROCEDURES_AND_CONDUCT_FOR_REGULATING_MONITORING_AND_REPO_RTING_OF_TRADING_BY_DESIGNATED_PERSONS.pdf</a>
5.	Policy for Determining Materiality of Information for Periodic Disclosures	<a href="https://www.indigrid.co.in/pdf/Amended_Policy_for_determining_Materiality_of_Information_25.07.17.pdf">https://www.indigrid.co.in/pdf/Amended_Policy_for_determining_Materiality_of_Information_25.07.17.pdf</a>
6.	Document Archival Policy	<a href="https://www.indigrid.co.in/pdf/Document_Archival_Policy.pdf">https://www.indigrid.co.in/pdf/Document_Archival_Policy.pdf</a>
7.	Nomination & Remuneration Policy	<a href="https://www.indigrid.co.in/pdf/NRC_Policy.pdf">https://www.indigrid.co.in/pdf/NRC_Policy.pdf</a>
8.	Distribution Policy	<a href="https://www.indigrid.co.in/pdf/Distribution_Policy.pdf">https://www.indigrid.co.in/pdf/Distribution_Policy.pdf</a>

For details of the Distribution Policy in relation to IndiGrid, see the section entitled “*Distribution – Distribution Policy*” on page 243.

## **2. Portfolio Assets**

### ***Representatives on the Board of Directors of each Portfolio Asset***

The Investment Manager, in consultation with the Trustee, has the power to appoint the majority of the board of directors of each of the Portfolio Assets. Further, the Investment Manager shall ensure that in every meeting, including annual general meetings of any of the Portfolio Assets, the voting of IndiGrid is exercised.

## DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

The details of indebtedness of IndiGrid (on a standalone basis) and the Portfolio Assets as at April 02, 2021, are provided below:

(in ₹ million)

Category of borrowing	Pre-Issue Principal Amount outstanding as on April 02, 2021 (including current maturities, except interest accrued but not due on borrowings and current and non- current lease liability)
<b>IndiGrid Standalone</b>	
<b>Particulars</b>	
Non-convertible debentures	69,245.20
Indian rupee loan from banks	36,338.35
<b>Total Secured Borrowings</b>	<b>1,05,583.54</b>
<b>BDTCL</b>	
<b>Particulars</b>	
Non-convertible debentures	6,710.00
Foreign currency loan from financial institution	2,238.41
<b>Total Secured Borrowings</b>	<b>8,948.41</b>
<b>OGPTL</b>	
<b>Particulars</b>	
Indian rupee loans from banks	5,377.60
<b>Total Secured Borrowings</b>	<b>5,377.60</b>
<b>GPTL</b>	
<b>Particulars</b>	
Indian rupee loans from banks	7,212.78
<b>Total Secured Borrowings</b>	<b>7,212.78</b>
<b>PrKTCL</b>	
<b>Nature</b>	
Indian rupee loan from banks / Financial institutions	3,987.06
<b>Total Secured borrowings</b>	<b>3,987.06</b>
<b>NER</b>	
<b>Nature</b>	
Indian rupee loan from banks / Financial institutions	11,074.77
<b>Total Secured borrowings</b>	<b>11,074.77</b>

The details of indebtedness on a consolidated basis as at April 02, 2021 are provided below:

(in ₹ million)

Category of borrowing	Pre-Issue Principal Amount outstanding as on April 02, 2021 (including current maturities, except interest accrued but not due on borrowings and current and non- current lease liability)
<b>IndiGrid Consolidated</b>	
Non-convertible debentures	75,955.20
Foreign currency loan from financial institution	2,238.41
Indian rupee loans from banks	63,990.56
<b>Total</b>	<b>1,42,184.16</b>

## Leverage

In accordance with the InvIT Regulations, the Unitholders of IndiGrid, at the annual general meeting held on July 26, 2019, approved the increase in the aggregate consolidated borrowings (net of and net of cash and cash equivalents) and deferred payments of IndiGrid up to 70% of the aggregate of the Trust Assets, including but not limited to issuance of debentures, term loans, advances, deposits and bonds.

### Principal terms of the borrowings availed by us

Set forth below, is a summary of our borrowings as at April 02, 2021 together with a brief description of certain significant terms of such financing arrangements.

#### A. Existing Secured Loans

The principal terms of the loan agreements entered into by the Trust and the Portfolio Assets as on April 02, 2021 are as follows:

(all amounts in ₹ million unless stated otherwise)

Facility Availed by	Lender's Name	Type of Facility	Amount sanctioned	Principal amount outstanding	Repayment Date/Schedule	Security
Trust	IndusInd Bank	Rupee Term Loan	10,000	5,000	Bullet repayment in FY 2028	<p>Facilities under the loan agreements are secured by, amongst others:</p> <ol style="list-style-type: none"> <li>1. First Pari-passu charge (along with other current and future lenders of the Borrower) on entire current assets of the Borrower, including loans and advances (present and future) and any receivables accrued/realized from such loans and advances extended by Borrower to its Hold Cos/ SPVs. Step in rights on the loans advanced by the Borrower shall be with the Security Trustee. It being understood that loans and advances extended by the Borrower will be subordinate to any senior debt availed or to be availed at the Hold Cos/SPVs level.</li> <li>2. First pari-passu charge (along with other current and future lenders of the Borrower) on the Borrower Escrow Account, and all its sub-accounts including Cash Trap Account and Distribution Account (excluding all ISRA/DSRA Accounts).</li> <li>3. First and exclusive charge on the ISRA/DSRA account created for respective facility, if any.</li> <li>4. First pari-passu charge/pledge (along with other current and future lenders of Borrower) over at least 99% of free and available share capital (on a fully diluted basis) of JTCL, MTL, RTCL, PKTCL, NRSS, PTCL, JKTPL &amp; IGL1. Borrower may provide higher pledge also as an additional security with intimation to Security Trustee. It is clarified that by virtue of pledge creation of IGL1, IndiGrid lenders</li> </ol>
Trust	Federal Bank Limited	Rupee Term Loan	1,500	1,500	Bullet repayment in FY 2026	
Trust	Axis Bank Limited	Rupee Term Loan	7,500	7,481.25	Amortising repayments up to December 2033	
Trust	Union Bank of India	Term Loan	10,000	6,300	Amortising repayments up to March 2036	
Trust	Bank of Maharashtra	Term Loan	5,000	4,987.50	Amortising repayments up to March 2036	
Trust	ICICI Bank	Term Loan	6,000	6,000	Amortising repayments up to March 2031	
Trust	Federal Bank	Term Loan	1,500	1,500	Bullet repayment in FY 2026	
Trust	HDFC Bank	Term Loan	20,000	3,600	Amortising repayments up to March 2037	

Facility Availed by	Lender's Name	Type of Facility	Amount sanctioned	Principal amount outstanding	Repayment Date/Schedule	Security
						would not have any direct recourse or rights against the subsidiaries of IGL1.
BDTCL	India Infrastructure Finance Company (UK) Limited	External Commercial Borrowings	3,400	2254.27	Amortising repayments up to March 2027	<p>Facilities under the loan agreements are secured by, amongst others:</p> <ol style="list-style-type: none"> <li>1. First ranking pari-passu charge over all present and future immovable assets;</li> <li>2. first ranking pari passu charge on all tangible movable assets, including movable plants and machinery, machinery spares, tools and accessories and all other movable assets and current assets, both present and future;</li> <li>3. first charge, including by way of hypothecation, over all accounts, both present and future, that may be opened in accordance with the loan documents;</li> <li>4. Assignment/Hypothecation over all right, title, interest, claims, benefits and demands in relation to all Project documents including clearances, any letter of credit, guarantee, including contractor guarantees, liquidated damages, consent agreements, side letters or performance bond ,insurance contracts and insurance proceeds pertaining to the project; and</li> <li>5. Pledge of up to 51% of the equity share capital of the issuer.</li> </ol>
OGPTL	Axis Bank Limited	Rupee Term Loan	5,500	5,389.80	Amortising repayments up to June 2031	
GPTL	HDFC Bank Limited, Bank of Maharashtra and NIIF Infrastructure Finance Limited	Rupee Term Loan	7,500	7,326.40	Amortising repayments up to March 2038	
PrKTCL	IDFC Bank Limited, and NIIF Infrastructure Finance Limited	Rupee Term Loan	6,600	4,017.30	Amortising repayments up to March 2031	
NER-II	PTC, IIFCL, L&T Infra, L&T Finance, BOM, IREDA, IndusInd	Rupee Term loan	22,000	11074.77	Amortising repayments up to September 2032	
<b>Total</b>			106,500	66,431.30		
			Ind-AS adjustment	(202.33)		
<b>Total II</b>				66,228.97		

Other terms of the loan agreements entered into by the Trust and the Portfolio Assets include:

1. *Pre-payment:* We may prepay the outstanding amount of its loans, in full or in part, any time on the terms and conditions agreed with the lender after paying the prepayment premium. All prepayments shall be made together with the interest, charges and other monies due and payable to the lenders up to the date of such prepayment.
2. *Restrictive Covenants:* Borrowing arrangements entered into by the Trust and the Portfolio Assets contain standard restrictive covenants, including:
  - (i) amendment to the memorandum of association and articles of association which are detrimental to the rights of the lenders with the prior approval of the lenders under the financing agreements;
  - (ii) formulation of any scheme of amalgamation or reconstruction with the satisfaction of certain conditions in accordance with the financing agreements; and
  - (iii) further indebtedness to not be availed during the tenor of the facilities other than as permitted under the relevant borrowing arrangements.
3. *Events of Default:* The borrowing arrangements entered into by the Trust and the Portfolio Assets contain standard events of default, including:
  - (i) default in payment of principal amount or interest along with additional interest if applicable or any other amount payable;
  - (ii) abandonment of Portfolio Assets by IndiGrid and/or the projects by the Portfolio Assets;
  - (iii) revocation of material clearances;
  - (iv) default in performance of material conditions and covenants;
  - (v) business of the Portfolio Assets becomes unlawful;
  - (vi) invalidity of the financing agreements;
  - (vii) default in relation to any repayment or prepayment of any amounts due to other lenders or any default under other borrowing arrangements; and
  - (viii) breach of the obligations under any term of the relevant financing agreement or any other financing agreement entered into by the Portfolio Assets.
4. *Consequences of default:* In terms of the borrowing arrangements entered into by us, the following, amongst others, are the consequences of default:
  - (i) cancellation or suspension of the lenders' obligation to lend;
  - (ii) acceleration of repayment obligations and declaration of amounts outstanding to be forthwith due and payable;
  - (iii) enforcement of security interests; and
  - (iv) exercise of other remedies as permitted or available under the borrowing arrangements.

This is an indicative list of the terms of the borrowings availed by us and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, each of the Portfolio Assets may, from time to time, enter into re-financing arrangements and draw down funds thereunder, prior to the filing of this Draft Shelf Prospectus.

## B. Unsecured Loan Facilities

The Trust has not availed of any unsecured loan borrowings, cash credit or working capital loans or unsecured subordinated bonds as on April 02, 2021.

## C. Secured Non-Convertible Debentures

The Trust has issued secured, redeemable, non-convertible debentures on the basis of which ₹ 69,245.20 million is cumulatively outstanding as on April 02, 2021, the details of which are provided below:

### (i) Public Issue

As on April 02, 2021, the Trust has not made any public offering of debt securities.

### (ii) Private Placement

As on April 02, 2021, the Trust has issued (i) rated, listed, secured, redeemable, non-convertible debentures (“**Debentures**”); and (ii) rated, listed, secured, redeemable, principal protected, non-convertible, market linked debt securities (“**MLDs**”), aggregating up to ₹ 69,245.20 million on a private placement basis (collectively, the “**IndiGrid Debt Securities**”).

Further, as on April 02, 2021, BDTCL has issued rated, listed, secured, redeemable, non-convertible debentures whose total outstanding amount is ₹ 6,710 million on a private placement basis (the “**BDTCL NCDs**”).

The principal terms of the transaction documents entered into by IndiGrid in relation to the IndiGrid Debt Securities and the BDTCL NCDs are as follows:

Ser ies	Number of NCDs	Tenor/ Period of Maturi ty	Coupo n	Amount (In ₹ million)	Amount Oustandin g (In ₹ million)	Date of Allotmen t	Redemptio n Date / Schedule	Credit Rating	Secure d / Unsecur ed	Security
<b>Debentures</b>										<p>The IndiGrid Debentures are secured by, amongst others,</p> <p>(i). a first pari passu charge on entire current assets of IndiGrid, including loans and advances and any receivables accrued or realized from such loans and advances extended by IndiGrid to its Portfolio Assets and shall include any future loans to its Project Assets; and</p> <p>(ii). a first pari passu charge on all accounts of IndiGrid including the escrow account and all its sub-accounts including cash trap account/distribution account.</p> <p>The security as stipulated, shall be created within a period of 30 days from the deemed date of allotment and perfected within 30 days from the date of its creation. Additionally, the IndiGrid Debentures are secured through pledge of part of the equity share capital of the Portfolio Assets subject to, and in the manner</p>
A	2,500	10 years	8.60%	2,500	2,500	August 31, 2018	August 31, 2028, Bullet Repayment	CRISIL AAA	Secured	
B	4,350	10 years	7.11%	4,350	4,350	February 14, 2019	February 14, 2029, Bullet Repayment	CRISIL AAA	Secured	
C	14,000	3 years	9.10%	14,000	14,000	June 4, 2019	June 3, 2022, Bullet Repayment	CRISIL AAA	Secured	
D	3,000	5 years	9.10%	3,000	3,000	July 29, 2019	July 29, 2024, Bullet Repayment	CRISIL -AAA	Secured	
E	2,000	3 years and 3 months	8.85%	2,000	2,000	August 2, 2019	November 2, 2022, Bullet Repayment	CRISIL -AAA	Secured	
F	1,000	21 months	8.10%	1,000	1,000	June 15, 2020	March 15, 2022, Bullet	CRISIL -AAA	Secured	

Ser ies	Number of NCDs	Tenor/ Period of Maturi ty	Coupo n	Amount (In ₹ million)	Amount Oustandin g (In ₹ million)	Date of Allotmen t	Redemptio n Date / Schedule	Credit Rating	Secure d / Unsecur ed	Security
							Repayment			stipulated in the transaction documents.
G	3,500	3 years	8.40%	3,500	3,500	June 15, 2020 and July 10, 2020	June 14, 2023, Bullet Repayment	CRISIL -AAA	Secured	
H	4,000	42 months	8.50%	4,000	4,000	September 3, 2020	March 1, 2024, Bullet Repayment	CRISIL -AAA	Secured	
I	2,500	43 months and 16 days	7.00%	2,500	2,500	November 12, 2020	June 28, 2024, Bullet Repayment	CRISIL -AAA	Secured	
J	1,500	54 months	7.25%	1,500	1,500	December 29, 2020	June 27, 2025, Bullet Repayment	IND AAA	Secured	
K	1,000	60 months	7.40%	1,000	1,000	December 29, 2020	December 26, 2025, Bullet Repayment	IND AAA	Secured	
Seri es I	15,000	3 years and 16 days	7.25 %	15,000	15,000	March 25, 2021	April 10, 2024, Bullet Repayment	ICRA AAA	Secured	
Seri es II	6,500	4 years and 16 days		6,500	6,500		April 10, 2025, Bullet Repayment			
Seri es III	5,000	5 years and 9 days		5,000	5,000		April 3, 2026, Bullet Repayment			
MLDs										
A- ML D	2,000	1280 days	9%	2,000	2,000	July 4, 2019	January 4, 2023, Bullet Repayment	CRISIL -AAA MLD	Secured	
B- ML D	900	1458 days	8.4%	900	900	January 27, 2020	January 24, 2024, Bullet Repayment	CRISIL -AAA MLD	Secured	
	840	1412 days		848.5	848.50	March 13, 2020				
BDTCL NCDs										
-	7,350	5 years	7.85%	7350	6,710	May 30, 2017	April 4, 2022	CRISIL -AAA and Ind AAA and AAA	Secured	Security for the BDTCL NCDs includes, inter alia (i) a first and pari passu charge on all movable assets of BDTCL, including but not limited to, plant and machinery, machinery, spares, tools and accessories, furniture, fixtures



Ser ies	Number of NCDs	Tenor/ Period of Maturi ty	Coupo n	Amount (In ₹ million)	Amount Oustandin g (In ₹ million)	Date of Allotmen t	Redemptio n Date / Schedule	Credit Rating	Secure d / Unsecu red	Security
								by ICRA		vehicles and all other movable assets, present and future, intangible, goodwill, uncalled capital, present and future of the BDTCL; (ii) a and <i>pari passu</i> first charge by way of assignment/hypothecation or creation of security present and future of rights, title, interest, benefits, claims and demands of BDTCL in the project documents, permits, approvals, clearances, letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee, provided by any party to the project documents and insurance policies; (iii) a first and <i>pari passu</i> charge on the letter of credit, escrow account/ trust and retention account, debt service reserve account and other reserves and any other bank accounts of BDTCL wherever maintained, present and future; (iv) a and <i>pari passu</i> first charge on all book debts, operating cash flows, receivables, commissions, revenues of BDTCL, present and future; (v) pledge of 51% equity share capital of BDTCL; and (vi) a first charge by way of mortgage on all of BDTCL's immovable properties including but not limited to right of way/ land, civil structures and other components, if any. Further, the minimum security and asset cover of 110% accordingly to the book value (net fixed assets) shall be maintained for the tenor of the BDTCL NCDs.
<b>Total</b>				76,308.5	76,308.5					
				Ind-AS Adjustme nts	(353.31)					
<b>Total -II</b>					75,955.19					

Other terms of the IndiGrid Debt Securities include:

1. **Restrictive Covenants:** The transaction documents entered into by IndiGrid, provide that IndiGrid shall not affect any of the following, without the prior written permission of the debenture trustees:
  - (i) change the general nature of its business as per the applicable law;
  - (ii) change the Amended and Restated Trust Deed or other constitutional documents in any material way which

would prejudicially affect the interests of the debenture holders;

- (iii) any additional indebtedness exceeding the thresholds prescribed in the transaction documents without the approval of debenture holders;
- (iv) change in control of any of the Portfolio Assets;
- (v) wind-up, liquidate or dissolve its affairs or take any actions towards the same; and
- (vi) such other customary covenants for transaction of similar nature.

2. *Events of Default:* The transaction documents entered into by IndiGrid provide certain events of default, including:

- (i) non-payment of interest or principal amount or any other amount due and payable in relation to the IndiGrid Debentures in terms of the transaction documents on the due date;
- (ii) misleading representations and warranties;
- (iii) commencement of voluntary insolvency, bankruptcy, winding up or other similar proceedings, including under the InvIT Regulations, by IndiGrid, the Sponsors or the Unitholders; and
- (iv) cessation of business;
- (v) non-creation or perfection of the security within the timelines stipulated under the transaction documents or security becoming invalid, in jeopardy, invalid or not having the ranking under the transaction documents, as stipulated;
- (vi) material adverse effect; and
- (vii) default under any term of the relevant financing agreement or any other financing agreement entered into by the Portfolio Assets leading to a material adverse effect.

3. *Consequences of Events of Default:* The transaction documents entered into by IndiGrid provide certain consequences of events of default, including:

- (i) applying all cash proceeds arising in the escrow account towards repayment of IndiGrid's obligations to the debenture holders;
- (ii) enforcement of security and any rights available under transaction documents;
- (iii) applying the amounts standing to the credit of the escrow account and the permitted investments towards payment of dues under the IndiGrid Debentures;
- (iv) exercise all or any rights or remedies of IndiGrid under one or more project documents against any parties to such project documents; and
- (v) exercise such other remedies as permitted or available under applicable law including any circulars issued by RBI or SEBI.

This is an indicative list of the terms of transaction documents in relation to the IndiGrid Debentures and there may be additional terms, conditions and requirements under such transaction documents.

## **Commercial papers**

As of April 2, 2021, the Trust has no outstanding commercial papers.

## **The amount of corporate guarantee issued by the Issuer along with the name of the counterparty on behalf of whom it has been issued**

As of April 2, 2021 the Trust has not issued any corporate guarantee.

## **Details of rest of the borrowings (if any including hybrid debt like FCCB, optionally convertible debenture/ preference shares) as on April 2, 2021**

As of April 2, 2021 and except as otherwise disclosed in this Draft Shelf Prospectus, the Trust has not availed any other borrowings.

## **Details of any Inter-Corporate Loans, Deposits and other borrowings**

As of April 2, 2021 and except as otherwise disclosed in this Draft Shelf Prospectus, the Trust has not availed any inter-corporate loan, deposits or other borrowings.

## **Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.**

Apart from the second tranche of 'B-MLD' series of MLDs issued by the Trust, the Trust has no outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on April 2, 2021. For further details, please see section entitled "*Disclosures on Existing Financial Indebtedness - Principal terms of the borrowings availed by us - Secured Non-Convertible Debentures*" on page 237.

In the five years preceding the date of and as on the date of this Draft Shelf Prospectus, there has been no rescheduling, default/s and/or delay in payments of interest and/or principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Trust. Further, since registration, there has been no delay and/or default in servicing of debt/interest or in payment of principal and interest on any existing financing facilities or term loan or debt security including corporate guarantee issued by the Trust.

## **Non-convertible debt securities which create or acknowledge indebtedness (including debentures, bonds and such other securities of a body corporate or a trust registered with the board as a real estate investment trust or an infrastructure investment trust, or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the body corporate or not).**

The Trust has not issued any non-convertible debt securities which create or acknowledge indebtedness, other than as set out above, which are outstanding as on April 2, 2021.

**List of top 10 Debenture Holders as on April 2, 2021:**

<b>Sr. No.</b>	<b>Name of the Holder</b>	<b>Number of Debentures/Debt Security</b>	<b>Amount (in ₹ million)</b>
1.	STANDARD CHARTERED BANK	25,000	25,000
2.	NIPPON LIFE INDIA TRUSTEE LIMITED A/C NIPPON SHORT TERM FUND	4,100	4,100
3.	SBI SHORT TERM DEBT FUND	3,750	3,750
4.	NIPPON LIFE INDIA TRUSTEE LIMITED -A/C NIPPON INDIA FLOATING RATE FUND	3,700	3,700
5.	SBI MAGNUM MEDIUM DURATION FUND	2,250	2,250
6.	NIPPON LIFE INDIA TRUSTEE LIMITED A/C- NIPPON INDIA LOW DURATION FUND	2,250	2,250
7.	ICICI PRUDENTIAL SHORT TERM FUND	2,150	2,150
8.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS SHORT TERM FUND	2,040	2,040
9.	ICICI PRUDENTIAL CORPORATE BOND FUND	1,550	1,550
10.	AZIM PREMJI TRUST	1,500	1,500

## DISTRIBUTION

*Statements contained in this section entitled “Distribution” that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those that may be projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty, undertaking or prediction with respect to the accuracy of the underlying assumptions by IndiGrid, the Trustee, the Sponsors, the Investment Manager, the Lead Manager or any other person. Bidders are cautioned not to place undue reliance on these forward-looking statements that are stated only as at the date of this Draft Shelf Prospectus. For details in relation to forward-looking statements, please see the section entitled “Forward-Looking Statements” on page 13.*

The net distributable cash flows of IndiGrid (the “**Distributable Income**”) are based on the cash flows generated from the underlying operations undertaken by the InvIT Assets, in this case being the Portfolio Assets. For details of the business and operations presently undertaken by the InvIT Assets, please see the section entitled “*Our Business*” on page 134. Presently, cash flows receivable by IndiGrid may be in the form of dividend, interest income or principal repayment received from the InvIT Assets in relation to debt sanctioned by IndiGrid, or a combination of both.

In terms of the InvIT Regulations, not less than 90% of the net distributable cash flows of each of the Portfolio Assets, namely BDTCL, JTCL, RTCL, PKTCL, MTL, PTCL, NTL, OGPTL, ENICL, GPTL, JKTPL, PrKTCL and NER shall be distributed to IndiGrid or IGL, IGL1 or IGL2, as applicable, subject to applicable provisions in the Companies Act, 2013 and not less than 90% of the net distributable cash flows of IndiGrid shall be distributed to the Unitholders. Further, with respect to the cash flows received by IGL, IGL1 or IGL2 from the InvIT Assets, 100% of such cash flows shall be distributed to IndiGrid unless required for debt servicing in any other loans of any of the InvIT Assets, in each case that are subsidiaries of IGL, IGL1 or IGL2 or repair work in any of the InvIT Assets. Further, with respect to cash flows generated by IGL, IGL1 or IGL2 on its own, not less than 90% of such net distributable cash flows shall be distributed by IGL, IGL1 or IGL2 to IndiGrid.

Pursuant to the InvIT Regulations and the Distribution Policy, IndiGrid shall declare and distribute at least 90% of the Distributable Income to the Unitholders, at least once in every quarter in every Fiscal. However, if any infrastructure asset is sold by IndiGrid or IGL, IGL1 or IGL2 or any of the InvIT Assets, or if the equity shares or interest in IGL, IGL1 or IGL2 or any of the InvIT Assets are sold by IndiGrid, and proposes to re-invest the sale proceeds into another infrastructure asset within one year, it shall not be required to distribute such sale proceeds to IndiGrid or to the Unitholders. Further, if IndiGrid proposes not to invest such sale proceeds into any other infrastructure asset within one year, it shall be required to distribute the same in the manner specified above. In accordance with the InvIT Regulations, distributions by IndiGrid shall be made no later than 15 days from the date of such declarations. The distribution, when made, shall be made in Indian Rupees. For details on the risks relating to distribution, please see the section entitled “*Risk Factors*” on page 18.

### Distribution Policy

#### *Method of calculation of Distributable Income*

The Distributable Income of IndiGrid shall be calculated in accordance with the InvIT Regulations and any circular, notification or guidance issued thereunder. Presently, IndiGrid proposes to calculate distributable income in the manner provided below:

#### **I. Calculation of net distributable cash flows at each InvIT Asset level:**

Description
<b>Profit after tax as per profit and loss account (standalone) (A)</b>
Add: Depreciation, impairment and amortisation as per profit and loss account. In case of impairment reversal, same needs to be deducted from profit and loss.
Add/Less: Decrease/(increase) in working capital as per IndAS 7
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or IGL
Add/less: Loss/gain on sale of infrastructure assets
Add: Proceeds from sale of infrastructure assets adjusted for the following: <ul style="list-style-type: none"> <li>related debts settled or due to be settled from sale proceeds;</li> <li>directly attributable transaction costs;</li> <li>directly attributable transaction costs proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations</li> </ul>
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account
Less: Capital expenditure, if any
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), including but not limited to <ul style="list-style-type: none"> <li>any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement</li> </ul>

Description
<ul style="list-style-type: none"> <li>of the asset or the liability at fair value;</li> <li>interest cost as per effective interest rate method (difference between accrued and actual paid);</li> <li>deferred tax;</li> <li>unwinding of Interest cost on interest free loan or other debentures;</li> <li>portion reserve for major maintenance which has not been accounted for in profit and loss statement;</li> <li>reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)</li> </ul>
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements
<b>Total Adjustments (B)</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>

## II. Calculation of net distributable cash flows at the consolidated IndiGrid level:

Description
Cash flows received from the Portfolio Assets in the form of interest
Cash flows received from the Portfolio Assets in the form of dividend
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently
<b>Total cash inflow at the IndiGrid level (A)</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee
Less: Costs/retention associated with sale of assets of the Portfolio Assets:
<ul style="list-style-type: none"> <li>relate debts settled or due to be settled from sale proceeds of Portfolio Assets;</li> <li>transaction costs paid on sale of the assets of the Portfolio Assets;</li> <li>capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments.</li> </ul>
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18 (7) (a) of the InvIT Regulations
Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/special purpose vehicles (Excluding refinancing)
Less: Income tax (if applicable) at the standalone IndiGrid level
Less: Amount invested in any of the Portfolio Assets for service of debt or interest
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets
<b>Total cash outflows / retention at IndiGrid level (B)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>

In terms of the InvIT Regulations, if the distribution is not made within 15 days from the date of declaration, the Investment Manager shall be liable to pay interest to the Unitholders at the rate of 15% per annum or such other rate as may be specified, until the distribution is made. Such interest shall not be recovered by the Investment Manager in the form of fee or any other form payable to the Investment Manager by IndiGrid.

### Distributions by IndiGrid

The details of distribution declared by IndiGrid are provided below.

Sr. No.	Record Date	Number of Units (in million)	Distribution per Unit (in ₹)	Amount of Distribution paid on Units including tax on distribution (in ₹ million)
1.	January 28, 2021	583.48	3.10	1,808.80
2.	November 10, 2020	583.48	3.00	1,750.44
3.	August 12, 2020	583.48	3.00	1,750.44
4.	June 2, 2020	583.48	3.00	1,750.44
5.	January 28, 2020	583.48	3.00	1,750.44
6.	October 31, 2019	583.48	3.00	1,750.44
7.	August 5, 2019	583.48	3.00	1,750.44
8.	April 30, 2019	283.80	3.00	851.40
9.	January 22, 2019	283.80	3.00	851.40
10.	October 26, 2018	283.80	3.00	851.40
11.	August 2, 2018	283.80	3.00	851.40

<b>Sr. No.</b>	<b>Record Date</b>	<b>Number of Units (in million)</b>	<b>Distribution per Unit (in ₹)</b>	<b>Amount of Distribution paid on Units including tax on distribution (in ₹ million)</b>
12.	May 2, 2018	283.80	3.00	851.40
13.	January 23, 2018	283.80	2.89	820.74
14.	November 7, 2017 <sup>(1)</sup>	283.80	2.75	781.58
15.	August 4, 2017 <sup>(1)</sup>	270.20	0.92	248.58

<sup>(1)</sup> Please note that the acquisition of BDTCL and JTCL was completed in June, 2017 and accordingly, IndiGrid made distributions for the period beginning from May 30, 2017 until March 31, 2018.

## RELATED PARTY TRANSACTIONS

In terms of Regulation 2(1)(zv) of the InvIT Regulations, related party shall be as defined as under the Companies Act, 2013 or under the applicable accounting standards and shall also include: (i) Parties to IndiGrid; and (ii) promoters, directors, and partners of the Parties to IndiGrid. Further, related parties also include such persons and entities as defined in terms of the applicable accounting standards, being IndAS 24 on “*Related Party Disclosures*” (the “**Related Parties**”). The Parties to IndiGrid, may, from time to time, enter into related party transactions, in accordance with applicable law.

### ***Borrowings from Related Parties***

For details in relation to the borrowings of the Trust from related parties, please see the section entitled “*Disclosure on Existing Financial Indebtedness*” on page 233.

### **Acquisition of NER by IndiGrid**

The Trustee, on behalf of and acting in its capacity as Trustee to IndiGrid, has entered into a share purchase agreement for the purpose of acquiring 100% of the issued, subscribed and paid-up equity share capital of NER. As on date of this Draft Shelf Prospectus, IndiGrid has acquired 49% of the issued, subscribed and paid up equity share capital of NER.

### ***Share Purchase Agreement for acquisition of NER***

The Trustee (on behalf of and acting in its capacity as Trustee to IndiGrid) has entered into a share purchase agreement dated March 5, 2021 with the Sterlite Sponsor, the Investment Manager, SGL4 and NER (the “**NER Share Purchase Agreement**”) to acquire 100% of the issued, subscribed and paid up equity share capital of NER. IndiGrid has agreed to pay a consideration amounting to the equity value of NER, calculated based on the management certified profit and loss account, cash flow statement and balance sheet on a standalone basis of NER, for the period from April 1, 2020 to the Closing Financial Statements Date, as defined in the NER Share Purchase Agreement, prepared in accordance with the IndAS (“**Closing Equity Value**”), as adjusted by the difference between such Closing Equity Value and the final equity value as certified by the management of SGL4 and NER upon satisfaction or waiver of all the conditions precedent to the transaction. Pursuant to the NER Share Purchase Agreement, the Closing Equity Value will be the sum of an amount agreed in writing by the parties (the “**Enterprise Value**”) minus certain identified liabilities.

Pursuant to the NER Share Purchase Agreement, NER will stand transferred to IndiGrid (“**Proposed Transaction**”) subject to the satisfaction of certain conditions precedent such as:

- (a). each of the Sterlite Sponsor, SGL4 and NER having obtained necessary corporate approvals necessary for the Proposed Transaction;
- (b). each of the Sterlite Sponsor, SGL4 and NER, as applicable, having obtained regulatory approvals and no-objection certificates that are required, if any;
- (c). delivery of evidence of shareholding of the shares in NER by the SGL4 to IndiGrid;
- (d). procuring consents, no dues or no claim certificates, invoices, no objection certificates and approvals (including the commercial operation date related approvals) from various parties, as specified in the NER Share Purchase Agreement;
- (e). delivery of bank guarantee for an aggregate amount of 1,000 million to IndiGrid in accordance with the the inter-se agreement, in relation to the bank guarantee agreement, entered into on March 5, 2021 between, amongst others, the Sterlite Sponsor, Axis Trustee Services Limited (on behalf of and acting in its capacity as the Trustee to IndiGrid) and the Investment Manager; and
- (f). each of the Sterlite Sponsor, SGL4 and NER, as applicable, having performed and complied with agreements, obligations and conditions as set out in the NER Share Purchase Agreement.

Further, in accordance with the NER Share Purchase Agreement, the Sterlite Sponsor and SGL4 has provided certain customary representations and warranties to IndiGrid and the Investment Manager in relation to itself and NER, which include, amongst others:

- (a). each of Sterlite Sponsor, SGL4 and NER are duly incorporated;
- (b). due authorization and validity of the shares being sold;



- (c). due accounting and finance conditions;
- (d). representations in relation to taxation, litigation, corporate records and material contracts; and
- (e). validity of approvals, licenses, permits and authorizations.

Pursuant to the NER Share Purchase Agreement, the Sterlite Sponsor and SGL4 have agreed to, jointly and severally, indemnify IndiGrid, the Investment Manager and NER, for identified losses resulting from events such as breach of representations and warranties, breach of covenants, fraud and wilful defaults and claims in relation to certain specified items and approvals, as specifically laid out in the NER Share Purchase Agreement.

### **The Investment Manager's Internal Controls System**

The Investment Manager has implemented an internal controls system to ensure that transactions of IndiGrid with related parties are and all future or any subsequent modifications of transactions of IndiGrid with related parties will be:

- (a). on an arm's length basis in accordance with the relevant accounting standards;
- (b). in the best interest of the Unitholders; and
- (c). consistent with the strategy and investment objectives of IndiGrid.

For a description of the various measures implemented by the Investment Manager in this regard, please see the section entitled "*Corporate Governance*" on page 226.

### **Potential Conflicts of Interest**

The Investment Manager has established certain procedures to deal with conflict of interest issues. For details and description of such procedures, please see the section entitled "*Corporate Governance*" on page 226.

Further, in order to manage any potential competition and conflicts of interest that may arise between SPTL and IndiGrid in relation to any interests in transmission business, SPGLV (which is now merged with SPTL) entered into a ROFO Deed with the Trustee (acting in its capacity as the trustee of IndiGrid) on May 5, 2017 and the Original Framework Agreement on April 30, 2019 read with the Amendment to the Framework Agreement dated August 28, 2020. For further details on management of potential conflicts of interest (including procedure for dealing with related party transactions), please see the section entitled "*Corporate Governance – Policies of the Board of Directors of the Investment Manager in relation to IndiGrid*" on page 231.

### **Disclosure of Related Party Transactions**

For details of the related party transactions entered into by IndiGrid, please refer to (i) disclosures made to the Stock Exchanges in this regard available at <https://www.bseindia.com/> and [https://nseindia/index\\_nse.htm](https://nseindia/index_nse.htm) and the disclosures made on <https://www.indigrid.co.in/download-investor.html>; and (ii) Annexure A to this Draft Shelf Prospectus, entitled "*Financial Information*".

## MATERIAL DEVELOPMENTS

To our knowledge, except as set out below and in the sections entitled “*Disclosures on Existing Financial Indebtedness*” and “*Information Concerning the units*” on pages 233 and 75, respectively there has been no material development since December 31, 2020 until the date of filing of this Draft Shelf Prospectus and there have arisen no circumstances that materially or adversely affect the operations, financial condition or profitability of the Trust or the value of its assets or its ability to pay its liabilities within the next 12 months:

- (i). The Trust has acquired of 74% of the equity shares of PrKTCL from Reliance Infrastructure Limited. For more details on the acquisition, please see the section entitled “*Our Business - PrKTCL*” on page 166.
- (ii). The Trust is proposing to undertake rights issue of the Units aggregating up to ₹ 12,836.49 million in accordance with the InvIT Regulations and the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2020/10 issued by SEBI dated January 17, 2020 entitled ‘Guidelines for Rights Issue of Units by a listed Infrastructure Investment Trusts (InvITs)’, read with the circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2020/36 issued by SEBI dated March 13, 2020 entitled the ‘Amendments to guidelines for rights issue, preferential issue and institutional placement of units by a listed InvIT’ through a letter of offer dated March 23, 2021.
- (iii). The Trust has acquired 49% of issued, subscribed and paid-up equity share capital of NER from SGL4 (a wholly-owned subsidiary of the Sterlite Sponsor). For more details on the acquisition, please see the sections entitled “*Related Party Transactions - Acquisition of NER by IndiGrid*” and “*Our Business - NER*” on pages 246 and 168, respectively.

## SECTION VI: ISSUE RELATED INFORMATION

### GENERAL TERMS OF THE ISSUE

#### Authority for this Issue

For details in respect of the authority for this Issue, please see the section entitled “*Other Regulatory and Statutory Disclosures*” on page 293.

#### Principal terms and conditions of this Issue

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the provisions of the Amended and Restated Trust Deed, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory, regulatory or governmental directions or requirements including those issued from time to time by SEBI, the Government, the Stock Exchanges, and any other statutory, regulatory or governmental authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

#### Ranking of the NCDs

The NCDs when issued will constitute secured debt obligations of the Trust and subject to any obligations under applicable statutory and/or regulatory requirements, the principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs, shall be secured by a (i) first and *pari passu* charge on all current assets of the Issuer, including loans and advances and any receivables accrued/realized from loans and advances extended by the Issuer to its Hold Cos /SPVs. It being understood that loans and advances extended by the Issuer will be subordinate to any senior debt availed or to be availed at the Hold Cos/SPVs level; and (ii) first and *pari passu* pledge over equity shares to the extent of at least 99% of the paid up equity share capital of JTCL, MTL, RTCL, PKTCL, NRSS, JKTPCL and IGL1 and at least 73% of the paid up equity share capital of PTCL. The Issuer may provide higher pledge also as an additional security with intimation to the Security Trustee. It is clarified that by virtue of pledge creation of IGL1, IndiGrid lenders would not have any direct recourse or rights against the subsidiaries of IGL1. The Trust shall ensure 100% asset cover for the NCDs and interest accrued thereon at all times until the redemption of the NCDs.

Security for the NCDs proposed to be issued under this Issue shall rank *pari passu* and all other secured debentures, bond issuances and loans outstanding in the books of the Trust having corresponding assets as security without preference of one over the other except that priority for payment shall be as per applicable date of redemption or repayment.

The NCDs shall *inter se* rank *pari passu* in relation to their rights and benefits, without any preference, priority or privilege whatsoever on account of date of issue or allotment or otherwise.

Any payments received from the Issuer or realized by the Debenture Trustee upon enforcement of any rights, shall be distributed to the Debenture Holder in proportion to the amounts outstanding to such Debenture Holder in equal proportions without any preference or priority whatsoever.

The Trust is required to obtain permissions / consents from existing lenders for proceeding with this Issue. Pursuant to the SEBI circular dated November 3, 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218, the Trust undertakes, *inter alia*, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the Trust has obtained relevant permissions / consents from other lenders/creditors for proceeding with this Issue as on the date of this Draft Shelf Prospectus. The Trust has, through the Debenture Trustee/ Security Trustee, intimated and obtained the consents, as required, from all the earlier existing creditors of the Trust for the Issue.

#### Security

The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by a

- (i). first and *pari passu* charge on all current assets of the Issuer, including loans and advances and any receivables accrued/realized from loans and advances extended by the Issuer to its Hold Cos /SPVs. It being understood that loans and advances extended by the Issuer will be subordinate to any senior debt availed or to be availed at the Hold Cos/SPVs level; and

- (i). first and *pari passu* pledge over equity shares to the extent of at least 99% of the paid up equity share capital of JTCL, MTL, RTCL, PKTCL, NRSS, JKTPL and IGL1 and at least 73% of the paid up equity share capital of PTCL. The Issuer may provide higher pledge also as an additional security with intimation to the Security Trustee. It is clarified that by virtue of pledge creation of IGL1, IndiGrid lenders would not have any direct recourse or rights against the subsidiaries of IGL1.

The Trust may provide additional security as may be required if stipulated by the Debenture Trustee (in accordance with the Debenture Documents).

The Trust is required to obtain permissions / consents from existing lenders for proceeding with this Issue. Pursuant to the SEBI circular dated November 3, 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218, the Trust undertakes, *inter alia*, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the Trust has obtained relevant permissions / consents from other lenders/creditors for proceeding with this Issue as on the date of this Draft Shelf Prospectus. The Trust has, through the Debenture Trustee, intimated and obtained the consents, as required, from all the earlier existing creditors of the Trust for the Issue.

The Investment Manager (acting on behalf of the Trust) intends to enter into the Debenture Trust Deed, the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. The Trust proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Stock Exchanges.

Under the terms of the Debenture Trust Deed, the Investment Manager (on behalf of the Trust) will covenant with the Debenture Trustee that it will pay the NCD Holders, the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs at the rate specified in the relevant Tranche Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that the Investment Manager (on behalf of the Trust) may withdraw any portion of the security and replace with another asset of the same or a higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.

The Investment Manager (acting on behalf of the Trust) undertakes that the necessary documents for the creation of the charge, where applicable, would be executed within the time frame prescribed as per applicable law and in accordance with applicable law, the same would be uploaded on the website of the Designated Stock Exchange.

### **Recovery Expense Fund**

Pursuant to the circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 entitled “Contribution by Issuers of listed or proposed to be listed debt securities towards creation of “Recovery Expense Fund” dated October 22, 2020 issued by SEBI (“**SEBI Circular**”), the Investment Manager (acting on behalf of the Trust) has deposited in the Recovery Expense Fund ₹ 2,500,000 in accordance with the SEBI Circular. In the event of default by the Trust in accordance with the terms of the Debenture Trust Deed, the Recovery Expense Fund may be utilised by Debenture Trustee, after obtaining the consent of the NCD Holders, for enforcement of the security.

### **Debenture Trustee Agreement**

The Investment Manager (acting on behalf of the Trust) has entered into a Debenture Trustee Agreement with the Debenture Trustee. The terms and conditions of the Debenture Trustee Agreement are set out below:

- (a) The remuneration indicated by the Debenture Trustee in relation to their appointment by the Trust and agreed upon by the Trust includes a one-time acceptance fee of ₹ 1.3 million (plus the applicable taxes) in terms of the letter bearing reference number 23969/ITSL/OPR/CL/20-21/DEB/1337 dated February 9, 2021. Any enforcement consequent to an event of default will attract separate charges. Further, the Issuer undertakes to pay all the Debenture Trustee all reasonable costs, charges and expenses including legal and traveling expenses, which the Debenture Trustee or its officers, employees or agents may incur in relation to the execution of the Debenture Trust Deed and all other documents affecting the Security;
- (b) The Debenture Trustee shall be vested with the requisite power for protecting the interest of NCD Holders and the Debenture Trustee confirms that it shall not relinquish the assignment unless and until another debenture trustee has been appointed in its place;

- (c) The Debenture Trustee shall ensure the implementation of the conditions regarding creation of security for the NCDs and ensure the recovery expense fund is created by the Issuer as stipulated by SEBI from time to time;
- (d) The Issuer shall provide all such information/documents/consents as are required by the Debenture Trustee in accordance with Clause 4 of the SEBI Circular No.: SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 to enable the Debenture Trustee to exercise due diligence with respect to creation of security. The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances, CERSAI, depositories, information utility or any other authority, as applicable and as may be required, where the assets and/or prior encumbrances in relation to the assets of the Issuer or any third party security provider for securing the debt securities, are registered / disclosed
- (e) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the disclosure documents and the relevant laws memorandum, has been obtained;
- (f) The Debenture Trustee shall ensure the disclosure of all material events on an on-going basis, as required under SEBI Debenture Trustee Regulations, SEBI ILDS Regulations, SEBI LODR Regulations and other applicable laws;
- (g) The Debenture Trustee confirms that it is not an associate of the Issuer in terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended;
- (h) The Issuer has undertaken to promptly furnish all and any information representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence;
- (i) The Issuer has undertaken to promptly pay, and in any event before any interest or penalty becomes payable, any stamp, documentary, registration or similar tax payable in connection with the entry into, registration, performance, enforcement or admissibility in evidence of this Agreement and/or any such amendment, supplement or waiver; and
- (j) The Debenture Trustee, *ipso facto* does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

#### **Face Value**

The face value of each of the NCDs shall be ₹ 1,000.

#### **Application Size**

As specified in the relevant Tranche Prospectus.

#### **NCD Holder not a Unitholder**

The NCD Holders will not merely by virtue of being NCD Holders be entitled to any of the rights and privileges available to the Unitholders of the Trust, except to the extent as may be prescribed under applicable law.

#### **Rights of the NCD Holders**

The rights available to the NCD Holders will be in terms of the Debenture Trust Deed to be executed by the Investment Manager (on behalf of the Trust) and the Debenture Trustee in relation to the NCDs. Subject to applicable law, some of the rights available to the NCD Holders are as follows:

- (a) The NCDs shall not, confer upon the NCD Holders thereof any rights or privileges available to the Unitholders of the Trust.
- (b) Subject to applicable statutory/ regulatory requirements, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated by the majority NCD Holders provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
- (c) At every meeting of NCD Holders, each NCD Holder shall be entitled to one vote on a show of hands or on a poll in respect of every NCD of which he is a holder in respect of which he is entitled to vote.
- (d) Any NCD Holder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a NCD Holder or not) as his proxy to attend and vote instead of himself.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of this Draft Shelf Prospectus and the Debenture Trust Deed.

### **Trustees for the NCD Holders**

The Investment Manager (in consultation with the Trustee) has appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the NCD Holders.

The Debenture Trustee and the Investment Manager (acting on behalf of the Trust) will execute a Debenture Trust Deed, specifying, amongst other things, the powers, authorities and obligations of the Debenture Trustee and the Investment Manager (acting on behalf of the Trust). The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by the Trust to the Debenture Trustee on behalf of the NCD Holders shall discharge the Investment Manager and the Trust *pro tanto* to the NCD Holders. The Debenture Trustee will protect the interest of the NCD Holders in the event of default by the Trust (acting through the Investment Manager) in regard to timely payment of interest and repayment of principal and will take necessary action at a cost to be borne by the Trust (acting through the Investment Manager).

### **Events of Default**

Subject to the terms of the Debenture Trust Deed and on occurrence of an event of default, the Debenture Trustee may, amongst other things, issue a notice and declare all the outstanding amounts in relation to the NCDs due and repayable on demand or declare the Security to be enforceable. An indicative list of the events of default is set out below and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s).

### **Title**

The NCDs being held in the dematerialised form, the title of such NCDs shall be the person for the time being appearing in the register of beneficial owners maintained by the Depositories. The Investment Manager on behalf of Trust shall request the Depository to provide a list of beneficial owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

### **Minimum Subscription**

In terms of the SEBI ILDS Regulations for an issuer undertaking a public issue of debt securities, the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If the Investment Manager (on behalf of the Trust) does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount received from the Applicants in the ASBA Accounts shall be unblocked within six Working Days from the Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, the Investment Manager (acting on behalf of the Trust) shall be liable to repay the money from the Trust Assets, with interest at the rate of 15% per annum for the delayed period.

If the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Trust, the Investment Manager and /or Registrar, refunds will be made to the account prescribed. However, where the Trust, the Investment Manager and/or Registrar to the Issue does not have the necessary information for making such refunds, the Trust, the Investment Manager and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

## **Market Lot and Trading Lot**

The NCDs shall be allotted in dematerialized form. As per the SEBI Debt Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, please see the section entitled “*Issue Procedure*” on page 263.

## **Nomination facility to NCD Holders**

Nomination facility will be provided to the NCD Holders if provided under applicable law and in a manner provided under to applicable law.

## **Transfer/Transmission of NCD(s)**

The NCDs shall be transferred or transmitted freely in accordance with the provisions of applicable law and/or as provided in the Amended and Restated Trust Deed. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed under applicable law. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

For further details, see “*Issue Structure*” beginning on page 258, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

## **Succession**

In the event of the demise of the sole/first holder of the NCD(s) or the last survivor, in case of joint holders for the time being, the Investment Manager on behalf of the Trust shall recognize the executor or administrator of the deceased NCD Holder or the holder of succession certificate or other legal representative as having title to the NCD(s). The Investment Manager on behalf of the Trust shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Investment Manager on behalf of the Trust may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the NCD(s) standing in the name of the deceased NCD Holder on production of sufficient documentary proof or indemnity. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with: (i) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs was acquired by the NRI as part of the legacy left by the NCD Holder; (ii) Proof that the NRI is an Indian National or is of Indian origin; (iii) Such holding by the NRI will be on a non -repatriation basis

## **Joint-holders**

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship.

## **Restriction on transfer or transmission of NCDs**

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation or splitting except as may be required under applicable statutory or regulatory requirements including any RBI requirements and/or as provided in the

Amended and Restated Trust Deed. For further details, please see the section entitled “*Parties to IndiGrid – The Trustee – Key terms of the Amended and Restated Trust Deed*” on page 194.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts of jurisdiction in New Delhi and Mumbai, India.

## **Taxation and Tax Benefits**

For details of possible tax benefits available to the trust and NCD Holders under the applicable laws in India, please see the section entitled “*Statement of Tax Benefits*” on page 81.

## **Payment of Interest, Refund or Redemption Amount**

The amount of interest payable shall be as specified in the relevant Tranche Prospectus and rounded off to the nearest Rupee. If the date of interest payment falls on Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or reenactment thereof for the time being in force.

If the redemption date (also being the last interest payment date) falls on a day that is not a Working Day, the redemption amount shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI circular dated November 11, 2016 bearing no. CIR/IMD/DF-1/122/2016.

In the event, the interest, refund or redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.

The bank details will be obtained from the Depositories for payment of interest, refund or redemption, as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amount to the Applicant at the applicant’s sole risk, and none of the Lead Manager, the Sponsors, the Investment Manager, the Trustee, or the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The interest cheque(s)/ demand draft(s)/RTGS credit (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by Trust within 15 (fifteen) days from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s)/RTGS credit, as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant.

## **Basis of Payment of Interest**

The tenor, coupon rate / yield and redemption amount applicable for each Series of NCDs shall be determined at the time of Allotment of the NCDs. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable tenor, coupon/yield and redemption amount as at the time of original Allotment irrespective of the category of NCD Holder on any record date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

## **Payment on Redemption**

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories’ records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.



The Investment Manager's liability (on behalf of the Trust) to NCD Holders towards his/their rights including for payment/redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

If the redemption date (also being the last interest payment date) falls on a day that is not a Working Day, the redemption amount shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI circular dated November 11, 2016 bearing no. CIR/IMD/DF-1/122/2016.

### **Terms of Payment**

The entire issue price per NCD, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, the Investment Manager (on behalf of the Trust) shall unblock the excess amount paid on application to the applicant in accordance with the terms specified in the section entitled "*Issue Procedure*" on page 263.

### **Deemed Date of Allotment**

The date on which the Board of Directors or the committee of the Investment Manager (acting on behalf of the Trust) approve the Allotment of the NCDs for each Tranche Issue shall be considered as the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant tranche prospectus) shall be available to the NCD Holders from the Deemed Date of Allotment.

### **Maturity and Redemption**

As specified in the relevant Tranche Prospectus.

### **Record Date**

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus or such other date as may be determined by the Board of Directors / Committee of Directors of the Investment Manager (acting on behalf of the Trust) from time to time in accordance with the applicable law. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Investment Manager to the Stock Exchanges, will be deemed as the Record Date.

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the circular bearing reference number CIR/IMD/DF-1/122/2016 dated November 11, 2016 issued by SEBI.

### **Printing of bank particulars on interest or redemption warrants**

As a matter of precaution against possible fraudulent encashment of refund orders, and interest or redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the Depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

### **Buy Back of NCDs :**

The Trust may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by the Investment Manager and the Trustee (acting on behalf of the Trust).

### **Form and Denomination**

In case of NCDs held under different options, by an NCD Holder, separate certificates will be issued to the NCD Holder for the aggregate amount of the NCDs.

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form. Further, no action is required on the part of NCD holder(s) at the time of redemption of NCDs.

### **Right to reissue NCD(s)**

Subject to the provisions of SEBI (ILDS) Regulations and other applicable laws, as applicable, on the date of this Draft Shelf Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

### **Transfer of NCDs**

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The NCD Holder should give delivery instructions containing details of the buyer's Depository Participant account to her/his Depository Participant.

### **Common form of transfer**

The Investment Manager (on behalf of the Trust) undertakes that there shall be a common form of transfer for the NCDs and the provisions all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debt securities and registration thereof.

### **Sharing of information**

The Investment Manager (on behalf of the Trust) may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

### **Notices**

All notices to the NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through e-mail or other electronic media to the registered NCD Holders from time to time.

### **Lien on pledge of NCDs**

The Investment Manager (acting on behalf of the Trust) may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

### **Future Borrowings**

The Trust shall be entitled to make further issue of secured or unsecured debt securities and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency subject to such consents and approvals and other conditions, as may be required under applicable law or financing agreements, with the consent of the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

### **Illustration for guidance in respect of the day count convention and effect of holidays on payments.**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be as disclosed in the relevant Tranche Prospectus.

### **Listing**

The NCDs proposed to be offered in pursuance of this Draft Shelf Prospectus will be listed on the BSE and NSE, with BSE being the Designated Stock Exchange. The Investment Manager (on behalf of the Trust) has received an 'in-principle' approval from BSE by way of its letter bearing reference number [●] dated [●] or from NSE by way of its letter bearing reference number [●] dated [●]. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in, and for an official quotation of, the NCDs are not granted by the Stock Exchanges, the Trust through the Investment Manager will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus. The Investment Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Issue Closing Date.

**Guarantee/Letter of comfort**

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

## ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in section entitled “*General Terms of the Issue*” and “*Issue Procedure*” on pages 249 and 263 respectively.

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
<b>Minimum Application Size</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Mode of allotment</b>	Compulsorily in dematerialized form.
<b>Terms of Payment</b>	Full amount on application.
<b>Market Lot/ Trading Lot</b>	One NCD.
<b>Who can apply</b>	Please see section entitled “ <i>Issue Procedure – Procedure for Application</i> ” on page 264.

**Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory, governmental and regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory, governmental and regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory, governmental and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.**

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Issue Guidelines, SEBI ILDS Regulations, InvIT Regulations, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

For further details, please see the section entitled “*Issue Procedure*” on page 263.

### TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

#### Common Terms of NCDs

Particulars	Details
Issuer	India Grid Trust
Lead Manager	JM Financial Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	KFin Technologies Private Limited (formerly known as “Karvy Fintech Private Limited”)
Type and nature of instrument	Secured, redeemable, listed non-convertible debt securities of face value of ₹ 1,000 each.
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements)
Mode of Issue	Public Issue.
Issue	Public issue by the Trust of secured, redeemable, non-convertible debt securities of face value of ₹ 1,000 each for an amount aggregating up to ₹ 10,000 million
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Total Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue
In multiples of	As specified in the relevant Tranche Prospectus for each Tranche Issue
Listing	The NCDs are proposed to be listed on BSE and NSE. BSE shall be the Designated Stock Exchange for this Issue.  The NCDs shall be listed within six Working Days from the Issue Closing Date.
Mode of Payment	For further details , please see the section entitled “ <i>Issue Structure</i> ” on page 258.

Particulars	Details																		
Mode of Allotment and Trading*	Compulsorily in dematerialised form.																		
Mode of settlement	For further details, please see the section entitled “ <i>Issue Structure</i> ” on page 258.																		
Market / Trading Lot	One NCD.																		
Depositories	NSDL and CDSL.																		
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.) type of charge (pledge/hypothecation/mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the NCD Holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft Shelf Prospectus	<p>The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by a (i) first and <i>pari passu</i> charge on all current assets of the Issuer, including loans and advances and any receivables accrued/realized from loans and advances extended by the Issuer to its Hold Cos /SPVs. It being understood that loans and advances extended by the Issuer will be subordinate to any senior debt availed or to be availed at the Hold Cos/SPVs level; and (ii) first and <i>pari passu</i> pledge over equity shares to the extent of at least 99% of the paid up equity share capital of JTCL, MTL, RTCL, PKTCL, NRSS, JKTPL and IGL1 and at least 73% of the paid up equity share capital of PTCL. The Issuer may provide higher pledge also as an additional security with intimation to the Security Trustee. It is clarified that by virtue of pledge creation of IGL1, IndiGrid lenders would not have any direct recourse or rights against the subsidiaries of IGL1. The Trust may provide additional security as may be required if stipulated by the Debenture Trustee (in accordance with the Debenture Documents). The Trust shall maintain a minimum 100% security cover on the outstanding balance of the NCDs plus accrued interest thereon.</p> <p>The Trust is required to obtain permissions / consents from existing lenders, debenture trustees and security trustees for ceding <i>pari passu</i> charge in favour of the Debenture Trustee in relation to the NCDs. We have received necessary consents from the relevant debenture trustees and security trustees for ceding <i>pari passu</i> charge in favour of the Debenture Trustee in relation to the NCDs.</p> <p>In the event, the Trust fails to execute the Debenture Trust Deed within the period specified in Regulation 15(1) of the SEBI ILDS Regulations or such other time frame as may be stipulated from time to time, it shall pay interest of at least 2% per annum to the NCD Holders, over and above the interest rate on the NCDs specified in the relevant Tranche Prospectus, till the execution of the Debenture Trust Deed.</p> <p>For further details in relation to the Security, such as the date of creation of security/likely date of creation of security, minimum security cover and interest of NCD Holders, please see the section entitled “<i>General Terms of the Issue</i>” on page 249.</p>																		
Who can apply/ Eligible Investors	For further details, please see the section entitled “ <i>Issue Procedure – Procedure for Application</i> ” on page 264.																		
Credit Ratings	<table><tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated (in INR crore)</th><th>Rating definition</th></tr><tr><td>India Ratings</td><td>NCDs</td><td>IND AAA/Stable</td><td>March 26, 2021</td><td>1,000</td><td>Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk</td></tr><tr><td>CRISIL</td><td>NCDs</td><td>CRISIL AAA/ Stable</td><td>March 30, 2021</td><td>1,000</td><td>Highest degree of safety regarding timely servicing</td></tr></table>	Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in INR crore)	Rating definition	India Ratings	NCDs	IND AAA/Stable	March 26, 2021	1,000	Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk	CRISIL	NCDs	CRISIL AAA/ Stable	March 30, 2021	1,000	Highest degree of safety regarding timely servicing
Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated (in INR crore)	Rating definition														
India Ratings	NCDs	IND AAA/Stable	March 26, 2021	1,000	Highest degree of safety regarding timely servicing of financial obligation and lowest credit risk														
CRISIL	NCDs	CRISIL AAA/ Stable	March 30, 2021	1,000	Highest degree of safety regarding timely servicing														

Particulars	Details					
						of financial obligation and lowest credit risk
	Please see Annexure B1 and Annexure B2 for rating letter and rationale for the above ratings. For further details regarding the disclaimer clause of CRISIL and India Ratings, please see the section entitled “ <i>General Information</i> ” on page 61.					
Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Application money	The entire application amount is payable on submitting the application.					
Record Date	<p>The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or in case of redemption, the relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus or such other date as may be determined by the Board of Directors / Committee of Directors from time to time in accordance with the applicable law. Provided that in case of redemption of NCDs, trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.</p> <p>In case Record Date falls on a day when the Stock Exchanges is having a trading holiday, the immediate subsequent trading day or a date notified by the Investment Manager to the Stock Exchanges, will be deemed as the Record Date.</p> <p>Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.</p>					
Issue Schedule	As specified in the relevant Tranche Prospectus for each Tranche Issue					
All covenants of the issue (including side letters, accelerated payment clause, etc.)	The applicable covenants to the Issue shall be in accordance with the Debenture Trust Deed.					
Objects of the Issue	For further details, please see the section entitled “ <i>Objects of the Issue</i> ” on page 79.					
Details of the utilisation of Issue proceeds	For further details, please see the section entitled “ <i>Objects of the Issue</i> ” on page 79.					
Interest rate, Interest payment date, Interest type and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Interest Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Interest payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Interest on application money	Please see the section titled “ <i>General Terms of the Issue</i> ” on page 249					
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Default interest rate	The Trust shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.					
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Redemption Premium / Discount	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Face Value (in ₹ per NCD)	₹ 1,000					
Issue Price (in ₹ per NCD)	₹ 1,000					

Particulars	Details
Discount at which security is issued and the effective yield as a result of such discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual.
Working Days convention/Day count convention / Effect of holidays on payment/ Business Day Convention	<p>Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai. . During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p> <p>Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the circular issued by SEBI dated November 11, 2016 bearing no. CIR/IMD/DF-1/122/2016.</p> <p>If the date of payment of interest specified (“<b>Interest Payment Date</b>”) does not fall on a Working Day, then the immediately succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the “<b>Effective Date</b>”), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income-tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last interest payment date) falls on a holiday, the interest/redemption payments shall be made only on the immediately preceding Working Day, along with interest accrued on the NCDs until such date, however, excluding the date of such payment.</p>
Issue Agreement	Agreement dated April 7, 2021 entered into by the Investment Manager ( <i>acting on behalf of the Trust</i> ), the Trustee ( <i>acting on behalf of the Trust</i> ) and the Lead Manager.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Closing Date**	As specified in the relevant Tranche Prospectus for each Tranche Issue
Pay-in Date	Application Date. The entire Application Amount is payable on Application
Deemed Date of Allotment	The date on which the Board of Directors/Committee of Directors of the Investment Manager approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors /Committee of Directors and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.
Put/Call Option	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put/Call Option Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put/Call Option Price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call Notification Time / Put Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Transaction documents	Transaction documents shall mean Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus read with any notices, corrigenda, addenda thereto the Issue Agreement, Registrar Agreement, Consortium Agreement, Abridged Prospectus, Debenture Trustee Agreement, Tripartite Agreements and the Debenture Trust Deed to be executed between the Trustee (acting on behalf of the Trust), the Investment Manager and the Debenture Trustee. For further details, please see the section entitled “ <i>Material Contracts and Documents for Inspection</i> ” on page 325.
Conditions precedent and subsequent to this Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI ILDS Regulations, there are no conditions precedent to disbursement.
Events of default (including manner of voting /conditions of joining Inter Creditor Agreement)	For further details, please see the section entitled “ <i>General Terms of the Issue – Events of Default</i> ” on page 252.

Particulars	Details
Creation of recovery expense fund	Pursuant to the SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 (“ <b>SEBI Circular</b> ”), the requirement of creation of the Recovery Expense Fund shall be in accordance with the SEBI Circular. For further details, please see the section entitled “ <i>General Terms of the Issue – Recovery Expense Fund</i> ” on page 250. The Investment Manager (acting on behalf of the Trust) has deposited an amount in a Recovery Expense Fund in the manner as may be specified by SEBI and undertakes to inform the Debenture Trustee regarding the creation of such fund. The Recovery Expense Fund may be utilised by Debenture Trustee, in the event of default by the Investment Manager and the Trustee under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	In accordance with the Debenture Trust Deed  Please refer to the section titled “ <i>General Terms of the Issue — Events of default</i> ” on page 252 of this Draft Shelf Prospectus.
Cross Default	For further details, please see the section entitled “ <i>General Terms of the Issue – Events of Default</i> ” on 252.
Risk Factors pertaining to the Issue	For further details, please see the section entitled “ <i>Risk Factors</i> ” on page 18.
Roles and responsibilities of the Debenture Trustee	For further details, please see the section entitled “ <i>General Terms of the Issue</i> ” on page 249
Governing law and jurisdiction	This Issue shall be governed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the courts of New Delhi and Mumbai.

\*In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Issuer will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

\*\*The Issue shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M., except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or duly authorized committee thereof). In the event of such an early closure of or extension of the Issue, the Investment Manager, in consultation with the Trustee, shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Issue have been published on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 A.M. till 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 p.m. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Issue Closing Date. The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus. For further details, please see the section entitled “*Issue Procedure*” on page 263 for details of category wise eligibility and allotment in the Issue. NCDs shall be considered as secured only if the charged asset is registered with CERSAI or the Depositories or any other regulatory authority, as applicable, or is independently verifiable by the Debenture Trustee.

# While the NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Draft Shelf Prospectus, in favour of Debenture Trustee, the Debenture Trustee shall monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the Security.

## SPECIFIC TERMS FOR NCDs

As specified in the relevant tranche prospectus.



## ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018 (the “**Debt ASBA Circular**”), which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs for the full Application Amount.*

*In addition, specific attention is invited to SEBI Circular SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (“**UPI Mechanism Circular**”), whereby retail individual investors may use the Unified Payment Interface (“**UPI**”) to participate in the public issue for an amount up to INR 2,00,000 being conducted on or after January 01, 2021.*

*ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.*

*Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value up to INR 2,00,000 submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

*Please note that this section has been prepared based on the Debt ASBA Circular and the UPI Mechanism Circular. The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Issue.*

*Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.*

**PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGES. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.**

**THE MEMBERS OF THE CONSORTIUM, THE INVESTMENT MANAGER, THE SPONSORS, THE TRUSTEE AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGES.**

*For the purposes of this section, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of the post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai, in accordance with the Debt ASBA Circular.*

*The information below is given for the benefit of Applicants. The Trust, the Trustee, the Investment Manager and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.*

## Application in this Issue

NCDs being issued through this Draft Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Applications in this Issue shall be made through the ASBA or the UPI facility.

In terms of Regulation 4(2)(d) of the SEBI ILDS Regulations, the Investment Manager (acting on behalf of the Trust) will make public issue of the NCDs in the dematerialised form only. However, the NCD Holder who wish to hold the NCDs post allotment in physical form may rematerialize their NCDs subject to applicable law and in the manner provided under applicable law. Any trading of the NCDs shall be compulsorily in dematerialised form only.

## Period of subscription

<b>ISSUE OPENS ON</b>	As specified in the relevant Tranche Prospectus
<b>ISSUE CLOSES ON</b>	As specified in the relevant Tranche Prospectus

*This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or authorized committee thereof). In the event of such an early closure or extension subscription list of this Issue, the Investment Manager shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure.*

*Applications Forms for the Issue will be accepted only from 10:00 A.M. to 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only from 10:00 A.M. till 3:00 P.M. and uploaded until 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date. For further details, please see the section entitled "General Information – Issue Programme" on page 69.*

*Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchanges on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 P.M. on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. None of the Sponsors, the Investment Manager, the Lead Manager, the Trustee and the Members of the Consortium are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the Prospectus. In this regard as per the SEBI circular bearing reference CIR/IMD/DF/18/2013 titled "Issues pertaining to primary issuance of debt securities – Amendment to Simplified Debt Listing Agreement" dated October 29, 2013, the allotment in this Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.*

## PROCEDURE FOR APPLICATION

### Who can apply?

The following categories of persons are eligible to apply in this Issue.

### Category I

- Public financial institutions, scheduled commercial banks and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the SEBI AIF Regulations;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the Insurance Regulatory and Development Authority of India ("IRDAI");
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;

- Systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹ 50,000 lakhs as per the last audited financial statements
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

## **Category II**

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

## **Category III**

- High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10,00,000 across all options of NCDs in this Issue.

## **Category IV**

- Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,00,000 across all options of NCDs in this Issue.

**Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.**

**Further, as on date of this Draft Shelf Prospectus and in accordance with applicable laws and regulations, Applicants including (i) provident funds and pension funds with a minimum corpus of ₹25 Crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; (ii) Alternative Investment Funds (apart from category I alternative investment funds), (iii) resident venture capital funds registered with SEBI; (iv) insurance companies registered with the IRDAI; (v) systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹500 Crore in accordance with the last audited financial statements; and (vi) co-operative banks and regional rural banks, are not permitted to invest in the debt securities of InvITs. All participation by Category I and Category II Investors in the debt securities of the Trust shall be subject to (i) the laws and regulations applicable to them and the Trust, as on the date of the investment; and (ii) subject to their respective investment policies, mandates, constitutional documents and corporate and other authorisations.**

Category I and Category II Investors are advised to enclose relevant documents certifying the eligibility to apply along with their Applications. For further details, please see the section entitled “*Issue Procedure - Applications By Various Applicant Categories*” on page 266.

## Who are not eligible to apply for the NCDs?

### Applications cannot be made by:

- (a) Minors without a guardian name\* (a guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
- (b) Foreign nationals;
- (c) Persons resident outside India;
- (d) Foreign Institutional Investors;
- (e) Foreign Portfolio Investors;
- (f) Non Resident Indians;
- (g) Qualified Foreign Investors;
- (h) Overseas Corporate Bodies\*\*;
- (i) Foreign Venture Capital Funds;
- (j) Insurance Companies;
- (k) Pension funds, and
- (l) Persons ineligible to contract under applicable statutory/ regulatory requirements.

*\* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

*\*\*The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

Based on the information provided by the Depositories, the Investment Manager (acting on behalf of the Trust) shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges.

The Lead Manager, members of the Consortium and their respective associates and affiliates are permitted to subscribe in this Issue.

### Applications By Various Applicant Categories

#### *Applications by SEBI registered VCFs and AIFs*

The VCF Regulations prescribe, amongst others, the investment restrictions on VCFs registered with SEBI. Further, the AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Further, VCFs which have not re-registered as an AIF under the AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulations. Additionally, VCFs and AIFs are subject to certain investment restrictions, including with respect to the percentage of investible funds held in each investee entity. Allotments made in respect of Bids by VCFs and AIFs in the Issue shall be subject to the rules and regulations that are applicable to each of them respectively. In case of Applications made by VCFs and AIFs, certified copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons, are required to be attached to the Application Form. Failing this, the Application may be rejected.

### ***Applications by Banking Companies***

Applications may be made by banks as permitted by the RBI and subject to their own investment limits and approvals and the Prudential Guidelines – Banks’ investment in units of REITs and InvITs dated April 18, 2017. In case of Applications made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, (iii) memorandum and articles of association/charter of constitution; (iii) power of attorney and letter of authorization; and (iv) the approval of such banking company’s investment committee are required to be attached to the Application Form. Failing this, the Application may be rejected.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### ***Applications by LLPs***

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified true copies of: (i) the partnership deed for such Applicants and the certificate of registration issued under the Limited Liability Partnership Act, 2008; (ii) a resolution authorizing the investment and containing operating instructions; and (iii) specimen signature of authorized persons, must be attached to the Application Form. Failing this, the Application may be rejected.

### ***Applications under Power of Attorney***

In case of Applications made pursuant to a power of attorney, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, the Investment Manager on behalf of the Trust, reserves the right to reject any Applications, in either case, without assigning any reason thereof.

The Investment Manager on behalf of Trust, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

### ***Application by Mutual Funds***

Bids may be made by mutual funds under all its schemes, existing and future, subject to the investment conditions and other restrictions prescribed under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (including, the circular on mutual funds dated October 1, 2019 and any other circulars, notifications and guidelines issued thereunder).

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must also be accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

### ***Applications under a power of attorney by limited companies, corporate bodies and registered societies***

In case of Applications made pursuant to a power of attorney by Applicants which are limited companies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants which are corporate bodies and registered societies, a certified copy of the power of attorney must be lodged along with the Application Form. In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this the Investment Manager, in consultation with the Lead Manager, reserves the right to reject such Applications. The Investment Manager in consultation with the Lead Manager, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that the the Investment Manager and the Lead Manager may deem fit.

All Eligible Investors are required to comply with the relevant regulations or guidelines applicable to them for investing in the Issue as per the norms approved by Government of India, RBI or any other statutory body from time to time, for investing in this Issue.

**FOR EACH OF THE ABOVE APPLICANT CATEGORIES IF THE APPLICATION IS NOT MADE IN THE FORM AND ALONG WITH THE REQUIREMENTS SET OUT ABOVE, THE INVESTMENT MANAGER RESERVES THE RIGHT TO ACCEPT OR REJECT ANY APPLICATIONS IN WHOLE OR IN PART, IN EITHER CASE, WITHOUT ASSIGNING ANY REASON THEREFOR.**

### **How to Apply?**

#### **Availability of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.**

Please note that there is a single Application Form for who are persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, the relevant Tranche Prospectus together with Application Forms and copies of this Draft Shelf Prospectus may be obtained from the Trust's principal place of business, the Lead Manager, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, this Draft Shelf Prospectus, Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms will be available

- (i) for download on the website of BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and the website of the Lead Manager at [www.jmfl.com](http://www.jmfl.com).
- (ii) at the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchanges. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchanges. Further, Application Forms will also be provided to Designated Intermediaries at their request.

### **Methods for submitting an Application**

#### ***The Debt ASBA Circular***

In terms of the Debt ASBA Circular, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

1. Applicants should submit the Application Form only at the bidding centres, i.e. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.
2. The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.
3. The Investment Manager, its directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchanges.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (the "**Direct Online Application Mechanism**"). In this regard, SEBI

has, through the Debt Application Circular, directed recognized Stock Exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under this Issue, through the direct online applications mechanism of the Stock Exchanges. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchanges. Hence, the Direct Online Application Mechanism will not be available for this Issue.

### ***UPI Mechanism Circular***

In terms of the UPI Mechanism Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. *Through Self-Certified Syndicate Bank (SCSB) or intermediaries (Syndicate Members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*
  - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
  - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
  - c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his/her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs. 2,00,000 or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.
2. *Through Stock Exchanges*
  - a. An investor may submit the bid-cum-application form through the mobile application or web interface developed by the Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.
  - b. To further clarify the submission of bids through the App or web interface, the Stock Exchanges have issued operational guidelines and circulars dated December 28, 2020 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>. Further, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding, to also be available for applications of public issues of debt securities. For further details, please see section entitled "*Issue procedure - Process for Applications submitted with UPI as mode of payment*" on page 274.

### **Payment Instructions**

#### ***Payment mechanism for Applicants***

1. An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.
2. An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
3. An Applicant may submit the Application Form with a SCSB or the intermediaries mentioned above and use his/her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs. 2,00,000 or less. The

intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

4. An Applicant may submit the Application Form through the mobile application or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.
5. Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

#### **Additional information for Applicants**

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted through the prescribed Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

#### **Additional Instructions for Retail Individual Investors using the UPI mechanism**

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his/her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Investment Manager.
8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.



10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.
11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm.
14. The facility of Re-initiation/ Resending the UPI mandate shall be available only until 5:00 pm on the day of bidding.
15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
16. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
18. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

**Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.**

#### **Instructions for completing the Application Form**

- (a) Applications must be made in the prescribed Application Form.
- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- (c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in this Draft Shelf Prospectus.
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
- (f) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by the Designated Intermediaries, as the

case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

- (g) Applicants must ensure that their Application Forms are made in a single name.
- (h) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (i) Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
- (j) The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
- (k) Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- (l) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
- (m) Applications for all the options of the NCDs may be made in a single Application Form only.

**The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.**

**Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. The Investment Manager would allot the NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.**

#### **Applicants' PAN, Depository Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor the Investment Manager shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID, PAN and UPI ID mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID, PAN and UPI ID available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and the Investment Manager, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither the Investment Manager, Banker(s) to the Issue, Registrar to the Issue nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, the Investment Manager in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through speed post or registered post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID, then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected

### **Electronic registration of Applications**

- (a) The Designated Intermediaries will register the Applications using the on-line facilities of the Stock Exchanges. The Lead Manager, the Investment Manager and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.
- (b) The Stock Exchanges will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Consortium and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Members of the Consortium and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Members of the Consortium and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.
- (d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, UPI ID, if applicable, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchanges.
- (e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Members of the Consortium or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by the Investment Manager. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

- (f) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Investment Manager, the Trustee, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Trust; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus or the relevant Tranche Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- (g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- (h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

### **Process for Applications submitted with UPI as mode of payment**

Pursuant to the UPI Mechanism Circular, the UPI Mechanism has been introduced and will become applicable for public debt issues being conducted on or after January 1, 2021 as a payment mechanism (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Investment Manager in consultation with the Lead Manager shall be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors

- (a) Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- (b) An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.
- (c) The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.
- (d) Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.
- (e) The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- (f) Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.
- (g) Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.
- (h) The Sponsor Bank shall initiate a mandate request on the investor.
- (i) The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
- (j) The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing

the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

- (k) An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
- (l) An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
- (m) For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.
- (n) The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
- (o) Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
- (p) The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.
- (q) The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- (r) Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
- (s) The allotment of debt securities shall be done as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013.
- (t) The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
- (u) Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
- (v) Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
- (w) Thereafter, Stock Exchange will issue the listing and trading approval.
- (x) Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
  - (i). the investor shall check the Issue details before placing desired bids;
  - (ii). the investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
  - (iii). the receipt of the SMS for mandate acceptance is dependant upon the system response/ integration of UPI on Debt Public Issue System;

- (iv).the investor shall accept the UPI Mandate Requests within the stipulated timeline;
  - (v). the investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
  - (vi).the investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
  - (vii). In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.
- (y) Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 5, 2021 the investor shall also be responsible for the following:
- (i). After successful registration and log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
  - (ii). Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
  - (iii).After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate and take necessary action.
  - (iv).UPI mandate can be accepted latest by 5 PM on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 PM the next working day.
  - (v). For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 PM on the day of bidding.
  - (vi).Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

## **General Instructions**

### ***Do's***

- Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;
- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchanges by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Ensure that the Applicant's names (given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant). In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.

Except for an Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address in accordance with the Demographic Details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive an Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;
- Before submitting the physical Application Form with the Designated Intermediaries, ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- Ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Bank or Refund Bank (assuming that such bank is not a SCSB), to the Investment Manager or the Registrar to the Issue;
- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to the Investment Manager, the Registrar to the Issue or the Designated Intermediaries;
- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
- Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of INR 2,00,000;
- Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
- Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface
- Ensure that you have mentioned the correct ASBA Account number or UPI ID (as applicable) in the Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the Members of the Consortium at the Specified Locations, or to the Designated Intermediaries, as the case may be;
- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form. In case of Retail Individual Investor submitting their Application Form through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

- Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used, are listed on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40);
- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Consortium, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;
- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;
- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
- Tick the Option of NCDs in the Application Form that you wish to apply for.

#### ***Don'ts***

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, demand draft, cheque, by money order, postal order or by stock invest;
- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries (as the case may be) only;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit an Application Form using UPI ID, if the Application is for an amount more than INR 2,00,000
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not submit a bid using UPI ID, if you are not a Retail Individual Investor
- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;
- Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
- Do not submit more than five Application Forms per ASBA Account;
- If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.



## **Pre-Issue Advertisement**

The Investment Manager will issue a statutory advertisement in compliance with Regulation 8(1) of SEBI ILDS Regulations on or before the Issue Opening Date of this Issue. This advertisement will contain the information as prescribed under the SEBI ILDS Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

## **OTHER INSTRUCTIONS**

### **Joint Applications**

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

### **Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs for the same or other options of NCDs, as specified in the relevant Tranche Prospectus, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding Rs. 10 lacs shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. Further, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same

### **Depository Arrangements**

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

- (a) Tripartite Agreements dated April 19, 2017 and April 3, 2017 between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
- (b) An Applicant must have at least one beneficiary account with any of the Depository Participants of NSDL or CDSL prior to making the Application.
- (c) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the Depository Participant.
- (d) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- (e) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
- (f) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 (thirty) days.
- (g) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only

In terms of Regulation 4(2)(d) of the SEBI ILDS Regulations, the Investment Manager (acting on behalf of the Trust) will make public issue of the NCDs in the dematerialised form only. However, the NCD Holder who wish to hold the NCDs post allotment in physical form may rematerialize their NCDs subject to applicable law and in the manner provided under applicable law.

### **Interest in case of Delay**

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. The Trustee or the Investment Manager shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form.

### **Rejection of Applications**

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and / or any committee reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

***Application may be rejected on one or more technical grounds, including but not restricted to:***

- Applications not made through the ASBA facility;
- Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- Applications not being appropriately signed by the sole/joint Applicants;
- Applications submitted without blocking of the entire Application Amount. However, the Investment Manager may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount blocked being higher than the value of NCDs Applied for. However, the Investment Manager may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided by the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than five (5) ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian having a valid demat account as per demographic details provided by the Depository Participants;
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID, Client ID and UPI ID (in case applying through UPI Mechanism) not mentioned in the Application Form;
- Applications by stock invest or accompanied by cash/money order/postal order or any mode other than ASBA;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a limited liability partnership firm can apply in its own name;

- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms from Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- Inadequate funds or no credit balance in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- Application Forms submitted to the Designated Intermediaries which do not bear the stamp of the relevant Designated Intermediaries. Applications submitted directly to the Designated Branches of the SCSBs and do not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Consortium, or other Designated Intermediaries, as the case may be;
- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian regulatory requirements;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Shelf Prospectus and as per the instructions in the Application Form, this Draft Shelf Prospectus and the relevant Tranche Prospectus;
- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form;
- SCSB making an Application (a) through an ASBA account maintained with its own self; (b) through an ASBA Account maintained through a different SCSB not in its own name; (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present; (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

- The UPI Mandate Request is not approved by the Retail Individual Investor; and
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

### **Mode of making refunds**

The Registrar to the Issue shall instruct the relevant SCSB or in case of bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

The Investment Manager (acting on behalf of the Trust) and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date.

Further,

- Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
- Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;
- Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within six Working days from the Issue Closing Date, for the delay beyond six Working days in case of non-receipt of minimum subscription; and
- The Investment Manager will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

### **Retention of oversubscription**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Basis of Allotment for NCDs**

The Registrar to the Issue will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchanges and determine the valid Application for the purpose of drawing the basis of allocation.

### **Allocation Ratio**

The Registrar to the Issue will aggregate the applications based on the applications received through an electronic book from the Stock Exchanges and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

For the purposes of the basis of allotment:

- Applications received from Category I Investors: Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");
- Applications received from Category II Investors: Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").
- Applications received from Category III Investors: Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").
- Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms “Institutional Portion”, “Non-Institutional Portion”, “High Net-worth Individual Category Portion” and “Retail Individual Category Portion” are individually referred to as “Portion” and collectively referred to as “Portions”.

## **Investor Withdrawals**

**Investor Withdrawal:** Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

**Withdrawal of Applications after the Issue Period:** In the event an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Issue Closing Date or early closure date, as applicable.

**Pre-closure:** The Investment Manager, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue Size before the Issue Closing Date. The Investment Manager shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

In the event of such early closure of this Issue, the Investment Manager shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this issue have been given.

Further, the Issue will also be withdrawn by the Investment Manager in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue Size before the Issue Closing Date.

## **Revision of Applications**

As per the notice bearing number 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

## **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact the Compliance Officer of the Trust or the Investment Manager or the Registrar to the Issue in case of any pre-Issue related problems and/or post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchanges in case of any post Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

## Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

## Utilisation of the proceeds of this Issue

- All monies received out of this Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Commercial Bank.
- The allotment letter shall be issued or application money shall be refunded or unblocked within 6 Working days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.
- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in the Trust's balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.
- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in the Trust's balance sheet indicating the purpose for which such monies have been utilized.
- Details of all unutilised monies out of this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in the Trust's balance sheet till the time any part of the proceeds of this Issue remains unutilized indicating the form in which such unutilised monies have been invested.
- We shall utilize proceeds of this Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with the SEBI ILDS Regulations; (c) creation of security; and (d) obtaining Listing and Trading approval from the Stock Exchanges as stated in this Draft Shelf Prospectus in "*Issue Structure*" on page 258.
- Proceeds of this Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

## Undertakings by the Investment Manager

The Investment Manager (acting on behalf of the Trust) undertakes that:

- a) the complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;
- b) it shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. six Working Days from the Issue Closing Date;
- c) the funds required for dispatch of allotment advice/ certificates by registered post/ speed post shall be made available to the Registrar to the Issue by the Trust;
- d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;
- e) it shall forward the details of utilisation of the funds raised through the NCDs duly certified by the Trust's statutory auditors, to the Debenture Trustee at the end of each half year;
- f) it shall disclose the complete name and address of the Debenture Trustee in the Trust's annual report and on the Trust's website;
- g) the assets on which charge is created in the Issue are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the Trust's assets has been obtained from the earlier creditor(s);

- h) the charge created on the Security shall be registered with the sub-registrar, Registrar of Companies, CERSAI, and/or Depositories, as applicable, within 30 days of creation of such charge and the NCDs shall be considered as secured only if the charged assets are registered with sub-registrar or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee;
- i) it shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in the Transaction Documents;
- j) it shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by the Trust from time to time;
- k) it shall create a recovery expense fund in the manner as may be specified by the Board from time to time and inform the Debenture Trustee about the same; and
- l) not more than four issuances of NCDs shall be made through the Shelf Prospectus.

## SECTION VII: LEGAL AND OTHER INFORMATION

### REGULATORY APPROVALS

*IndiGrid and the Portfolio Assets are required to obtain consents, licenses, registrations, permissions and approvals for carrying out their present business activities which include, approvals for registration as an infrastructure investment trust and for carrying out its present business, as applicable. Such approvals include transmission licenses, consents, licenses, registrations, permissions and approvals under the Electricity Act, 2003 and regulations made thereunder, approvals from the telegraph authority, energisation approvals from the Central Electricity Authority, aviation clearances from the Airport Authority of India, no objection certificates from the Ministry of Defence, certain environmental approvals and clearances and tax related approvals. There are certain other consents, licenses, registrations, permissions and approvals that the Portfolio Assets obtain for our business, which include, labour related approvals, approvals under the shops and establishments acts of various states, power line crossing approvals, railway line crossing approvals and other approvals. The requirement for such approvals for a particular project undertaken by us may vary based on factors such as the legal requirement in the state in which the project is being undertaken, the size of the projects undertaken and the type of project. Further, as the obligation to obtain such approvals arises at various stages of construction or completion of our projects and related assets, applications are filed and the necessary approvals are obtained at the appropriate stage.*

*Other than as stated in this section, IndiGrid and the Portfolio Assets have obtained necessary consents, licenses, permissions, registrations and approvals from various governmental, statutory and regulatory authorities, required for the registration as an infrastructure investment trust and for carrying out its present business, as applicable. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by IndiGrid and the Portfolio Assets for undertaking their business may elapse from time to time in their normal course and they make applications to the relevant Central or State government authorities for renewal of such consents, licenses, registrations, permissions and approvals or may have made such applications (wherever expedient and prudent) for renewal of such consents, licenses, registrations, permissions and approvals. In view of the approvals listed below, IndiGrid can undertake the Issue as well as its current business, as applicable, and no further major approvals from any governmental or regulatory authority under the Electricity Act, 2003, or the rules made thereunder or any other entity are required to undertake the Issue or to continue its business, as applicable. Unless otherwise stated, these approvals are all valid as on date of this Draft Shelf Prospectus.*

#### **I. Approvals for IndiGrid**

1. Certificate of registration bearing number IN/InvIT/16-17/0005 dated November 28, 2016 with SEBI as an infrastructure investment trust.

#### **II. Approvals received by BDTCL**

1. Transmission license dated October 12, 2011 issued by the CERC for building, maintaining and operating transmission lines for six interstate transmission systems, being, (i) Jabalpur to Bhopal; (ii) Bhopal to Indore; (iii) Bhopal to Bhopal; (iv) Aurangabad to Dhule; (v) Dhule to Vadodara; and (vi) Dhule to Dhule.
2. Tariff order dated October 28, 2011 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by BDTCL.
3. Approval dated November 25, 2010 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission project set up by BDTCL.
4. Approval dated January 29, 2013 issued by the Ministry of Power, Government of India, under Section 164 of the Electricity Act for six interstate transmission systems, being, (i) Jabalpur to Bhopal; (ii) Bhopal to Indore; (iii) Bhopal to Bhopal; (iv) Aurangabad to Dhule; (v) Dhule to Vadodara; and (vi) Dhule to Dhule.
5. Approvals issued by the CEA, for energisation of (i) the electrical apparatus at Dhule associated with the Dhule-Vadodara line, the Dhule-Aurangabad line, the bus reactor main bay, HVDC lines and the Dhule-Dhule lines and other associated apparatus, (ii) Agaria Bhopal sub-station, (iii) 400 kV D/C Bhopal-Bhopal transmission line; (iv) 765 kV S/C Bhopal-Indore transmission line; (v) 765 kV S/C Dhule-Aurangabad transmission line; (vi) 765 kV S/C Dhule-Vadodara transmission line; (vi) 765 kV S/C Jabalpur-Bhopal transmission line; and (vii) 400 kV D/C Dhule-Dhule transmission line.

#### **III. Approvals received by JTCL**

1. Transmission license dated October 12, 2011 issued by the CERC to establish a transmission project to strengthen the western and northern region and building, owning, maintaining and operating transmission lines from (i)



Dharamjaygarh to Jabalpur; and (ii) Jabalpur to Bina.

2. Tariff order dated October 28, 2011 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by JTCL.
3. Approval dated November 25, 2010 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission project set up by JTCL.
4. Approval dated July 12, 2013 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for (i) 765 kV D/C Dharamjaygarh to Jabalpur transmission line; and (ii) 765 kV S/C Jabalpur to Bina transmission line.
5. Approvals issued by the CEA, for energisation of (i) the 765 kV S/C Jabalpur to Bina transmission line from the 765/400 kV substation at Jabalpur to the 765/400 kV substation at Bina; and (ii) the 765 kV D/C Dharamjaygarh to Jabalpur transmission line from the 765/400 kV substation at Jabalpur to the 765/400 kV substation at Dharamjaygarh.

#### **IV. Approvals received by MTL**

1. Transmission license dated November 23, 2015 issued by the CERC for building, owning, operating and maintaining transmission lines from (i) Maheshwaram to Mehboobnagar; and (ii) Nizamabad to Yeddumailaram (Shankarpalli).
2. Tariff order dated November 24, 2015 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by MTL and corrigendum to such tariff order dated June 12, 2017.
3. Approval dated July 27, 2015 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission project set up by MTL.
4. Approval dated September 20, 2016 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for (i) 400 kV D/C Maheshwaram to Mehboobnagar transmission line; and (ii) 400 kV D/C Nizamabad to Yeddumailaram (Shankarpalli) transmission line.
5. Approvals issued by the CEA, for energization of (i) 400 kV line bays extension for 400 kV D/C Nizamabad to Yeddumailaram (Shankarpalli) transmission line; (ii) 400 kV D/C Nizamabad to Yeddumailaram (Shankarpalli) transmission line; (iii) 400 kV D/C Maheshwaram to Mehboobnagar transmission line; and (iv) 400 kV line bays extension at Velloor (Mehboobnagar) station.

#### **V. Approvals received by PKTCL**

1. Transmission license dated May 30, 2014 issued by the CERC to establish a transmission project to strengthen the eastern system and building, owning, operating and maintaining transmission lines from (i) Kharagpur to Chaibasa; and (ii) Purulia to Ranchi.
2. Tariff order dated August 20, 2014 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by PKTCL.
3. Approval dated May 29, 2013 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission project set up by PKTCL.
4. Approval dated May 7, 2015 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for (i) 400 kV D/C Kharagpur to Chaibasa transmission line; and (ii) 400 kV Purulia to Ranchi transmission line.
5. Approvals issued by the CEA, for energisation of (i) 400 kV Purulia to Ranchi D/C transmission line; and (ii) 400 kV Kharagpur to Chaibasa D/C transmission line.

#### **VI. Approvals received by RTCL**

1. Transmission license dated July 31, 2014 issued by the CERC for building, owning, operating and maintaining the transmission system comprising the RTCL Kota to Shujalpur transmission line.
2. Tariff order dated July 23, 2014 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system to be developed by RTCL.

3. Approval dated May 16, 2013 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission project set up by RTCL.
4. Approval dated January 7, 2015 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for the 400 kV D/C RTCL Kota to Shujalpur transmission line.
5. Approvals issued by the CEA, for energisation of the 400 kV D/C (Twin Moose) RTCL Kota to Shujalpur transmission line.

#### **VII. Approvals received by PTCL**

1. Transmission license dated July 14, 2014 issued by the CERC for establishing the transmission system comprising 2x500 MVA, 400/220 kV substation and LILO of both circuits of Patiala - Kaithal 400 kV (“**PTCL Project**”).
2. Tariff order dated August 5, 2014 and corrigendum to the order dated May 19, 2017 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by PTCL.
3. Approval dated May 16, 2013 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission system set up by PTCL.
4. Approval dated March 21, 2016 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for the PTCL Project.
5. Approvals issued by the CEA, for energisation of the LILO of 400 kV D/C Patiala-Kaithal line at 400/220 kV GIS Patran substation of PTCL and 400 kV GIS module, 220 kV GIS module at 400/220 kV GIS substation of PTCL.

#### **VIII. Approvals received by NTL**

1. Transmission license dated November 14, 2014 issued by the CERC for establishing the transmission system comprising comprising (i) Jalandhar – Samba 400 kV D/C; (ii) LILO of both circuits of Uri- Wagoora 400 kV D/C line at Amargarh (on multi – circuit towers); (iii) Samba – Amargarh 400 kV D/C routed through Akhnoor/Rajouri; and (iv) Establishment of 7x 105 MVA (1ph units), with 400/220 kV GIS sub- station at Amargarh (“**NTL Project**”).
2. Tariff order dated December 10, 2014 and corrigendum to the order dated June 12, 2017, issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by NTL.
3. Approval dated September 19, 2013 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission system set up by NTL.
4. Approval dated September 17, 2015 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for the NTL Project.
5. Approvals issued by the CEA, for energisation of (i) 400 kV D/C (Twin Moose) Jalandhar-Samba line; (ii) the 400 kV D/C (Twin Moose) Samba - Amargarh line; (iii) the LILO of both circuits of Uri- Wagoora 400 kV D/C line (line length = 6.82 km) at 400/220 kV GIS sub-station at Amargarh, Srinagar; and (iv) the 400/220 kV GIS sub-station at Amargarh of NTL.

#### **IX. Approvals received by OGPTL**

1. Transmission license dated June 30, 2016 issued by the CERC for establishing the transmission system comprising (i) Jharsuguda (Sundargarh) Rajpur Pool 765 kV D/C line (Hexa Zebra Conductor); and (ii) OPGC-Jharsuguda (Sundargarh) 400 kV D/C (Triple Snowbird Conductor) (“**OGPTL Project**”).
2. Tariff order dated May 31, 2016 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by OGPTL.
3. Approval dated June 3, 2015 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission system set up by OGPTL.
4. Approval dated March 6, 2017 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for the OGPTL Project.

5. Approval issued by the CEA, for energisation of the 400 kV D/C OPGC-Jharsuguda line and 765 kV D/C Sundergarh-Raipur line.

#### **X. Approvals received by ENICL**

1. Transmission license dated October 28, 2010 issued by CERC for establishing the transmission system comprising (i) Bongaigon – Siliguri 400 kV Quad D/C transmission line; and (ii) Purnea- Biharsharif 400 kV Quad D/C transmission line (“**ENICL Project**”).
2. Tariff order dated October 28, 2010 issued by CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by ENICL.
3. Approval dated March 25, 2009 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission system set up by ENICL.
4. Approval dated March 25, 2009 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for the ENICL Project.
5. Approval issued by CEA, for energization of (i) Bongaigon – Siliguri 400 kV Quad D/C transmission line; and (ii) Purnea- Biharsharif 400 kV Quad D/C transmission line.

#### **XI. Approvals received by JKTPL**

1. Transmission license dated October 26, 2010 issued by Haryana Electricity Regulatory Commission for establishing the transmission system comprising (i) 400 kV transmission line from Jharli (Jhajjar) to Kabulpur (Rohtak); (ii) 400 kV transmission line from Kabulpur (Rohtak) to Dipalpur (Sonapat); (iii) 400 kV single circuit loop in loop out transmission line at 400 kV sub-station Dipalpur of 400 Kv double circuit Abdullapur to Bawana line for 1125 MW; and (iv) 400 kV/220 kV/132 kV sub- station at Kabulpur (Rohtak) and (v) 400 kV/220 kV sub- station at Dipalpur (Sonapat) (“**JKTPL Project**”).
2. Approval dated September 8, 2010 issued by the Power Department, Government of Haryana under under Section 68 of the Electricity Act for the transmission system set up by JKTPL.
3. Approval dated December 9, 2010 issued by the Power Department, Government of Haryana under Section 164 of the Electricity Act for the JKTPL Project.
4. Approval issued by CEA, for energization of (i) 400 kV transmission line from Jharli (Jhajjar) to Kabulpur (Rohtak); (ii) 400 kV transmission line from Kabulpur (Rohtak) to Dipalpur (Sonapat); and (iii) 400 kV single circuit loop in loop out transmission line at 400 kV sub-station Dipalpur of 400 kV double circuit Abdullapur to Bawana line for 1125 MW.

#### **XII. Approvals received by GPTL**

1. Transmission license dated September 29, 2016 issued by the CERC for establishing the transmission system “creation of new 400 kV GIS sub-station in Gurgaon and Palwal area as a part of ISTS” on build, own, operate and maintain basis, more specifically comprising (i) Aligarh - Prithala 400 kV D/C HTLS line; (ii) Prithala – Kadarapur 400 kV D/C HTLS line; (iii) Kadarapur-Sohna Road 400 kV D/C HTLS line; (iv) LILO of Gurgaon-Manesar 400 kV D/C Quad line at Sohna Road S/S; (v) Neemrana – Dhonanda 400 kV D/C HTLS line; (vi) 400/220 kV, 2 x 500 MVA Sub-station at Kadarapur; (vii) 400/220 kV, 2 x 500 MVA Sub-station at Sohna Road; (viii) 400/220 kV, 2 x 500 MVA sub-station at Prithala; (ix) Two 400 kV line bays at 400 kV Dhonanda sub-station (“**GPTL Project**”).
2. Tariff order dated September 6, 2016 issued by CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by GPTL.
3. Approval dated November 26, 2015 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission system set up by GPTL.
4. Approval dated March 28, 2017 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for GPTL.
5. Approval issued by the CEA, for energization of (i) Aligarh Prithala 400 kV D/C HTLS line; (ii) Kadarapur – Sohna Road 400 kV D/C HTLS line; (iii) 400/220 kV, 2 x 500 MVA Sub-station at Sohna Road; (iv) Two 400 kV line bays at 400 kV Dhonanda sub-station; (v) 400/220 kV, 2 x 500 MVA Sub-station at Kadarapur; (vi) Prithala – Kadarapur 400

kV D/C HTLS line; (vii) 400/220 kV, 2 x 500 MVA sub-station at Prithala; (viii) Neemrana – Dhonanda 400 kV D/C HTLS line; and (ix) LILO of Gurgaon-Manesar 400 kV D/C Quad line at Sohna Road S/S .

### **XIII. Approvals received by NER**

1. Transmission license dated June 20, 2017 issued by the CERC for establishing the transmission system comprising (i) 132 kV D/C Biswanath Chariyalli – Itanagar Line; (ii) LILO of one ckt of Biswanath Chariyalli – Itanagar 132kV D/C line at Gohpur (AEGCL) and 2 Nos. of Itanagar Bays; (iii) 400kV D/C Silchar– Misa line; (iv) 400/132 kV Single phase sub-station at Surajmaninagar; (v) 400/132 kV Single phase sub-station at P.K. Bari; (vi) 132kV/D/C AGTPP – P.K. Bari line with line bays at AGTPP and P.K. Bari; (vii) 400 kV D/C Surajmaninagar –P.K. Bari Line; and (viii) 2 400 kV D/C line bays at Palatana GBPP switchyard for termination of Palatana- Surajmaninagar400 kV D/C line (“**NER Project**”).
2. Tariff order dated June 12, 2017 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by NER.
3. Approval dated February 7, 2017 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission system set up by NER.
4. Approval dated August 31, 2018 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for NER.
5. Approval issued by the CEA, for energization of (i) 400/132 kV Single phase sub-station at Surajmaninagar; (ii) 400/132 kV Single phase sub-station at P.K. Bari; (iii) 2 400 kV D/C line bays at Palatana GBPP switchyard for termination of Palatana- Surajmaninagar400 kV D/C line; (iv) line bays at AGTPP and P.K. Bari; (v) 400 kV D/C Surajmaninagar –P.K. Bari Line; and (vi) 132kV/D/C AGTPP – P.K. Bari line.

### **XIV. Approvals received by PrKTCL**

1. Transmission license dated September 15, 2008 issued by the CERC to construct, maintain and operate the transmission assets comprising (i) 400 kV S/C Parbati-Koldam transmission line-I (Quad Moose Conductor); (ii) 400 kV S/C Parbati-Koldam transmission line-II (Quad Moose Conductor); (iii) 400 kV D/C Parbati-Koldam transmission line (Quad Moose Conductor); (iv) 400 kV D/C Koldam-Ludhiana transmission line (Triple Snowbird Conductor) (“**PrKTCL Project**”).
2. Tariff order dated January 15, 2016 issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system developed by PrKTCL.
3. Approval dated November 14, 2008 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for the transmission system set up by PrKTCL.
4. Approval dated June 4, 2009 issued by the Ministry of Power, Government of India under Section 164 of the Electricity Act for PrKTCL.
5. Approval issued by the CEA, for energisation of (i) 400 kV S/C Parbati-Koldam transmission line-I (Quad Moose Conductor); (ii) 400 kV S/C Parbati-Koldam transmission line-II (Quad Moose Conductor); (iii) 400 kV D/C Parbati-Koldam transmission line (Quad Moose Conductor); and (iv) 400 kV D/C Koldam-Ludhiana transmission line. .

### **XV. Approvals applied for, but not yet received**

Except as disclosed below, there are no approvals required by IndiGrid and the Portfolio Assets, for which applications have been made, but approvals have not been received as on the date of this Draft Shelf Prospectus:

1. **MTL**
  - (a). Final approval from the Ministry of Road Transport & Highway, Hyderabad for the installation of 400 kV Twin transmission lines from Nizamabad to Shankarpalli overhead crossing in between Km 495 to Km 496.
2. **RTCL**
  - (a). Stage II Forest approvals obtained from Ministry of Environment and Forest for diversion of 27.37 hectare of forest land for putting up the 400 kV D/C transmission line from RTCL to Sujalpur and for cutting 217 trees and lopping 231 trees.

3. **PKTCL**

- (a). No objection certificate from Director of OPS (ATS) for construction of 400 kV D/C Purulia-Ranchi Transmission Line in relation to the application made on October 15, 2016.
- (b). No objection certificate from Senior Air Traffic Controller, Airforce Station for installation of Kharagpur-Chaibasa Transmission Line in relation to the application made on February 9, 2016.
- (c). No objection certificate from Senior Air Traffic Controller, Airforce Station for construction of 400 kV Kharagpur-Chaibasa Transmission Line in relation to the application made on November 3, 2015.
- (d). Final approval from Ministry of Environment, Forest and Climate Change for diversion of 2.696 ha of forest land under Rairangpur Forest Division for setting up the 400 kV D/C Kharagpur-Chaibasa transmission line.
- (e). Final approval from Ministry of Environment, Forest and Climate Change for diversion of 59.501 ha forest land in Ranchi and Khunti district of Jharkhand for setting up the 400 kV D/C Purulia-Ranchi transmission line.

4. **PTCL**

- (a). Approvals for the building plans of PTCL from competent authorities in relation to the construction of an electric sub-station in an area measuring 16.1435 acres at village Banwala and Darauli, District Patiala.

5. **NTL**

- (a). No objection certificate from the Air Head Quarters for the construction of the Uri – Wagoora transmission line in relation to the application made by NTL dated January 08, 2018.
- (b). The final approval from the Air Headquarters for the construction of the 10 towers at s.no 667,673,675,676, 680, 681,682,686,687 and 688 in relation to the 400 kV D/C Jalandhar to Samba and Samba to Amargarh transmission line.
- (c). Renewed registration of office of NTL under the Shops and Establishments Act, 1954.

6. **OGPTL**

- (a). Final approvals from the Ministry of Environment and Forests for forest clearance for the diversion of forest land for the construction of the Jharsuguda (Sundargarh) – Raipur and OGPC – Jharsuguda transmission lines.
- (b). Final approval from the Ministry of Environment and Forests for diversion of 71.761 hectares of forest land for the construction of the Jharsuguda (Sundargarh) Rajpur 765 kV D/C transmission line.
- (c). Final approval from the Ministry of Environment and Forests for diversion of 30.134 hectares of forest land for setting up of the OPGC-Jharsuguda 400 kV D/C transmission line.
- (d). Final approval from the Ministry of Environment and Forests for diversion of 94.656 hectares of forest land for setting Jharsuguda (Sundargarh) Rajpur 765 kV D/C transmission line.
- (e). Approval from Ind Bharat Energy Utkal Limited (“**IBEUL**”) pursuant to the application dated October 6, 2016 for approval for railway line crossing of the 400 kV OPGC-Jharsuguda transmission line with the non – electrified U/C railway line of IBEUL in village Negipali.
- (f). Final approval from South Eastern Central Railway for the erection of the OPGC-Jharsuguda transmission line over the railway line crossing in between Jharsuguda & IB at KM 522/7-522/10
- (g). Final approval from South Eastern Central Railway for erection of Jharsuguda (Sundargarh) – Raipur transmission line at Pole No. 622/17-622/19 & in between Kharsia & Jharidhi at AP 96 – AP 97
- (h). Final approval from South Eastern Central Railway for erection of Jharsuguda (Sundargarh) – Raipur transmission line electrical track crossing at AP102 and AP103 in between Dharamjaygarh & Kharsia Railway station
- (i). Final approval from South Eastern Central for erection of the Jharsuguda (Sundargarh) – Raipur transmission

line electrical track crossing at chainage 24/200 & 24/250 in between Lara & Talaipalli coal mine at AP-118 – AP 119.

**XVI. Approvals for which applications are yet to be made**

- (a). Registration of the office of OGPTL under the Shops and Establishments Act, 1954.
- (b). Commercial operation date related approvals for (i) Biswanath Chariyalli (Powergrid) – Itanagar Line, (ii) Lilo of one circuit of Biswanath Chariyali (Powergrid)- Itanagar line at Gohpur (AEGCL), and (iii) Line bays at Itanagar for terminating the Biswanath Chariyalli (Powergrid) – Itanagar line of the NER Project.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for this Issue

The Issue was authorised and approved by the board of directors of the Investment Manager on March 16, 2021 and this Draft Shelf Prospectus has been approved by the Committee of Directors of the Investment Manager at its meeting held on April 6, 2021. Further, in accordance with the InvIT Regulations, the Unitholders of IndiGrid, at the annual general meeting held on July 26, 2019, approved the increase in the aggregate consolidated borrowings and deferred payments of IndiGrid up to 70% of the aggregate of the Trust Assets, including but not limited to issuance of debentures, term loans, advances, deposits and bonds. For details, please refer to the “*Certified Copy of the Board Resolution*” and “*Certified Copy of the Unitholder Resolution*” attached as Annexure D and Annexure E, respectively.

The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any Tranche Issue, which issue is being made as decided by the Board of Directors.

IndiGrid has received the in-principle approval of the BSE and the NSE for the listing of the NCDs on the BSE and the NSE, pursuant to the letters dated [●] and [●], respectively.

### Prohibition by SEBI and Identification as Wilful Defaulter

The Trust, the Investment Manager, the Directors of the Investment Manager, the Sponsor and the Trustee are not and have not been (i) restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI; (ii) a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; (iii) are in the list of wilful defaulters published by the RBI; and/or (iv) a fugitive economic offender declared under section 12 of the Fugitive Economic Offenders Act, 2018; (v) in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

### Eligibility for the Issue

In terms of Regulation 20(1) of the InvIT Regulations, an InvIT whose units are listed on a recognized stock exchange may issue debt securities in the manner specified by SEBI, provided that such debt securities shall be listed on recognized stock exchange(s). Further, in terms of the SEBI Debt Issue Guidelines Regulation read with 6A(1)(e) of the ILDS Regulations, listed entities, complying with the criteria specified under the SEBI ILDS Regulations may file shelf prospectus for public issue of their debt securities.

Accordingly, the Trust is eligible to file this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus in accordance with Regulation 6A(1)(e) of the SEBI ILDS Regulations as it fulfills the following criteria:

- (i) its public issued Units are listed on recognized stock exchange for a period of at least three years immediately preceding the Issue and have been complying with the listing agreement entered into between the Issuer and the recognized stock exchanges where the said securities of the issuer are listed;
- (ii) it has a net worth of at-least Rs.500 crore, as per the audited balance sheet of the preceding financial year;
- (iii) it has a consistent track record of distributable profit for the last three years;
- (iv) the debt securities proposed to be issued under the shelf prospectus have been assigned a rating of not less than "AA-" category or equivalent by a credit rating agency registered with SEBI;
- (v) no regulatory action is pending against the Trust, its Sponsors, the Investment Manager or directors of the Investment Manager before SEBI, Reserve Bank of India or National Housing Bank;
- (vi) the Issuer has not defaulted in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any public financial institution or banking company, in the last three financial years.

#### **Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, JM FINANCIAL LIMITED HAS CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, JM FINANCIAL LIMITED CONFIRMS THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●], WHICH READS AS FOLLOWS:**

**[●]**

#### **Disclaimer Clause of BSE**

**[●]**

#### **Disclaimer Clause of NSE**

**[●]**



## Disclaimer clause of CRISIL and India Ratings

### **Disclaimer from CRISIL:**

*CRISIL Ratings Limited (CRISIL Ratings) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL Ratings from sources which it considers reliable (Information). A rating by CRISIL Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL Ratings especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. India Grid Trust will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings' rating criteria are available without charge to the public on the website, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800-267-1301.*

### **Disclaimer from India Ratings:**

*All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website [www.indiaratings.co.in](http://www.indiaratings.co.in). Published ratings, criteria, and methodologies are available from this site at all times. India Ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.*

**Disclosures as per the SEBI circular dated November 3 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 ("DT Circular")**

### **Key terms of the Debenture Trustee Agreement**

The Investment Manager (acting on behalf of the Trust) has entered into a Debenture Trustee Agreement with the Debenture Trustee. The terms and conditions of the Debenture Trustee Agreement are set out below:

- (a) The remuneration indicated by the Debenture Trustee in relation to their appointment by the Trust and agreed upon by the Trust includes a one-time acceptance fee of ₹ 1.3 million (plus the applicable taxes) in terms of the letter bearing reference number 23969/ITSL/OPR/CL/20-21/DEB/1337 dated February 9, 2021. Any enforcement consequent to an event of default will attract separate charges. Further, the Issuer undertakes to pay all the Debenture Trustee all reasonable costs, charges and expenses including legal and traveling expenses, which the Debenture Trustee or its officers, employees or agents may incur in relation to the execution of the Debenture Trust Deed and all other documents affecting the Security;
- (b) The Debenture Trustee shall be vested with the requisite power for protecting the interest of NCD Holders and the Debenture Trustee confirms that it shall not relinquish the assignment unless and until another debenture trustee has been appointed in its place;
- (c) The Debenture Trustee shall ensure the implementation of the conditions regarding creation of security for the NCDs and ensure the recovery expense fund is created by the Issuer as stipulated by SEBI from time to time;
- (d) The Issuer shall provide all such information/documents/consents as are required by the Debenture Trustee in accordance with Clause 4 of the SEBI Circular No.: SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 to enable the Debenture Trustee to exercise due diligence with respect to creation of security. The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances, CERSAI, depositories, information utility or any other authority, as applicable and as may be required, where the assets and/or prior encumbrances in relation to the assets of the Issuer or any third party security provider for securing the debt securities, are registered / disclosed

- (e) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the disclosure documents and the relevant laws memorandum, has been obtained;
- (f) The Debenture Trustee shall ensure the disclosure of all material events on an on-going basis, as required under SEBI Debenture Trustee Regulations, SEBI ILDS Regulations, SEBI LODR Regulations and other applicable laws;
- (g) The Debenture Trustee confirms that it is not an associate of the Issuer in terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended;
- (h) The Issuer has undertaken to promptly furnish all and any information representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence;
- (i) The Issuer has undertaken to promptly pay, and in any event before any interest or penalty becomes payable, any stamp, documentary, registration or similar tax payable in connection with the entry into, registration, performance, enforcement or admissibility in evidence of this Agreement and/or any such amendment, supplement or waiver; and

The Debenture Trustee, *ipso facto* does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

#### **Other Confirmations**

The Debenture Trustee undertakes that the securities shall be considered as secured only if the charged asset is registered with CERSAI or depository, etc., as applicable, or is independently verifiable by them.

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

IDBI TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO THE ISSUER A DUE DILIGENCE CERTIFICATE DATED APRIL 7, 2021, AS PER THE FORMAT SPECIFIED IN ANNEXURE A TO THE DT CIRCULAR WHICH READS AS FOLLOWS:

WE, THE DEBENTURE TRUSTEE TO THE ISSUE STATE AS FOLLOWS:

- (i) WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.
- (ii) ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:
  - a. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.
  - b. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).
  - c. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.
  - d. THE ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.
  - e. THE ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM.

- f. THE ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

- (iii) WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

The Trust (through the Investment Manager) undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular.

#### **Track record of past public issues handled by the Lead Manager**

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, is available at the following website:

<b>Name of Lead Manager</b>	<b>Website</b>
JM Financial Limited	<a href="http://www.jmfl.com">www.jmfl.com</a>

#### **Listing**

An Application will be made to the Stock Exchanges simultaneously with the filing of the Shelf Prospectus for permission to deal in and for official quotation in NCDs. BSE has been appointed as the Designated Stock Exchange.

If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, the Trust (through the Investment Manager) will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus. The Investment Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Shelf Prospectus and the Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

#### **Trading**

As per the SEBI Debt Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

#### **Consents**

Consents in writing of: (a) the Compliance Officer, (c) the Chief Financial Officer of the Investment Manager, (d) the Lead Manager, (e) the Registrar to the Issue, (f) the Debenture Trustee to the Issue, (g) Legal Advisor to the Issue, (h) Credit Rating Agencies, (j) CRISIL Limited in relation to industry reports as obtained from them and (k) Valuer, have been obtained and will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with stock exchanges, as may be required. No-objection certificate from IDBI Trusteeship Limited dated April 2, 2021, acting as debenture trustee and security trustee on behalf of the existing lenders/creditors, for sharing of *pari passu* charge on security for the Issue.

## Expert Opinion

Except for the Valuation Reports as on December 31, 2020, issued by the Valuer, the Trust has not obtained any other expert opinion with respect to this Draft Shelf Prospectus.

## Filing of this Draft Shelf Prospectus

In terms of Regulation 7 of the SEBI ILDS Regulations, a copy of this Draft Shelf Prospectus has been filed with the Designated Stock Exchange and NSE, for dissemination on their website and the website of SEBI for its record purposes.

## Filing of the Shelf Prospectus and Tranche Prospectus

A copy of the Shelf Prospectus and the Tranche Prospectus shall be filed with SEBI, BSE and NSE in accordance with the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations and the InvIT Regulations.

## Pre-Issue Advertisement

The Investment Manager will issue a statutory advertisement in compliance with Regulation 8(1) of SEBI ILDS Regulations on or before the Issue Opening Date of this Issue. This advertisement will contain the information as prescribed under the SEBI ILDS Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

## Issue related expenses

The expenses for this Issue include, lead management fees and selling commission to the Lead Manager, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fee payable to the intermediaries as provided for in the UPI Mechanism Circular, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by IndiGrid.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment shall be as specified in the relevant Tranche Prospectus.

## Underwriting

This Issue will not be underwritten.

## Reservation

No portion of this Issue has been reserved.

## Previous public issue

The Trust has previously undertaken a public issue of Units. For details, please refer to the section entitled "*Information Concerning the Units*" on page 75.

## Utilisation details of previous issues by the Trust

The Trust has issued non-convertible debentures by way of various private placements, for which, the Trust has utilised the proceeds from such issuances for its various financing activities, to repay its existing loans and for its business operations and as per the objects of the Issue stated in the respective information memorandum for each issue. For further details of such non-convertible debentures, please see section entitled "*Disclosures on Existing Financial Indebtedness*" on page 233.

The Trust has also undertaken an initial public offering of 270,200,000 Units in 2017 and a preferential allotment of 299,683,881 Units in 2019 and the proceeds from these issues were utilised as per the objects of the issue as set out in respective offer document for each issue. For further details, please see the section entitled "*Information Concerning the Units*" on page 75.

The details of utilization of the proceeds of the initial public offering undertaken by the Trust ("**IPO**") have been set forth below:

<b>Date of opening</b>	May 17, 2017 (For anchor investors, May 16, 2017)
<b>Scheduled closing date</b>	May 19, 2017
<b>Actual date of closing</b>	May 19, 2017
<b>Total issue size</b>	₹22,499.64 million

<b>Date of allotment</b>	June 01, 2017
<b>Date of Refunds/ Unblocking of funds</b>	The IPO was under mandatory ASBA, hence there was no requirement of dispatch of refund order except in case of Anchor Investors, where the refund was made through RTGS/NEFT/Direct Credit on May 29, 2017.
<b>Date of Listing</b>	June 06, 2017
<b>Objects of the issue (as per the relevant offer document)</b>	Providing a loan to BDTCL and JTCL for repayment or pre-payment of debt (including any accrued interest and any applicable penalties) of banks, financial institutions, SGL1, SGL2 and repayment of any other long term and short term liabilities and capital expenditure creditors.
<b>Issue Proceeds</b>	₹22,499.64 million
<b>Less: Issue expenses</b>	₹630.30 million
<b>Net utilization of issue proceeds</b>	₹21869.34 million

Further, the Trust is proposing to undertake rights issue of the Units aggregating up to ₹ 12,836.5 million in accordance with the InvIT Regulations and the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2020/10 issued by SEBI dated January 17, 2020 entitled 'Guidelines for Rights Issue of Units by a listed Infrastructure Investment Trusts (InvITs)', read with the circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2020/36 issued by SEBI dated March 13, 2020 entitled the 'Amendments to guidelines for rights issue, preferential issue and institutional placement of units by a listed InvIT' through a letter of offer dated March 23, 2021.

#### **Utilisation details of previous issues by the group companies**

There are no group companies of the Trust.

#### **Mechanism for redressal of investor grievances**

The arrangement or mechanism evolved by the Trust for the redressal of investor details and the time normally taken for the disposal of various types of investor grievance are in place and reviewed by Stakeholders Relationship Committee of the Investment Manager on a periodical basis.

KFin Technologies Private Limited has been appointed as the Registrar to the Issue. Applicants or prospective investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post-Issue related problems or grievances, such as non-receipt of Allotment Advice, demat credit, transfers, etc. All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant ID, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the acknowledgement slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (i) the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or (ii) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs and series/option applied for and amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of Stock Exchanges or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the online mechanism of the Stock Exchanges or through Trading Members may be addressed directly to the respective Stock Exchanges.

The contact details of Registrar to the Issue are as follows:

## **Registrar to the Issue**

### **KFin Technologies Private Limited**

*(formerly known as “Karvy Fintech Private Limited”)*

Selenium, Tower B

Plot No- 31 & 32, Gachibowli, Financial District,

Nanakramguda, Serilingampally,

Hyderabad 500 032

Telangana, India

Tel.: +91 40 3321 1000

E-mail: indigrid.ncdipo@kfintech.com

Investor Grievance E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M. Murali Krishna

SEBI Registration No.: INR000000221

CIN: U72400TG2017PTC117649

Compliance Officer: Vivek Thakur

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The compliance officer of IndiGrid is Swapnil Patil. His contact details are as follows:

### **Swapnil Patil**

Unit No. 101

First Floor, Windsor

Village Kolkalyan

Off CST Road

Vidyanagari Marg, Kalina

Santacruz East

Mumbai 400 098

Tel: +91 72084 93885

Fax: Not Applicable

E-mail: complianceofficer@indigrid.co.in

Investors can contact the Compliance Officer of IndiGrid in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice/letter of Allotment, non-receipt of refund orders, non-credit of Allotted NCDs in the respective beneficiary account and non-receipt of funds by electronic mode.

## LEGAL PROCEEDINGS

*Except as stated in this section and on the basis of the below, there are no pending material litigation and actions by regulatory authorities, which are not in the ordinary course of business, in each case against IndiGrid, the Sterlite Sponsor, the Investment Manager, the Project Manager, or any of their Associates (excluding Associates of the Investment Manager which are affiliates of KKR) and the Trustee, as on the date of this Letter of Offer. Further, except as stated in this section and on the basis of the below, there are no pending material litigation and actions by regulatory authorities which are not in the ordinary course of business, against the KKR Sponsor or any of its Associates or Associates of the Investment Manager which are affiliates of KKR.*

*For the purpose of this section, details of all regulatory actions and criminal matters, which are not in the ordinary course of business, that are pending against IndiGrid, the Sterlite Sponsor, the Investment Manager, the Project Manager, or any of their Associates (excluding Associates of the Investment Manager which are affiliates of KKR) and the Trustee have been disclosed. For the purpose of this section and on the basis of the below, details of all regulatory actions which are not in the ordinary course of business and criminal matters that are pending against the KKR Sponsor or any of its Associates or Associates of the Investment Manager which are affiliates of KKR have been disclosed. Further, any matter that is pending involving an amount equivalent to, or more than, the amount or threshold as disclosed below, in respect of IndiGrid, the Sponsors, the Portfolio Assets, the Investment Manager and each of their Associates has been disclosed.*

*For the Sterlite Sponsor or Project Manager, the total consolidated income for Fiscal 2020 was ₹ 51,583.16 million. Accordingly, all outstanding cases, litigations, claims and civil matters which involve an amount exceeding ₹ 2,579.15 million (being 5% of the total consolidated income) have been considered material, for the Sterlite Sponsor, the Project Manager and its Associates. However, for GPTL and the Target Asset, the materiality threshold for civil matters is specified hereinbelow. The Investment Manager does not have any outstanding litigation.*

*The disclosures with respect to material litigations and regulatory actions (which are not in the ordinary course) relating to the KKR Sponsor and its Associates, and Associates of the Investment Manager which are affiliates of KKR, have been made solely on the basis of the public disclosures made by KKR & Co. Inc. ("KKR & Co.") in the most recent annual report filed on Form 10-K with the U.S Securities and Exchange Commission ("SEC") (i.e., for the year ended December 31, 2020) with respect to all entities which are consolidated for financial reporting purposes with KKR & Co., which is listed on the New York Stock Exchange. Further, in accordance with applicable U.S. securities laws, KKR & Co. is required to disclose events with respect to KKR & Co. Inc. (including entities which are consolidated for financial reporting purposes with KKR & Co., taken as a whole) which it deems material to its investors (which may include new legal proceedings, or updates to legal proceedings disclosed in the 10-K Filing, in each case, which it deems material to its investors) by publicly filing a report with the SEC within four business days of any such event. KKR & Co. has made no public filings after December 31, 2020 which materially changes the disclosure made in such annual report.*

*For the Trustee, the total consolidated income for Fiscal 2020 was ₹ 352.96 million and the consolidated net worth (i.e. the total of share capital and consolidated reserves and surplus) was ₹ 649.25 million. Accordingly, in respect of the Trustee, all outstanding civil matters which involve an amount equal to or exceeding ₹ 17.65 million (being 5% of the total consolidated income for Fiscal 2020) have been considered material.*

*In relation to the Portfolio Assets, all outstanding civil cases which exceed 5% of the revenue, as of March 31, 2020, for each such Portfolio Asset have been considered material. Further, all outstanding matters that may have a material impact on IndiGrid in terms of its business, prospects, financial condition, results of operations or cash flow, have been considered for the purposes of disclosure in this section.*

*For JTCL, the total revenue as of March 31, 2020 was ₹ 1,504.96 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 75.24 million (being 5% of the total revenue) have been considered material.*

*For BDTCL, the total revenue as of March 31, 2020 was ₹ 2,694.19 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 1,34.70 million (being 5% of the total revenue) have been considered material.*

*For PKTCL, the total revenue as of March 31, 2020 was ₹ 755.98 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 37.79 million (being 5% of the total revenue) have been considered material.*

*For RTCL, the total revenue as of March 31, 2020 was ₹ 488.23 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 24.41 million (being 5% of the total revenue) have been considered material.*

*For NTL, the total revenue as of March 31, 2020 was ₹ 5,710.60. Accordingly, all outstanding civil cases which involve an*

*amount exceeding ₹ 285.53 million (being 5% of the total revenue) have been considered material.*

*For MTL, the total revenue as of March 31, 2020 was ₹ 585.15 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 29.25 million (being 5% of the total revenue) have been considered material.*

*For PTCL, the total revenue as of March 31, 2020 was ₹ 301.48 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 15.07 million (being 5% of the total revenue) have been considered material.*

*For GPTL, the total revenue as of March 31, 2020 was ₹ 678.41 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 33.92 million (being 5% of the total revenue) have been considered material.*

*For ENICL, the total revenue as of March 31, 2020 was ₹ 1,360.71 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 68.03 million (being 5% of the total revenue) have been considered material.*

*For OGPTL, the total revenue as of March 31, 2020 was ₹ 1,626.85 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 81.34 million (being 5% of the total revenue) have been considered material.*

*For JKTPL, the total revenue as of March 31, 2020 was ₹ 389.76 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 19.48 million (being 5% of the total revenue) have been considered material.*

*For PrKTCL, the total revenue as of March 31, 2020 was ₹ 1,894.06 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 94.70 million (being 5% of the total revenue) have been considered material.*

*For NER, the total revenue as of March 31, 2020 was ₹ 3.19 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 0.15 million (being 5% of the total revenue) have been considered material.*

*For IGL, the total revenue (includes revenue from contracts and other income) as of March 31, 2020 was ₹ 6,065.70 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 303.28 million (being 5% of the total revenue) have been considered material.*

*For IGL1, the total revenue (includes revenue from contracts) as of March 31, 2020 was ₹ 5,710.60 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 285.53 million (being 5% of the total revenue) have been considered material.*

*For IGL2, the total revenue (includes revenue from contracts and other income) as of March 31, 2020 was ₹ 1,627.17 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 81.35 million (being 5% of the total revenue) have been considered material.*



## **I. Litigation involving India Grid Trust and its Portfolio Assets**

### **A. IGL**

Other than the matters disclosed in the section entitled “*Legal Proceedings – Tax Proceedings*” on page 316, there is no litigation involving IGL.

### **B. JTCL**

#### *Civil matters*

Certain persons (“**Petitioners**”) have filed separate cases before various courts, against JTCL and certain others (“**Respondents**”), alleging amongst others, (i) breach of right of way by the Respondents over the Petitioners land, (ii) damage caused due to the construction or laying of high voltage transmission lines by the Respondents, (iii) land being utilised by the Respondents without acquiring it in accordance with law, and (iv) inadequate compensation paid for cutting of trees in order to lay transmission lines by the Respondents. The Petitioners, by way of these cases have claimed certain compensation from the Respondents. The Respondents have filed their reply with respect of these cases. These matters are currently pending at various stages of adjudication.

### **C. BDTCL**

#### *Regulatory matters*

- (i) PGCIL filed a tariff petition before the CERC for determination of tariff due to it for the period where BDTCL’s assets were not operational (the “**Interim Period**”). Through an order dated September 20, 2017 (“**First CERC Order**”), CERC directed BDTCL to pay the transmission charges to PGCIL for the Interim Period. BDTCL subsequently filed a review petition before CERC against the First CERC Order, which was dismissed by the CERC through an order dated July 23, 2018 (“**Second CERC Order**”). BDTCL has filed an appeal before APTEL against the First CERC Order and Second CERC Order. The estimated amount involved in this matter is ₹ 46 million. The matter is currently pending.
- (ii) CERC passed an order dated June 25, 2018 pursuant to petition number 216/MP/2016 filed by BDTCL against CERC and others (“**First CERC Order**”), allowing change in law and force majeure events. Thereafter, BDTCL filed a consequential petition, claiming monetary relief resulting from the change in law pursuant to the CERC Order. CERC vide its order dated April 24, 2019 (“**Second CERC Order**”), rejected the relief and subsequential carrying cost. Aggrieved by the Second CERC Order, BDTCL filed an appeal before APTEL on June 4, 2019 to claim the amount of interest during construction and subsequential carrying cost. APTEL by way of its order dated October 20, 2020 allowed the appeal filed by BDTCL. The estimated amount involved in this matter is ₹ 840.01 million. Additionally, BDTCL has also filed a caveat before the Supreme Court of India on October 27, 2020, requesting a prior notice to BDTCL before any further action is taken in the present case and that a civil appeal may be filed against the APTEL Order in which BDTCL was the appellant.
- (iii) CERC passed an order dated June 25, 2018 (“**First CERC Order**”) pursuant to the petition number 216/MP/2016 filed by BDTCL, allowing certain force majeure and change in law event reliefs to BDTCL, directing transmission charges of DV line from February 9, 2015 to June 13, 2015 to be borne by PGCIL. Aggrieved by the CERC Order, PGCIL filed a review petition before CERC. However, the review petition was dismissed by CERC vide order dated April 15, 2019 (“**Second CERC Order**”). Aggrieved by the Second CERC Order, PGCIL filed an appeal before APTEL on June 24, 2019. The estimated amount involved in this matter is ₹ 130 million. BDTCL has filed its reply. The matter is currently pending.

#### *Civil matters*

Certain persons (“**Petitioners**”) have filed separate cases before various courts, against BDTCL and certain others (“**Respondents**”), alleging amongst others, (i) breach of right of way by the Respondents over the Petitioners land, (ii) damage caused to the Petitioners land, crops and others due to the construction or laying of high voltage transmission lines by the Respondents, and (iii) inadequate compensation paid to the Petitioners in respect of these lands. The Petitioners, by way of these cases have claimed certain compensation from the Respondents. These matters are currently pending before various courts.

#### D. PKTCL

##### *Regulatory matters*

- (i) CERC, vide its orders dated April 3, 2018 and April 26, 2018 (“**CERC Orders**”), pursuant to the petition number 110/MP/2016 filed by PKTCL, had approved extension of the commercial operation date of ‘PR Line’ by a period of 274 days and ‘KC Line’ by a period of 42 days from their respective scheduled commercial operation dates. Further, CERC directed that transmission charges of the KC Line, from May 20, 2017 till June 18, 2017, shall be payable by PGCIL. Aggrieved by the CERC Orders, PGCIL filed a review petition before CERC. The review petition was dismissed by CERC by way of its order dated April 23, 2019. Aggrieved by the dismissal, PGCIL filed an appeal before APTEL against the payment of transmission charges, to which PKTCL has filed its reply. Additionally, on January 3, 2020, PGCIL has also filed a rejoinder to PKTCL’s response filed earlier. The estimated amount involved in this matter is ₹ 50 million. The matter is currently pending.

#### E. RTCL

##### *Regulatory matters*

- (i) RTCL filed a petition dated March 11, 2016 under Section 79(1)(f) read with Section 79(1)(c) of the Electricity Act, 2003 before the CERC seeking payment of monthly transmission charges for the period starting from December 26, 2015 under the RTCL TSAs and the revenue sharing agreement and the order dated July 15, 2015 issued by the Ministry of Power, Government of India entitled “Policy for Incentivizing Early Commissioning of Transmission Projects” under which RTCL has prayed that it is entitled to the payment of monthly transmission charges from the actual date of commercial operation, December 26, 2015, which is in advance of the scheduled commercial operation date of February 2016. CERC, by its order dated September 21, 2016 (the “**Impugned Order**”), required Nuclear Power Corporation of India Limited (“**NPCIL**”) to pay the transmission charges from March 1, 2016 till the bays are commissioned. NPCIL filed an interim application before APTEL dated November 4, 2016 (the “**Interim Application**”) praying that the Impugned Order be stayed, since it is in violation of the principles of natural justice. Through an order passed on January 18, 2019 (the “**Order**”), APTEL has dismissed the Interim Application. APTEL has also given liberty to RTCL to regulate the power supply of NPCIL if NPCIL fails to make the payment within 30 days of the Order. RTCL has accordingly sent letters to NPCIL for the disbursement of the withheld amounts along with applicable charges. NPCIL has filed an appeal before the Supreme Court of India against the Order and RTCL has filed the counter affidavit on August 27, 2019. The estimated amount involved in this matter is ₹ 280 million. The matter is currently pending.

#### F. MTL

##### *Regulatory matters*

- (i) MTL filed a petition against Tamil Nadu Generation & Distribution Corporation Limited and others, before CERC, seeking compensatory and declaratory reliefs in accordance with the transmission service agreement dated June 10, 2015, on account of change in law events which adversely affected the construction and operation of certain transmission lines operated by MTL. CERC, vide its order dated March 11, 2019 (“**CERC Order**”), disallowed the expenses towards land compensation resulting from change in law. The matter is currently pending.

##### *Civil matters*

Certain persons have (“**Petitioners**”) filed a writ petition before the High Court of Telangana and Andhra Pradesh (“**High Court**”) against the District Collector, Kamareddy District (the “**District Collector**”), MTL and others (“**Respondents**”) under Article 226 of the Constitution of India. The Petitioners sought a declaration that the action of the Respondents of not paying compensation for erecting high tension transmission lines in the land of the Petitioners was illegal, arbitrary and in violation of Articles 14, 21 and 300-A of the Constitution of India and the principles of natural justice. Consequently, the Respondents were directed to pay to the Petitioners appropriate compensation. The High Court, by an order dated February 1, 2017, directed MTL to consider the representation made by the Respondents and dispose of the same in accordance with law. The Revenue Divisional Officer, Kamareddy issued directions to MTL to pay certain compensation to the Respondents. MTL has submitted a letter dated July 5, 2017 along with proof of compensation paid before the Revenue Division Officer, Kamareddy.

## G. PTCL

### *Regulatory matters*

- (i) Pursuant to CERC's order dated January 4, 2017 (the "**CERC Order**"), Punjab State Power Corporation Limited ("**PSPCL**") had been held liable to pay transmission charges of the PTCL Project from scheduled commercial operation date, November 11, 2016 until commissioning of downstream system by PSPCL. PSPCL completed commissioning of downstream system on May 18, 2015 after substantial delay. PSPCL failed to pay liquidated dues of ₹ 113.67 million. Further, PSPCL has defaulted in making payment of ₹ 102.51 million as per notification no L-1/42/2010 passed by CERC dated September 28, 2010. Accordingly, PTCL issued a "notice for regulation of power supply" dated July 6, 2017 to PSPCL for regulation of power supply unless dues are cleared by PSPCL by July 13, 2017. PSPCL filed an appeal before the Appellate Tribunal for Electricity ("**Tribunal**") challenging the CERC Order. The Tribunal dismissed the appeal through its order dated March 27, 2018 (the "**APTEL Order**"). PSPCL has subsequently filed an appeal before the Supreme Court of India against the APTEL Order. The estimated amount in this matter is ₹ 130 million. The matter is currently pending.

## H. GPTL

### *Regulatory matters*

- (i) GPTL ("**Petitioner**") filed a petition against UTC Chandigarh and others ("**Respondents**") before CERC, under Sections 63 and 79 (1)(f) of the Electricity Act, read with the transmission services agreement dated March 4, 2016 entered into between GPTL and certain LTTCs, amongst others, seeking monetary compensation due to change in law events and extension of the scheduled commissioning date of certain elements of a GPTL project, on account of force majeure events. Additionally, an affidavit on behalf of the Petitioner was filed before CERC on June 26, 2020, in compliance with the record of proceedings of CERC held on June 11, 2020, by which the CERC had directed the Petitioner to, amongst others, provide details and/or information in relation to the present petition. The estimated amount involved in this matter is ₹ 480 million. The matter is currently pending.

### *Civil matters*

Certain persons ("**Petitioners**") have filed separate cases before various courts, against GPTL and certain others ("**Respondents**"), alleging amongst others, (i) breach of right of way by the Respondents over the Petitioners land and thereby interfering with the peaceful possession of the Petitioners land, (ii) damage caused to the Petitioners land, goods and others due to the construction or laying of high voltage transmission lines by the Respondents, and (iii) inadequate compensation paid to the Petitioners in respect of these lands. The Petitioners, by way of these cases have claimed certain compensation from the Respondents. These matters are currently pending at various stages of adjudication.

## I. ENICL

### *Regulatory matters*

- (i) ENICL filed an appeal against PGCIL, CERC and 17 others ("**Respondents**") before APTEL, for quashing an order passed by CERC dated October 9, 2018 ("**CERC Order**"), directing ENICL to pay of transmission charges ("**Transmission Charges**") for a period when ENICL's projects were effected by force majeure events. The CERC Order directed ENICL to pay PGCIL the interest during construction ("**IDC**") and incidental expenditure during construction ("**IEDC**") for PGCIL's assets, namely two 400 kV line bays (for 400 kV D/C Siliguri-Bongaigaon transmission line) along with two 80 MVAR switchable line reactors at the 400 kV Siliguri sub-station, and two 400 kV line bays (for 400 kV D/C Siliguri-Bongaigaon transmission line) at the Bongaigaon sub-station from May 1, 2013 till the commissioning of ENICL's transmission elements, which are interconnected with PGCIL's transmission elements. ENICL has alleged that since its assets were effected by force majeure events during the said period, it should not be liable to pay the IDC and IEDC amounts. The estimated amount involved in this matter is ₹ 5.2 million. The matter is currently pending.
- (ii) ENICL filed a petition against Jodhpur Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited, BSES Yamuna Power Limited, BSES Rajdhani Power Limited, and 14 other respondents (collectively, the Long Term Transmission Customers or "**LTTCs**"), before CERC, seeking relief on account of occurrence of certain events preventing ENICL from performing its obligations under the Transmission Service Agreement dated August 6, 2009 ("**TSA**") entered into with the LTTCs. ENICL has claimed that the said events constitute force majeure and change in law events under the TSA, entitling it to claim relief under the TSA. ENICL has

prayer CERC to, among other things, declare that ENICL be duly compensated for the unforeseen and unavoidable additional expenditure incurred in light of the force majeure event. The estimated amount involved in this matter is ₹ 940 million. The matter is currently pending.

#### *Other matters*

- (i) Simplex Infrastructure Limited (“**Claimant**”) filed a statement of claims dated July 10, 2019 against ENICL (“**Respondent**”), before the honourable arbitral tribunal comprising of honourable Justice (retd.) K.G. Balakrishnan, presiding arbitrator, honourable Justice (retd.) Vijender Jain, co-arbitrator, honourable Justice (retd.) R.S. Sodhi, co-arbitrator, pursuant to an umbrella agreement dated November 25, 2010 and three split contracts, namely a supply contract, civil works contract, and erection contract, each dated August 23, 2010 entered into between the Claimant and the Respondent, alleging, among other things, recovery of certain amounts due to the Claimant, in relation to (i) short payments, (ii) additional work done by the Claimant in relation to the ENICL project, (iii) time and cost overruns, (iv) amounts arising out of certain tax liabilities, and (v) refunds of certain security deposits and bonus. The Claimant has claimed an amount of approximately ₹ 2,150 million as compensation. The Respondent has filed its reply and submitted a counter claim of approximately ₹ 2,040 million. The matter is currently pending.
- (ii) Various persons (“**Petitioners**”) have filed civil applications under Section 10 read with Section 16 of the Indian Telegraph Act, 1885 against ENICL and others (“**Respondents**”) before the District Judge, Jalpaiguri, praying for a compensation of approximately ₹ 96.19 million in relation to the damage caused to their land due to construction of high tension transmission lines by the Respondents. Additionally, certain persons have also filed cases before various courts against the Respondents, claiming compensation from the Respondents, for the alleged damaged caused to their land due to construction of transmission lines by the Respondents. These matters are currently pending at various stages of adjudication.

#### *Criminal matters*

ENICL filed a complaint against M/s. Akshya Urja Private Limited (“**Contractor**”) and its directors, before the Metropolitan Magistrate Court, Esplanade, Mumbai, in order to recover an amount of ₹10.8 million paid to the Contractor, pursuant to a service contract between the parties. The Contractor failed to perform according to the terms of the service contract, and was unable to return the advance amount paid to it. The cheques tendered by the Contractor were returned dishonoured, as a consequence of which ENICL filed a complaint under section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending.

### **J. NTL**

#### *Civil matters*

Certain persons (the “**Petitioners**”) have filed separate petitions against NTL and others (“**Respondents**”), before various courts, including the Jammu and Kashmir High Court, Sub Judge, Pattan, Sub Judge, Rajouri and the Chief Judicial Magistrate, Budgam, alleging amongst others, that (i) the Respondents have not adopted the due course of law while commencing construction and installation work on their lands and the process required under the Land Acquisition Act was not initiated, (ii) the adequate compensation was not paid to them in relation to acquisition of such lands, (iii) the Respondents shall be restrained from installation of electric towers, conductors or transmission lines, as applicable, on their lands, and (iv) the damages caused to their lands by the Respondents. In certain cases, contempt applications have been filed, alleging attempt by the Respondents to execute work on the disputed properties. The Petitioners by way of these cases have also claimed certain compensation from the Respondents. These matters are currently pending at various stages of adjudication.

### **K. OGPTL**

#### *Regulatory matters*

- (i) Pursuant to a petition filed by PGCIL, against Bihar State Power (Holding) Company Ltd. and others, in relation to determination of tariff of certain lines operated by PGCIL and certain lines which were associated with a common transmission system being operated by OGPTL. CERC passed an order dated February 14, 2019 (“**First CERC Order**”), determining the tariff for PGCIL’s assets, namely asset-I of both circuit of 400 kV D/C Rourkela-Raigrah (second line), along with four 400 kV line bays at Jharsuguda (Sundargarh) sub-station; asset-II – split bus arrangement at 400 kV bus at Jharsuguda (Sundargarh) sub-station and asset-III – two 400 kV line bays for termination of OPGC (IB thermal power station) - Jharsuguda 400 kV D/C line (under tariff based competitive bidding at Jharsuguda (Sundargarh)). In the First

CERC Order, CERC held that the transmission charges from November 23, 2017 till the commercial operation date of the generating station shall be borne by OPGC, to be recovered on monthly basis. OGPTL has filed its reply denying all allegations made by PGCIL directly or indirectly against OGPTL. The matter is currently pending.

- (ii) OPGC (“**Petitioner**”) filed a petition against the State Load Dispatch Centre, Odisha (“**SLDC**”), OGPTL and others before CERC, seeking directions for, amongst others, shifting of control area from the eastern load despatch centre to Odisha state load despatch centre and operating the bus coupler between certain units of the Petitioner, in closed condition for the common bus mode operation. OGPTL has filed its reply on November 14, 2019 before CERC, seeking directions to the Petitioner for payment of certain transmission charges to OGPTL. The matter is currently pending.
- (iii) OPGC (“**Petitioner**”) filed a petition bearing no. 128/MP/2019 against Central Transmission Utility, PGCIL (“**Respondent no. 1**”) and OGPTL (“**Respondent no. 2**”), under sections 79(1)(c) and 79(1)(f) of the Electricity Act read with Regulation 32 of the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009, challenging certain bills raised by Respondent no. 1. CERC by way of its order dated December 26, 2019 (“**CERC Order**”), held amongst others, (i) from August 30, 2017 till November 22, 2017, both the Petitioner and Respondent no. 1 shall share the transmission charges of a certain line (“**Transmission Line**”), (ii) from November 23, 2017, Petitioner shall be liable to pay the transmission charges for the Transmission Line, (iii) Respondent no. 1 shall raise a modified bill as specified in the CERC Order, (iv) Petitioner was directed to pay the consolidated bill for the period up to December 12, 2019 within 15 days of a bill being raised and submit the transmission charges collected to Respondent no. 2, in the manner specified in the CERC Order, and (v) Petitioner shall be liable to pay the transmission charges with respect to the monthly bills raised, with effect from January 1, 2020. Thereafter, aggrieved by the CERC Order, the Petitioner filed an appeal before APTEL. APTEL, by way of its order dated October 21, 2020 (“**APTEL Order**”), held amongst others, (i) the transmission charges from August 30, 2017 till November 22, 2017 shall be borne by the Petitioner and PGCIL in the ratio of 50:50, (ii) as the Petitioner was drawing start up power and injecting infeed power through the Transmission Line, the transmission charges from November 23, 2017 to December 28, 2018 shall be borne by the Petitioner and thereafter be recovered under the POC mechanism; and (iii) in accordance with the transmission service agreement, the transmission charges from December 26, 2018 shall be payable to the Respondent no. 2 from the POC pool in accordance with applicable law. Based on the APTEL Order, the Respondent no. 2 has sent the revised bills to the Petitioner and the Respondent no. 1.
- (iv) OGPTL has filed a petition before CERC, against West Bengal State Electricity Distribution Company Limited and other LTTCs, under sections 79(1)(c), 79(1)(d), 79(1)(f) and 79(1)(k) of the Electricity Act and articles 11 and 12 of the transmission service agreement dated November 20, 2015 entered into between OGPTL and certain LTTCs, amongst others, seeking monetary compensation on account of occurrence of force majeure and change in law events in relation to the delay in commissioning of certain transmission lines. The estimated amount involved in this matter is ₹ 306.30 million. The matter is currently pending.

#### *Civil matters*

Certain persons (“**Petitioners**”) have filed separate cases before various courts, against OGPTL and certain others (“**Respondents**”), alleging amongst others, (i) breach of right of way by the Respondents over the Petitioners land, (ii) damage caused due to the construction of high voltage transmission lines operated by the Respondents, and (iii) land being utilised by the Respondents without acquiring it in accordance with law. The Petitioners, by way of these cases have claimed certain compensation from the Respondents. These matters are currently pending at various stages of adjudication.

### **L. JKTPPL**

#### *Regulatory matters*

- (i) JKTPPL filed an appeal before APTEL on June 21, 2018 (“**Appeal**”), pursuant to the HERC order dated May 21, 2018 (“**HERC Order**”) against HVPNL, claiming payment of full unitary charges allegedly deducted wrongly by HVPNL by wrongly computing availability of the transmission system capacity for the months of February and March 2016, due to occurrence of force majeure events. JKTPPL has prayed for refund of the wrongful deduction of ₹ 35.45 million unitary charges, along with interest payable by HVPNL, for the months of February and March 2016. HERC, by way of the HERC Order, held, amongst others, that the intention of the transmission agreement is not to grant unitary charge during the force majeure event in addition to extension of the concession period and directed JKTPPL and HVPNL to re-work the unitary charge payable for the aforesaid months. Additionally, on May 25, 2018, a dissenting note was filed by the chairman of HERC in relation to the HERC Order, wherein he opined that non-availability due to force majeure events will not be considered as availability for the purpose of determining the monthly unitary charges payable to JKTPPL. He

further stated that the claims for force majeure costs shall not be admissible, since the same was not sought for in the petition, among other reasons. However, in terms of section 92(3) of the Electricity Act, the majority order, i.e. the HERC Order was upheld as the order of the commission. Accordingly, aggrieved by the HERC Order, JKTPL had filed the Appeal. The matter is currently pending.

- (ii) JKTPL filed a petition against HVPNL before HERC, regarding the alleged wrongful deduction of penalty on annualized unitary charges (“**Petition I**”). HVPNL filed its reply and issued a notice dated March 5, 2019 (“**HVPNL Notice**”) to JKTPL. JKTPL filed an interim application before HERC seeking stay of the HVPNL Notice. Thereafter, JKTPL filed another petition before the HERC, seeking directions to HVPNL, to not initiate recovery of amounts from any of the invoices from the HVPNL Notice (“**Petition II**”). HERC, amongst others, summarily dismissed the Petition II vide order dated April 4, 2019 (“**First HERC Order**”). JKTPL filed a review petition before HERC against the First HERC Order passed in relation to Petition I and Petition II. The review petition was dismissed by HERC vide its order dated May 27, 2019 (“**Second HERC Order**”). Subsequently, JKTPL has filed an appeal before APTEL, praying, amongst others, to set aside the First and Second HERC Orders and to refund the entire amounts allegedly deducted wrongfully by HVPNL on account of incorrect methodology adopted for calculating the reliability parameter, along with the interest amount. The estimated amount involved in this matter is ₹ 54.58 million. The matter is currently pending.
- (iii) JKTPL and HVPNL entered into a transmission services agreement dated May 28, 2010, which provides for a repair time of 30 days for certain inter connecting transformers (“**ICTs**”). However, HVPNL granted JKTPL 120 days as repair time for ICTs and deducted certain penalty amount (“**Penalty amount**”) on the period exceeding 30 days for the delay in repair time of these ICTs at Kabulpur. Pursuant to a petition filed by JKTPL, HERC passed an order dated April 4, 2019, granting relief on the repair time of the ICTs up to 120 days (“**HERC Order**”). Aggrieved by the HERC Order, HVPNL filed an appeal before APTEL against the HERC Order and prayed amongst others, to set aside the HERC Order and uphold the Penalty amount deducted in relation to the ICTs (“**Appeal**”). JKTPL filed its reply on August 27, 2019, against the Appeal, denying the contentions of HVPNL and seeking that the Appeal be dismissed, and further that the amount deducted by HVPNL be paid to JKTPL, along with certain interest amount. The estimated amount involved in this matter is ₹ 7.73 million. The matter is currently pending.
- (iv) JKTPL filed written submissions before an arbitral tribunal against HVPNL, claiming certain amounts, on account of, among other things, wrongful deduction of certain amounts by HVPNL on account of alleged delay in achieving commercial operation date of transmission lines of JKTPL, including, claim for reimbursement of supply cost incurred for laying extra length, claim for reimbursement for erection cost incurred for laying extra length and claim for interest amounts pursuant to certain provisions of the transmission service agreement dated May 28, 2010. The amount involved in this matter is approximately ₹ 620 million. The matter is currently pending.

#### *Civil matters*

- (i) Jai Bhagwan (“**Petitioner**”) has filed a petition before the District Judge, Sonipat (“**District Court**”), against HVPNL, certain directors of JKTPL and others (“**Respondents**”) in relation to violation of certain provisions of the Indian Telegraph Act, 1885. It was alleged that the damage caused to the Petitioner was due to (i) cutting of 60 sangwan trees which were grown by the Petitioner, located in the transmission line corridor (Kabulpur to Deepalpur transmission line), allegedly cut-down from a height by J KTPL; (ii) loss of market value in relation to cutting of these trees; and (iii) destroying of crops and other losses caused by the Respondents. The Petitioner has prayed, amongst others, for a compensation to be paid by the Respondents, amounting to ₹ 34.6 million. The District Court, by way of its order dated May 13, 2019, listed the matter for Petitioner’s evidence. However, since the Petitioner did not appear, the matter was dismissed in default on May 24, 2019. Thereafter, the Petitioner filed an application for restoration of the petition. The matter is currently pending.
- (ii) Various persons have filed separate petitions before the District Court, Jhajjar (“**District Court**”), against the State of Haryana, JKTPL and others (“**Respondents**”), seeking compensation from December 2010 onwards, under the Indian Telegraph Act, 1885, the Electricity Act, 2003 and the Land Acquisition Act, 2013, in relation to installation of one of the high voltage transmission lines operated by JKTPL. The total compensation claimed in these matters amount to approximately ₹ 88.38 million, with an additional interest amount of ₹ 219 million approximately. Summons have been received, and replies have been filed, in some of these matters, by JKTPL. These matters are currently pending at various stages of adjudication.
- (v) Various persons (“**Petitioners**”) have filed separate applications before the High Court of Punjab and Haryana (“**High Court**”) against the Union of India, JKTPL and others (“**Respondents**”), questioning whether the Respondents can be allowed to lay high power electric supply line of 400 KV over the agricultural land without following the due procedure laid down under law, particularly the Indian Telegraph Act, 1885, the Electricity Act, 2003, the Land Acquisition Act,

1894 and the Constitution of India. The Petitioners have further questioned: (i) Whether provisions of the Land Acquisition Act, 1894 are attracted in using and occupying land for laying down high power electric supply lines over the land in question; and (ii) whether Article 300A of the Constitution of India is attracted in using and occupying land for high power electric supply line. Additionally, the Respondents have also filed a review petition before the High Court, in relation to a separate case, wherein certain amount of compensation was directed to be paid by the Respondents to certain accused by the District court, Jhajjar. Separately, JKTPCL has filed certain insurance claims, in the ordinary course of business. These matters are currently pending at various stages of adjudication.

**M. IGL1**

Nil.

**N. IGL2**

Nil.

**O. PrKTCL**

*Regulatory matters*

- (i) Pursuant to a petition filed by PrKTCL against Himachal Pradesh State Electricity Board and others, before CERC, the CERC passed a provisional tariff order dated December 23, 2014 ("**First CERC Order**") and the final order dated December 19, 2016 ("**Second CERC Order**", together with the First CERC Order, the "**CERC Orders**"), which stated, among others, that PrKTCL was allowed to recover only interest during construction ("**IDC**") and incidental expenditure during construction ("**IEDC**") amounts from NTPC from August 7, 2014 to August 14, 2014. Aggrieved by the CERC Orders, NTPC filed a review petition before CERC, seeking, among others, complete transmission charges from August 7, 2014 to August 14, 2014. NTPC filed a review petition against the Second CERC Order, praying to set aside the direction holding NTPC liable for delay and to pay IEDC and IDC to PrKTCL. CERC, vide order dated July 24, 2019 ("**Revision Order**"), pursuant to the review petitions, directed NTPC to pay full transmission charges to PrKTCL from August 7, 2014 to August 14, 2014. NTPC filed an appeal against the Revision Order, before APTEL. NTPC has also filed an interlocutory application before APTEL, seeking a stay on an invoice raised by PrKTCL, based on the Revision Order. The estimated amount involved in this matter is ₹ 585.46 million, along with additional interest. The matter is currently pending.
- (ii) Pursuant to a petition filed by PrKTCL against Himachal Pradesh State Electricity Board and others, before CERC, the CERC passed a provisional tariff order dated December 22, 2014 ("**First CERC Order**") and the final order dated January 16, 2017 ("**Second CERC Order**", together with the First CERC Order, the "**CERC Orders**"), which stated, among others, that PrKTCL was allowed to recover only interest during construction ("**IDC**") and incidental expenditure during construction ("**IEDC**") amounts from NTPC. Aggrieved by the Second CERC Order, PrKTCL filed a review petition before CERC seeking, among other things, recovery of transmission charges effective from October 10, 2014. NTPC filed a review petition against the Second CERC Order, praying to set aside the direction holding NTPC liable for delay and to pay IEDC and IDC to PrKTCL. CERC, vide order dated August 19, 2019 ("**Revision Order**"), pursuant to the review petitions, among others, directed NTPC to pay full transmission charges to PrKTCL from October 4, 2014 and March 20, 2015. NTPC filed an appeal against the Second CERC Order and the Revision Order, before APTEL. NTPC has also filed an interlocutory application before APTEL, seeking a stay on an invoice raised by PrKTCL, based on the Revision Order. The estimated amount involved in this matter is ₹ 305.49 million, along with additional interest. The matter is currently pending.
- (iii) Pursuant to a petition filed by PrKTCL against Himachal Pradesh State Electricity Board and others, before CERC, the CERC passed a provisional tariff order dated December 30, 2015 ("**First CERC Order**") and the final order dated December 29, 2016 ("**Second CERC Order**", together with the First CERC Order, the "**CERC Orders**"), which stated, among others, that PrKTCL was allowed to recover only interest during construction ("**IDC**") and incidental expenditure during construction ("**IEDC**") amounts from NHPC for the period June 30, 2015 up to November 2, 2015. Aggrieved by the CERC Orders, PrKTCL filed a review petition before CERC, seeking, among others, complete transmission charges from June 30, 2015 to November 2, 2015. NHPC filed a review petition, praying to set aside the Second CERC Order (the review petitions filed by PrKTCL and NHPC, collectively the "**Review Petitions**").  
Parallely, in another matter before APTEL involving PGCIL, filed by NHPC against orders issued by CERC granting 100% transmission charges to PGCIL to be recovered from NHPC for PGCIL, PrKTCL was also made a party to the matter as PrKTCL assets associated in the scheme were also involved. APTEL, during the course of hearing, identified a similar matter of PrKTCL pending before CERC with similar facts, which involved PGCIL. Accordingly, APTEL

passed an order dated July 16, 2018 and directed CERC to freshly carry out complete / comprehensive adjudication and reconsideration on the pending petitions, along with the Review Petitions. CERC, vide order dated December 12, 2018, pursuant to the Review Petitions, re-opened the main petition of PrKTCL, merging it with the PGCIL petition, for fresh consideration. The matter is currently pending.

- (iv) Pursuant to a petition filed by PGCIL, Himachal Pradesh State Electricity Board and others (“**Original Petition**”) before CERC, the CERC passed an order dated May 26, 2015 (“**First CERC Order**”), in relation to PGCIL assets related to PrKTCL line, allowing, among others, additional capital expenditure for the year 2013-2014. PGCIL filed a review petition against the First CERC Order, praying for approval of the commercial operation date of ‘Asset-II’ and grant of tariff. CERC, vide its order dated July 21, 2016 (“**Revision Order**”) held that transmission charges from August 1, 2013 to March 23, 2014 shall be borne by NHPC. Aggrieved by the Revision Order, NHPC filed an appeal before APTEL, against the Revision Order granting 100% transmission charges to PGIL to be recovered from NHPC. PrKTCL was also made a party to the matter as PrKTCL assets associated in the scheme were also involved. APTEL, during the course of hearing, identified a similar matter of PrKTCL pending before CERC with similar facts, which involved PGCIL. Accordingly, APTEL passed an order dated July 16, 2018 and directed CERC to freshly carry out complete / comprehensive adjudication and reconsideration on the pending petitions. CERC, vide order dated December 12, 2018, merged the pending PrKTCL petition with the PGCIL petition, for fresh consideration. CERC issued an order dated February 5, 2020 (“**Second CERC Order**”), stating, among others, that the transmission charges for the period of mismatch shall be borne exclusively by NHPC and that there is no error in the Revision Order passed by the CERC. Aggrieved by the Second CERC Order, NHPC filed an appeal before APTEL. The matter is currently pending.

#### *Civil matters*

- (i) Vishwanath (“**Petitioner**”) has filed a writ petition before the High Court of Himachal Pradesh (“**High Court**”), against the State of Himachal Pradesh, PrKTCL and others (“**Respondents**”), seeking directions from the High Court to ensure that means of livelihood of the people, including the Petitioner, are not lost due to the construction of the 400 Kv D/C Koldam line in the district of Bilaspur, especially due its towers. In case livelihood is lost, then Petitioner has prayed for adequate compensation and a source of livelihood to be provided. The Petitioner has alleged that towers were constructed on his land, and on the lands of other people, in the process of which trees, fruits, etc. were destroyed by the Respondents. The estimated amount involved in this matter is ₹ 100 million. The matter is currently pending.
- (ii) Certain persons (“**Petitioners**”) have filed separate cases before various courts, against PrKTCL and others (“**Respondents**”), in relation to breach of right of way by the Respondents over the Petitioners land, seeking various reliefs, including, (i) restraining PrKTCL from interfering in the ownership and possession of the suit property by constructing, laying or installing of any transmission line or tower, or changing the nature of the land in any way, (ii) removal of overhead high voltage transmission wires installed by PrKTCL, (iii) monetary compensation towards damage caused to property, trees, crops and others including recovery of mesne profits. Further, in certain of these cases, the Petitioners have filed for injunctions against the Respondents. Separately, certain persons (“**Claimants**”) have also filed a petition against the Respondents, alleging, amongst others, that the Respondents had removed certain existing transmission lines of the Claimants for installing a transmissions line, and that the Respondents have not returned these poles and transmission line accessories to the Claimants. A higher compensation has been demanded in this matter from the Respondents. The Respondents have filed their reply with respect to these matters. These matters are currently pending at various stages of adjudication.
- (iii) Various persons (“**Petitioners**”) have filed separate applications before the District Judge, Ropar (“**ADJ**”) against PrKTCL, the Ministry of Power and others (“**Respondents**”), seeking enhancement of compensation of the lands, on which poplar trees and wheat crops were standing (collectively, “**Trees and Crops**”). The Petitioners have alleged that the Trees and Crops were cut and removed by the Respondents from the lands. In this regard, the Petitioners have sought, among other things, higher compensation on the value of the lands including certain interest amounts, due to the installation of high voltage wires on these lands. PrKTCL filed an application seeking rejection of the petitions filed by the Petitioners, on the ground that the claims are barred by limitation. However, the application filed by PrKTCL was dismissed vide ADJ order dated January 17, 2020 (“**ADJ Dismissal Order**”). In certain matters, PrKTCL also filed civil revision application before the High Court of Punjab and Haryana (“**High Court**”), against the orders dated October 31, 2017 and December 11, 2017 (“**ADJ Award Orders**”) passed by the ADJ *ex parte*, awarding compensation to the Petitioners. The High Court, by its order dated February 19, 2020 has remitted these matters back to the ADJ, for re-determination. Certain Petitioners have filed applications before the ADJ for execution of the ADJ Award Orders and PrKTCL has filed its objections to this execution petition. The Ministry of Power has also filed applications before the ADJ, seeking to set aside the ADJ Award Orders and has also sought a stay on the execution proceedings. These matters are currently pending at various stages of adjudication.



- (i) Khub Ram and others (“**Petitioners**”) have filed a complaint before Judicial Magistrate (First Class), Gohar, Mandi (“**Judicial Magistrate**”), against Satish Seth and others, including certain members of the board of directors of PrKTCL (“**Respondents**”), seeking registration of a first information report (“**FIR**”) against certain officials of PrKTCL, alleging forcible construction of transmission line and illegal cutting of trees on the Petitioner’s land, without any payment of compensation. It was further alleged that the Respondents had trespassed upon the Petitioner’s land with criminal intention and without showing any khasra number allocation by the Government of India. Pursuant to an order dated June 24, 2019 (“**First Order**”) passed by the Judicial Magistrate, the Petitioner’s application was allowed, and the complaint was allowed to be sent to the station house officer, Gohar (“**SHO**”), for registration of the FIR and investigation in accordance with law. The matter is currently pending.
- (ii) Jagat Ram and others (“**Petitioners**”) have filed a complaint before the Additional Chief Judicial Magistrate, Sunder Nagar (“**Additional Chief Judicial Magistrate**”), against Satish Seth and others, including certain members of the board of directors of PrKTCL (“**Respondents**”), seeking issue of directions to the station house officer, Mandi (“**SHO**”) to register a first information report (“**FIR**”) against certain PrKTCL officials pursuant to the provisions of the Indian Penal Code, 1860, the Environment Protection Act, 1986, the Indian Forest Act, 1927 and the Prevention of Corruption Act (Amendment) Act, 2018. The Additional Chief Judicial Magistrate, vide order dated August 13, 2019, directed that the complaint filed by the Petitioners should be treated as a private complaint under section 202 of the Code of Civil Procedure, 1908. The matter is currently pending.
- (iii) Kala Ram (“**Complainant**”) filed an application before the Civil Judge, District Court, Bilaspur (“**Civil Judge**”), against certain officials of PrKTCL, alleging forcible construction, theft, and cutting of valuable trees without permission. The Civil Judge through its order dated December 29, 2016 dismissed the application of the Complainant stating that there is no prima facie evidence that any digging, cutting of trees and construction was done by PrKTCL as claimed by the Complainant. The Complainant had also filed an application before the Judicial Magistrate, First Class, Bilaspur (“**Judicial Magistrate**”) for registration of a first information report (“**FIR**”) against certain officials of PrKTCL. The Judicial Magistrate, vide order dated March 15, 2015, allowed the Complainant’s application, and the complaint was sent to the station house officer, Bilaspur (“**SHO**”) for registration of the FIR and investigation in accordance with law. Upon completion of the investigation, a cancellation report of investigation was filed by the Barmana police station, before the Judicial Magistrate. The matter is currently pending.
- (iv) PrKTCL (through its board member Satish Seth) and others (“**Petitioners**”) have filed three criminal special leave petitions before the Supreme Court of India (“**Supreme Court**”), against the State of Himachal Pradesh and others (“**Respondents**”), against a judgment dated May 16, 2019 (“**Impugned Order**”) passed by the High Court of Himachal Pradesh (“**High Court**”), pursuant to which the High Court dismissed the petitions filed by the Petitioners, holding that there was a *prima facie* case against Petitioners for registration of a first information report (“**FIR**”). The Petitioners had sought quashing of proceedings pending before the Judicial Magistrate, Bilaspur (“**Judicial Magistrate**”) and three FIRs lodged against the Petitioners (“**Impugned FIRs**”). The complaint on which the Impugned FIRs were registered was made by certain landowners against the Petitioners, alleging that the Petitioners had entered their premises without permission and had cut valuable trees for laying transmission lines and installing towers. Further, it was alleged that the Petitioners had not paid enough compensation to the farmers for using their land for laying the transmission lines and installing towers. Aggrieved by the FIRs, the Petitioners had filed criminal miscellaneous petitions before the High Court, which were disposed of vide the common Impugned Order. The Petitioners have prayed the Supreme Court to grant special leaves to appeal against the Impugned Order, interim relief of stay in operation of the Impugned Order and stay in the proceedings pending before the Judicial Magistrate. The matters are currently pending at various stages of adjudication.
- (v) An FIR was filed by Gurpreet and others (“**Complainants**”) against PrKTCL and certain of its employees (“**Accused**”) under Sections 120-B, 145, 147, 379, and 392 of the IPC, amongst others, certain provisions of the Environment Protection Act, 1986, the Indian Forest Act, 1927 and the Himachal Pradesh Land Preservation Act, 1978, registered with the Police Station at Nalagarh, alleging, amongst others, (i) trespass on the land of the Complainants by the Accused; (ii) forcible construction of high voltage transmission line towers over the residential houses, cowsheds and land of the Complainants; and (iii) subsequent damage caused to the land of the Complainants by the Accused. . The matter is currently pending.
- (vi) Nokhu Ram and others (“**Complainants**”) filed an application before the Judicial Magistrate, First Class, Gohar (“**Judicial Magistrate**”), against certain officials of PrKTCL and others (“**Respondents**”), alleging forcible construction, theft, and cutting of valuable trees without permission and therefore, praying that the station house officer, Gohar (“**SHO**”) be directed to register a first information report (“**FIR**”) against the Respondents. The Judicial

Magistrate vide order dated June 5, 2015 (“**First Order**”) directed the SHO to register the FIR and carry out necessary investigations as per law. Subsequently, the SHO registered an FIR dated June 6, 2015 against the Respondents and initiated the investigations as directed in the First Order. Based on investigations, the SHO filed a cancellation report dated January 23, 2017 (“**Cancellation Report**”) before the Judicial Magistrate claiming that the accusations made by the Complainants, against the Respondents are false and misleading. The Judicial Magistrate vide order dated August 28, 2017 (“**Second Order**”), accepted the Cancellation Report filed by the SHO. The matter is currently pending.

## P. NER

### *Regulatory matters*

SPGVL has filed a petition (“**Petition**”) before CERC for licensing transmission towers, sub-stations, unutilized OPGW of NER under the Electricity Act and CERC (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 (“**Sharing Regulations**”). SPGVL has prayed, among others, for the following: (i) intimate CERC for utilizing transmission assets for carrying on ‘other business’ (“**Other Business**”) (ii) approval of the CERC for sharing 10% of the revenue generated from the Other Business with LTTCs and (iii) CERC’s approval for SPGVL to use this business model for all the SPVs that it acquires in the future through bidding process. SPGVL has in its petition submitted that the business model undertaken by NER for optimum utilization of assets does not squarely fall under the category of ‘telecom business’ as defined under the Sharing Regulations. Thereafter, GUVNL by way of its letter dated August 28, 2020 (“**GUVNL reply**”), submitted, amongst others, that the revenue from the Other Business be shared in the ratio of 50:50 with the LTTCs with appropriate reductions in the transmission charges. Further, GUVNL has stated that there should be no financial implication as a result of this additional business and SPGVL is required to indemnify the LTTCs for all financial or legal implications including any tax liability that arises from this business.

Thereafter, SPGVL filed a rejoinder dated September 10, 2020 to the GUVNL reply, stating, amongst others, that the requirement under the Sharing Regulations is to only share 10% of revenue for telecommunication business and considering that this is a unique business which results in lesser revenue than telecom business, 50% revenue cannot be shared and the business would need to complete at least a 2 year business cycle to understand the overhead costs and other expenses. Further, the Electricity Act and Sharing Regulations do not require SPGVL to provide a blanket indemnity to LTTCs and Sharing Regulations specifically provide for an indemnity only if the transmission licensee creates a subsidiary to undertake this ‘Other Business’, which is not the case here. Additionally, UPPCL has also filed a reply, challenging the Petition, to which SPGVL has responded. The matter is currently pending.

### *Civil matters*

- (i) Certain persons (“**Plaintiffs**”) have filed separate cases against NER (“**Respondent**”) before the District Court at Unakoti, Tripura, under Section 8 of the Indian Telegraph Act, 1885, seeking amongst others, compensation for damage suffered by the Plaintiffs on account of (i) cutting of trees on their property; (ii) a part of the property being rendered un-utilisable; and (iii) damage caused to the property without any assessment or inquiry by the concerned revenue department. In certain of these cases, a higher compensation has been demanded by the Plaintiffs from the Respondent. The Respondent has filed its reply and also paid certain compensation with respect to these cases. These matters are currently pending.
- (ii) Md. Taj Uddin Barbhuiya (“**Plaintiff**”) filed a suit against the Executive director, PGCIL, the Manager/Construction Head, NER (“**Defendants**”), before the Court of Munsiff No. 3 at Silchar Cachar (“**Court**”), in relation to, amongst others, declaration of right, title and interest over a parcel of land and seeking a permanent/temporary injunction against the Defendants from drawing a high voltage line. An application under Order 39 Rule 1 of the CPC was filed by the Plaintiff for seeking temporary injunction against the Defendants from drawing the high voltage line (“**Interim Application**”). By way of an order dated December 23, 2020, the Court granted the temporary injunction and directed the Defendants to not draw the said high voltage line (“**Interim Relief**”). NER filed an objection thereby challenging the maintainability of the Interim Application. The Court, by way of an order dated January 6, 2021, continued the Interim Relief until further orders. Further, the Court by way of an order dated January 22, 2021, vacated the ad-Interim Relief. Thereafter, the Plaintiff filed an application under Order 26 Rule 9 of the CPC for seeking appointment of an ‘advocate commissioner’ to survey the distance between the proposed drawing of the high voltage line until The Plaintiff’s land. The Plaintiff has filed an appeal before the Civil Judge No.1, Silchar, Cachar, challenging the order dated January 22, 2021 whereby the ad-interim relief was vacated by the Court of Munsiff No. 3 at Silchar Cachar. The matter is currently pending. The matter is currently pending.
- (iii) Basulal Das and another (“**Plaintiffs**”) filed a suit against NER (“**Defendant**”) before the Court of Civil Judge, Silchar, for seeking a declaration that the (i) Plaintiffs are occupancy tenants of certain parcel of land (“**Suit Land**”); (ii)

Defendants have no right, title, interest or possession over any portion of the Suit Land; (iii) Defendants are trespassers over the Suit land; (iv) the Plaintiffs are entitled to get compensation amounting to ₹ 3.02 million; and (v) temporary and permanent injunctions against the Defendants. Summons have been issued to NER and NER has filed its written statement. Additionally, certain FIRs have also been filed by the Plaintiffs in relation to this matter. The matter is currently pending. For further details in relation to the FIRs, please see the section entitled “*Legal Proceedings – NER – Criminal matters*” on page 313.

#### *Criminal matters*

- (iv) An FIR was filed by NER, on August 10, 2019, against Harilal Das and Babul Chakrabarty, under Sections 341, 325, 385, 506 and 341 of the IPC, registered with the Silchar Police Station, in relation to the manhandling of Rajneesh Pandey, one of the employees of NER, at Srikona. The said FIR was filed pursuant to a letter dated August 11, 2019, sent by NER to the Officer in Charge, Silchar Sadar Police Station, complaining of mental and physical harassment of Rajneesh Pandey. The matter is currently pending.
- (v) An FIR was filed by NER, on May 4, 2020, against Jakir Hussain Laskar, under Section 341 and 385 of the IPC, registered with the Silchar Police Station, for obstructing construction of a transmission line under the NER project and demanding higher right of way compensation, beyond what is prescribed under the applicable guidelines (“**Cause of action**”). The said FIR was filed pursuant to a letter dated May 5, 2020, sent by NER to the Officer in Charge, Borkhola Police Station, in relation to the Cause of action. The matter is currently pending.
- (vi) An FIR was filed by NER on May 12, 2020, against Shaidul Islam Hq. Mozumder, under Sections 120-B and 384 of the IPC, registered with the Borkhola Police Station, in relation to creating obstructions while commencing construction of certain towers and demanding higher compensation beyond what is prescribed under the applicable guidelines (“**Cause of action**”). The said FIR was filed pursuant to a letter dated May 12, 2020 written by NER to the Officer in Charge, Borkhola Police Station, in relation to the Cause of action. The matter is currently pending.
- (vii) An FIR was filed by Bashu Lal Das (“**Complainant**”) on August 12, 2020 against certain employees of SPGVL (“**Accused**”) under Sections 447, 427, 406, 294, 501, 506, 34 of the IPC, registered with the Silchar Police Station. As per the FIR, an agreement was made between the Complainant, the Accused and NER for an amount of ₹ 0.6 million for the use of the Complainant’s land for transporting certain raw materials through JCB and trucks. Further, it was alleged, amongst others, by the Complainant that the Accused failed to undertake the repair of the land, crops and vegetables and trespassed on the land. The matter is currently pending.
- (i) An FIR was filed by Manish Mishra, on behalf of NER, against Basu Lal Das, Kajal Das, and certain others, under Sections 341, 385, 506, 341 of the IPC, registered with the Silchar Police Station, for obstructing work undertaken on a project and demanding high right of way compensation, beyond what is prescribed by the guidelines under Section 10 of the Indian Telegraph Act, 1885 and guidelines issued by the Government of Assam. The matter is currently pending.
- (ii) A complaint dated April 6, 2019 (“**Complaint**”) was filed with the Senior Superintendent of Police, West Tripura, Agartala for reporting an incident against that Bittu Dev Barma, Kajal Dev Barma, Uttam Debbarma and certain others (“**Accused**”) for stoppage of work, in relation to construction of certain sub-station, as a part of the NER project. On April 19, 2019, a notice was issued to one of the accused, Uttam Debbarma and he was directed to appear before the Sub-Inspector of Police, Ranir Bazar Police Station within seven days of receipt of that notice. Further, an FIR was filed by Captain Vivek Sachar under sections 448, 342, 384, 506 34 of the IPC against the Accused, pursuant to the Complaint. A notice dated September 19, 2019 under Section 41A(1) of the CrPC was issued by the police station against the Accused. The matter is currently pending.
- (iii) An FIR was filed by Santosh Kumar, on behalf of NER, on October 27, 2020, against Shaibur Rahman Laskar, Azad Hussain Laskar, Iftakar Alom Lakskar and others, under Sections 420, 384 and 353 of the IPC, alleging that the accsed are obstructing construction of a transmission line under the NER project (“**Cause of action**”). The said FIR was filed pursuant to a letter dated October 24, 2020 sent by NER to the Officer in Charge, Borkhola Police Station, in relation to the Cause of action. The matter is currently pending.
- (iv) An FIR was filed by Ratan Gupta, on behalf of NER, on December 26, 2020, against Wahida Akhtar Barbhuiya, Rashid Ahmed Barbhuiya, alleging, amongst others, that the Accused are demanding higher compensation beyond what is prescribed under the applicable guidelines (“**Cause of action**”). The said FIR was filed pursuant to a letter dated December 25, 2020 filed by NER to the Officer in Charge, Borkhola Police Station, in relation to the Cause of action. The matter is currently pending.

- (v) An FIR was filed by Rajneesh Pandey, on behalf of NER, on December 27, 2020, under sections 341, 294, 385, 506, 34 of the IPC, against Aklim Raja Barbhuiya, Aftab Uddin Barbhuiya, Taj Uddin Barbhuiya (“**Accused**”) alleging, amongst others, that the Accused had obstructed the work undertaken on a project and demanded higher right of way compensation beyond what is prescribed under the applicable guidelines, without any basis (“**Cause of action**”). The said FIR was filed pursuant to a letter dated December 25, 2020 filed by NER to the Officer in Charge, Srikona Police Outpost, Silchar, in relation to the Cause of action. The matter is currently pending.
- (vi) An FIR was filed by Basulal Das (“**Complainant**”), on February 1, 2021, against Sterlite Manager, Amit Singh, Ashok Rauth, Sunil Kumar and certain others (“**Accused**”), under sections 147, 447, 294, 427, 188 and 506 of the IPC, registered with the Silchar Police Station, alleging amongst others, certain unauthorised work undertaken by the Accused on the land of the Complainant, thereby causing damage to such land. The matter is currently pending

#### *Notices*

Various persons (“**Aggrieved persons**”) have sent 14 legal notices to NER, in several districts including Tripura, Mouja Purba, and Silchar, seeking, amongst others, (i) satisfactory compensation for standing trees and crops and for installing towers and structures by NER; (ii) satisfactory compensation for felling of trees, including rubber trees pursuant to the Indian Telegraph act, 1885; (iii) compensation for damage caused to the Aggrieved Persons land by NER; and (iv) restraining NER from drawing or transmitting electricity lines over the Aggrieved Persons land and demanding compensation for shifting their land or house, as applicable. Aggrieved persons have claimed higher compensation in some of these cases. NER has sent its reply and is at various stages of discussions with the Aggrieved persons. Additionally, in the past, certain sub-contractors appointed by NER for the NER project, have also received notices in relation to non-payment of dues on time. These notices are currently pending.

#### **Other Litigations**

### **II. Litigation involving the Sterlite Sponsor and Project Manager – Sterlite Power Transmission Limited**

#### *Criminal matters*

An FIR was filed against Waseem Ahmad Baba, one of the employees of SPTL, under Sections 447-A and 427 of the IPC and Section 6 of the Forest Act, 1927, before the Sub-Judge Judicial Magistrate, Chadoora - Criminal, Badgam, Jammu and Kashmir, in relation to allegedly cutting of certain trees illegally, while being employed in the NTL project. The matter is currently pending. Additionally, there is one criminal matter filed against certain ex-employees of SPTL, in relation to the ENICL project.

#### *Others*

Three separate public interest litigations have been filed by Goa Foundation and Federation of Rainbow Warriors, respectively, against GTTPL and others, before the High Court of Bombay, in relation to amongst others, (i) challenging the conversion of certain land for the purpose of construction of an electrical substation and related infrastructure, including certain residences, by GTTPL; (ii) challenging the approval granted by the CEA under Section 164 of the Electricity Act to GTTPL, for alignment of a transmission line in the state of Goa, which directly affects forests, wildlife and a total of 131,082 trees in the ecological sensitive areas of Western Ghats; (iii) challenging the forest clearance approvals (Stage I and Stage II) granted to GTTPL, pursuant to the CEA approval, for erection of transmission lines through parts of Goa; and (iv) seeking reliefs against the forest clearance approvals (Stage I and Stage II) granted to GTTPL, by the Deputy Inspector, General of Forest (Central), MoEF, for diversion of 69.41 hectares of forest land in North Goa, for construction of a transmission line by GTTPL, on the grounds of lack of feasibility to the environment and the biodiversity impact. These matters are currently pending.

For further litigation involving the Sterlite Sponsor or Project Manager, please see the section entitled “*Litigation – Tax Proceedings*” on page 316.

### **III. Litigation involving the Project Manager – IGL**

Please see the section entitled “*Legal Proceedings - Litigation involving India Grid Trust and its Portfolio Assets – IGL*” above.

### **IV. Litigation involving the Associates of the Sterlite Sponsor and Project Manager – Sterlite Power Transmission Limited**

Please see the section entitled “*Legal Proceedings - Litigation involving India Grid Trust and its Portfolio Assets*” above.

**V. Litigation involving the Associates of Project Manager – IGL**

Please see the section entitled “*Legal Proceedings - Litigation involving India Grid Trust and its Portfolio Assets*” above.

**VI. Litigation and regulatory actions against the KKR Sponsor and its Associates and Associates of the Investment Manager which are affiliates of KKR**

Except as stated below, there are no outstanding material litigation or regulatory actions (which are not in the ordinary course) against the KKR Sponsor or its Associates or Associates of the Investment Manager which are affiliates of KKR, solely on the basis described above.

From time to time, KKR is involved in various legal proceedings, lawsuits and claims incidental to the conduct of KKR’s business. KKR’s business is also subject to extensive regulation, which may result in regulatory proceedings against it.

In December 2017, KKR & Co. L.P. and its Co-Chief Executive Officers were named as defendants in a lawsuit pending in Kentucky state court alleging, amongst other things, the violation of fiduciary and other duties in connection with certain separately managed accounts that Prisma Capital Partners LP, a former subsidiary of KKR, manages for the Kentucky Retirement Systems. Also named as defendants in the lawsuit are certain current and former trustees and officers of the Kentucky Retirement Systems, Prisma Capital Partners LP, and various other service providers to the Kentucky Retirement Systems and their related persons. KKR and other defendants’ motions to dismiss were denied by the trial court in November 2018, but in April 2019 the Kentucky Court of Appeals vacated the trial court’s opinion and order denying the motions to dismiss the case for lack of standing. The decision of the Court of Appeals has been appealed by plaintiffs to the Supreme Court of Kentucky, whose decision is pending. On July 9, 2020, the Supreme Court of Kentucky reversed the trial court’s order and remanded the case to the trial court with direction to dismiss the complaint for lack of constitutional standing. On July 20, 2020, the Office of the Attorney General, on behalf of the Commonwealth of Kentucky, filed a motion to intervene as a plaintiff in the lawsuit and on July 21, 2020 filed a new lawsuit in the same Kentucky trial court making essentially the same allegations against the defendants, including KKR & Co. Inc. and Messrs. Kravis and Roberts. On July 29, 2020, certain private plaintiffs in the original lawsuit filed a motion to further amend their original complaint and to add new plaintiffs. On July 30, 2020, KKR and other defendants filed objections to the Attorney General’s motion to intervene. On December 28, 2020, the trial court dismissed the complaint filed by the original plaintiffs and denied their motion to amend their original complaint and add new plaintiffs, but granted the Office of the Attorney General’s motion to intervene. Some of the attorneys for the private plaintiffs in the original lawsuit have filed a new lawsuit, and a motion to intervene in the original lawsuit, on behalf of a new set of plaintiffs, who claim to be “Tier 3” members of Kentucky Retirement Systems, alleging substantially the same allegations as in the original lawsuit. In addition, the Kentucky Retirement Systems has commissioned an investigation into certain matters alleged in the Attorney General’s complaint.

KKR currently is and expects to continue to become, from time to time, subject to examinations, inquiries and investigations by various U.S. and non-U.S. governmental and regulatory agencies, including but not limited to the SEC, Department of Justice, state attorney generals, Financial Industry Regulatory Authority, or FINRA, and the U.K. Financial Conduct Authority. Such examinations, inquiries and investigations may result in the commencement of civil, criminal or administrative proceedings or fines against KKR or its personnel.

Moreover, in the ordinary course of business, KKR is and can be both the defendant and the plaintiff in numerous lawsuits with respect to acquisitions, bankruptcy, insolvency and other types of proceedings. Such lawsuits may involve claims that adversely affect the value of certain investments owned by KKR’s funds.

KKR establishes an accrued liability for legal proceedings only when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. No loss contingency is recorded for matters where such losses are either not probable or reasonably estimable (or both) at the time of determination. Such matters may be subject to many uncertainties, including amongst others: (i) the proceedings may be in early stages; (ii) damages sought may be unspecified, unsupportable, unexplained or uncertain; (iii) discovery may not have been started or is incomplete; (iv) there may be uncertainty as to the outcome of pending appeals or motions; (v) there may be significant factual issues to be resolved or (vi) there may be novel legal issues or unsettled legal theories to be presented or a large number of parties. Consequently, management is unable to estimate a range of potential loss, if any, related to these matters. In addition, loss contingencies may be, in part or in whole, subject to insurance or other payments such as contributions and/or indemnity, which may reduce any ultimate

loss.

It is not possible to predict the ultimate outcome of all pending legal proceedings, and some of the matters discussed above seek or may seek potentially large and/or indeterminate amounts. As of such date, based on information known by management, management has not concluded that the final resolutions of the matters above will have a material effect upon the financial statements. However, given the potentially large and/or indeterminate amounts sought or may be sought in certain of these matters and the inherent unpredictability of investigations and litigations, it is possible that an adverse outcome in certain matters could, from time to time, have a material effect on KKR's financial results in any particular period.

## VII. Litigation involving the Investment Manager

Nil.

## VIII. Litigation involving the Associates of the Investment Manager (Excluding the Associates of the Investment Manager which are affiliates of KKR)

Please see the section entitled “*Legal Proceedings - Litigation involving the Associates of IndiGrid*” above.

## IX. Litigation involving the Trustee

Nil.

## X. Tax Proceedings

Details of all direct tax and indirect tax matters against IndiGrid, Associates of IndiGrid, Parties to IndiGrid and their Associates as of the date of this Draft Shelf Prospectus, are as follows:

Sr. No.	Nature of Case	Number of cases	Amount involved (in ₹ million)
<b>IndiGrid and Associates of IndiGrid (excluding Associates of the Sterlite Sponsor and the KKR Sponsor)</b>			
<b><i>IGL, also the Project Manager for JKTPL and PrKTCL</i></b>			
1.	Direct Tax	-	-
2.	Indirect Tax	1	17.99
<b><i>JTCL</i></b>			
1.	Direct Tax	-	-
2.	Indirect Tax	9	261.98
<b><i>BDTCL</i></b>			
1.	Direct Tax	1	27.90
2.	Indirect Tax	6	179.92
<b><i>PKTCL</i></b>			
1.	Direct Tax	-	-
2.	Indirect Tax	1	16.06
<b><i>RTCL</i></b>			
1.	Direct Tax	-	-
2.	Indirect Tax	2	13.31
<b><i>MTL</i></b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b><i>PTCL</i></b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b><i>GPTL</i></b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b><i>IGL1</i></b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b><i>IGL2</i></b>			

Sr. No.	Nature of Case	Number of cases	Amount involved (in ₹ million)
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b>ENICL</b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b>NTL</b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b>OGPTL</b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b>JKTPL</b>			
1.	Direct Tax	2	7.90
2.	Indirect Tax	-	-
<b>PrKTCL</b>			
1.	Direct Tax	-	-
2.	Indirect Tax	1	42.27
<b>Sterlite Sponsor or Project Manager – Sterlite Power Transmission Limited</b>			
1.	Direct Tax	10*	-
2.	Indirect Tax	-	-
<b>KKR Sponsor</b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<b>Investment Manager</b>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-

\* Includes cases involving NER and SPTL.

## REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws currently in force in India, which are applicable to IndiGrid. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the regulations set out below may not be exhaustive, and is only intended to provide general information to Investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.*

### THE POWER SECTOR

“Electricity” is an entry in the Concurrent List of the Seventh Schedule to the Constitution of India. Therefore, both Centre and State legislatures have jurisdiction to legislate in the power sector, provided that the State enactment does not conflict with any Central enactment in this sector.

#### *The Electricity Act, 2003 (“Electricity Act”)*

The Electricity Act was enacted by the GoI, repealing the Indian Electricity Act, 1910 (which governed transmission, supply and use of electricity), the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998.

The Central Electricity Authority (“CEA”) consists of chairperson and members appointed by the GoI. Among other functions, the CEA specifies technical standards for construction of electrical plants and electric lines, technical standards for connectivity to the grid, grid standards for operation and maintenance of transmission lines, safety requirements for construction, operation and maintenance of electrical plants and electric lines, measures relating to safety and electric supply, installation and operation of meters, technical standards for communication systems in power system operation etc., as well as advising the GoI on matters relating to the National Electricity Policy and formulation of the National Electricity Plan. The Electricity Act also provides for the constitution of a Central Electricity Regulatory Commission (“CERC”) and State Electricity Regulatory Commission” (“SERCs”), or a Joint Commission by agreement between two or more State governments or, in respect of one or more union territories and one or more Government of States, between the GoI and one or more State governments. In this regard, the Electricity Act designated the Central Electricity Regulatory Commission established under the Electricity Regulatory Commissions Act, 1998 as the Central Electricity Regulatory Commission for purposes of the Electricity Act. CERC’s responsibilities include grant of licenses to persons to function as transmission licensees and to regulate inter-State transmission of electricity, determination of tariff for generation and inter-State transmission of electricity under Section 62 of the Electricity Act and adoption of tariff discovered under competitive bidding process under Section 63 of the Electricity Act, specifying and enforcing standards with respect to quality, continuity and reliability of service by transmission licensees and specifying regulations *inter alia* for grant of open access and payment of transmission charges. The Electricity Act vests SERCs with the responsibility to facilitate and promote transmission, wheeling and inter-connection arrangements within their territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity. In addition, the Electricity Act constitutes an Appellate Tribunal for Electricity (“APTEL”) to hear appeals against orders of an adjudicating officer or the appropriate Commission under the Electricity Act.

The Electricity Act requires a person undertaking transmission, distribution or trading in electricity in any area in the territory of India to obtain a prior license for such activity from the Appropriate Commission (the “**Appropriate Commission**”). The Electricity Act also provides that the CTU and the State Transmission Utility (“STU”) is a deemed transmission licensee. The GoI may notify any Government company as a CTU. POWERGRID was notified as the CTU in 1998. A person intending to act as a transmission licensee is required to approach Appropriate Commission through an application with a copy of the application forwarded to the CTU or STU, as the case may be, which sends its recommendations to the CERC or the relevant SERC, as the case may be. The Appropriate Commission may specify any general or specific conditions that may apply to a particular licensee or a class of licenses. A license granted under the Electricity Act continues to be in force for a period of 25 years. The Appropriate Commission may at any time, if public interest requires, alter the terms of the license or revoke the license as it thinks fit in accordance with the procedure prescribed in the Electricity Act. The Electricity Act empowers the Appropriate Commission to issue directions to licensees if necessary, and also prescribes a detailed procedure for the sale of the utilities of the licensee in the event the Appropriate Commission revokes the license. The Electricity Act prohibits a licensee from assigning its license or transferring its utility or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Appropriate Commission, or from undertaking any transaction to acquire the utility of any other licensee or merging its utility with the utility of any other licensee, without prior approval of the Appropriate Commission. The duties of the CTU include undertaking transmission of electricity through ISTS, discharging all functions of planning and coordination relating to ISTS, ensuring development of an efficient, coordinated and economical system of ISTS for smooth flow of electricity and to provide non-discriminatory open access to the ISTS on payment of transmission charges. The duties of a transmission licensee include building, maintenance and operation of an efficient inter/intra State transmission system, and providing non-discriminatory open access to its transmission system for use by any licensee or generating company on payment of transmission charges or to any consumer who has obtained open access on payment of transmission charges and a surcharge



thereon in accordance with the Electricity Act. The Electricity Act requires every transmission licensee to comply with the technical standards of operation and maintenance of transmission lines, in accordance with grid standards specified by the CEA.

The Electricity Act provides for the establishment of the National Load Despatch Centre (“**NLDC**”) and the Regional Load Despatch Centre (“**RLDC**”) by the GoI. The NLDC and RLDCs are prohibited from trading in electricity and RLDCs are also prohibited from engaging in the business of generation of electricity. Responsibilities of RLDCs include optimum scheduling and despatch of electricity within the region in accordance with the contracts entered into with licensees or generating companies operating in the region, monitoring grid operations, keeping accounts of the quantity of electricity transmitted through the regional grid, exercising supervision and control over the ISTS and carrying out real time operations for grid control and despatch of electricity within the region through secure and economic operation of the regional grid in accordance with the grid standards and grid code. The RLDC and NLDC will be operated by a Government company or any authority or corporation constituted under a Central enactment, as may be notified by the GoI. The concerned State Government is required to establish a State Load Despatch Centre (“**SLDC**”) as an apex body to ensure integrated operation of the power system in a State, through supervision and control over the intra-State transmission system. The SLDC is required to comply with the directions of the RLDCs. The CTU is prohibited from engaging in the business of generation of electricity or trading in electricity. Transmission Licensees are prohibited from entering into contracts in relation to, or otherwise engaging in the business of trading in electricity.

Section 68 of the Electricity Act permits installation of overhead lines with prior approval of the Appropriate Government. Section 164 of the Electricity Act also provides that the Appropriate Government as defined under the Electricity Act, may confer upon any public officer, a licensee or any other person, the powers of a telegraph authority, as provided under the Indian Telegraph Act, 1885, with respect to the placement of electrical lines for the proper coordination of the project. The Electricity Act provides certain principles in accordance with which the Appropriate Commission will specify terms and conditions for determination of tariff. A transmission licensee may engage in any business for optimum utilization of its assets as per CERC Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business Regulations, 2020.

### **Regulations**

#### **a. Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009**

The CERC notified the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 (“**Connectivity Regulations**”) on August 7, 2009. The Connectivity Regulations provide for the procedures and other requirements for obtaining connectivity, availing medium-term open access and long term access in respect of ISTS. Applications for the grant of connectivity or long-term access or medium-term open access shall be made to the CTU, the nodal agency.

Further, medium term open access is available for any period exceeding three months but not exceeding five years and it shall be granted if the resultant power flow can be accommodated in the existing transmission system or the transmission system under execution expected to be commissioned within the next six calendar months as per the status reported to the CEA. An entity who has been granted medium term open access can exit (relinquish their right) after giving a prior notice of at least 30 days and by paying transmission charges for the period of relinquishment or a period of 30 days, whichever is lesser to the CTU.

Long term access can be availed for any period exceeding seven years. An exit option is available from the long term access without any financial liability if the access has been availed for at least 12 years and an advance notice is given at least one year before such exit. An exit option can be exercised even before the period of 12 years subject to payment of relinquishment charges provided an application to the CTU is submitted at least one year prior to such exit. If the notice in either case is less than one year period, relinquishment charges for the period falling short of the notice period of one year is also to be paid.

#### **b. Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009**

The CERC notified the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009, as amended (“**Transmission License Regulations**”) on May 26, 2009. As per these Regulations, a committee as referred to in the Bidding Guidelines (“**Empowered Committee**”) identifies projects included in the prospective plan for transmission prepared by the CEA or network plan prepared by CTU in accordance with the National Electricity Policy to be developed under the guidelines for competitive bidding in India (“**Bidding Guidelines**”). Presently, once the transmission scheme is

discussed and ratified in National Committee of Transmission (NCT), Ministry of Power, GOI notifies the implementation modalities /route (TBCB or RTM). The Transmission License Regulations provide the procedure for application for Transmission License upon selection of a project developer to develop the project as referred in the Bidding Guidelines. Under the Transmission License Regulations, licensee is required to (i) maintain insurance with regard to the transmission assets as may be necessary in terms of any agreements entered into by it, or under the laws in force in India, provided that the licensee may opt for self-insurance; (ii) build the project in a time-bound, efficient, coordinated and economical manner; (iii) establish, operate and maintain the project in accordance with the prudent utility practices and the agreements; (iv) comply with such directions of the National Load Despatch Centre or the Regional Load Despatch Centre under the Electricity Act; (v) provide non-discriminatory open access to its transmission system for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Central Electricity Regulatory Commission (Open Access in inter-state Transmission) Regulations, 2008, as amended from time to time; (vi) pay the license fee in accordance with the Central Electricity Regulatory Commission (Payment of Fee) Regulations, 2008 or such other regulations as may be in force from time to time; (vii) make an appropriate application before the CERC for obtaining any prior approval whenever required; and (viii) comply with all other regulations, including the regulations specified by the CERC regarding utilisation of the transmission assets for a business other than transmission of electricity. The transmission license issued, shall, unless revoked earlier, continue to be in force for a period of 25 years from the date of issue. If the useful life of a transmission asset for which transmission license has been issued extends beyond the period of 25 years, the CERC may consider granting license for another term for which the licensee may make an application in accordance with Regulation 7 of the Transmission License Regulations, two years before the expiry of the initial period of license. For projects developed through competitive bidding which have tariff upto 35<sup>th</sup> year of commercial operation the tariff for the extended period upto 35<sup>th</sup> year shall be payable on the basis of the rate quoted in the bidding and adopted by the Commission for the respective year of operation. In case the transmission licensee decides to undertake renovation & modernization of the transmission system after the initial period of licence, it shall make an application for approval of the cost of renovation and modernization along with the application for grant of fresh licence, which shall be considered by the Commission in accordance with the prevalent norms.

**c. *Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019***

The CERC notified Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, as amended which came into force on April 1, 2019 and are valid for a period of five years ("**CERC Tariff Regulations**"). The CERC Tariff Regulations apply in all cases where tariff for a generating station or a unit thereof and the inter-state transmission system or an element thereof, is required to be determined by the CERC in accordance with the provisions of Section 62 read with Section 79 of the Electricity Act. However, the CERC Tariff Regulations shall not be applicable to generating stations based on renewable energy sources and to generating stations or inter-State transmission systems, where tariffs have been discovered through competitive bidding or where tariff has been determined through applicable CERC Regulations.

The generating company/ inter-state transmission licensee shall make an application as prescribed in the CERC Tariff Regulations, for determination of tariff based on capital cost incurred or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred or projected to be incurred during the tariff period of the generating station or the transmission system, as the case may be, duly certified by the auditors and in case of non-availability of auditors, a management certificate duly signed by an authorised person, not below the level of director of the company.

**d. *Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010***

The CERC notified the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010, as amended ("**RPS Regulations**") on September 28, 2010. The RPS Regulations provide that generating companies and transmission licensees ("**Regulating Entities**") can implement regulation of power supply in case of (i) non-payment of outstanding dues by the Beneficiary, or (ii) non-maintenance of letter of credit or any other agreed payment security mechanism. In the event that the outstanding dues are not paid by the Beneficiary to the Regulating Entity within 60 days from the date of service of the invoice, the Regulating Entity may serve a notice on the defaulting entity for reducing the drawl schedule in the case of the generating company or for withdrawal of open access to inter-State transmission system in the case of transmission licensee, the withdrawing utility like State Discoms. A copy of such notice is required to be forwarded to the concerned SLDC/RLDC, in whose control area the Regulating Entities are situated. Thereafter, within three days of receiving the notice, the concerned SLDC/RLDC, in whose control area the defaulting entity is situated, shall make a plan in writing for implementing the regulation of power supply. During the implementation of regulation of power supply, the defaulting entity should restrict its drawl to the revised schedule and deviations, if any, will be subjected to unscheduled inter-change charges. In the case of the defaulting entity withdrawing the transmission license, the generating company from where the power is regulated is entitled to sell the

surplus power made available by the restricted drawl entitled to the defaulting entity to any person including any of the existing Beneficiaries as defined under the Power Supply Regulations during the period of regulation of power supply. The amount received from the sale of surplus power will be adjusted against the outstanding dues of the defaulting entity, after deduction of energy charges, trade margin and other incidental expenses borne by the generating company, if any. Further, the CERC vide order dated September 2, 2015 in Petition No. 142/MP/2012 also directed that the short term open access of the defaulting entity is also denied during the period of its regulation of power supply.

*e. Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020*

The CERC notified the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 (“**CERC Sharing Regulations**”) on May 4, 2020. These regulations came into force with effect from November 1, 2020, superseding the Central Electricity Regulatory Commission (Sharing of inter-state transmission charges and losses) Regulations, 2010.

These regulations provide that the yearly transmission charges (“**YTC**”) as determined or adopted by CERC for transmission elements related to Inter-State Transmission System (“**ISTS**”) shall be shared amongst the users of such transmission systems. The users, termed as DICs, include generating stations, state transmission utilities, distribution licensee including state electricity boards or their successor companies, electricity departments of States and any other entity directly connected to the ISTS and intra-State entity or a trading licensee that has obtained medium term open access or long term access to ISTS (“**DICs**”) on monthly basis such that the YTC and any adjustment thereof are fully recovered.

*f. Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020*

The CERC notified the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 (“**CERC Sharing Regulations**”) on May 4, 2020. These regulations came into force with effect from November 1, 2020, superseding the Central Electricity Regulatory Commission (Sharing of inter-state transmission charges and losses) Regulations, 2010.

These regulations provide that the yearly transmission charges (“**YTC**”) as determined or adopted by CERC for transmission elements related to Inter-State Transmission System (“**ISTS**”) shall be shared amongst the users of such transmission systems. The users, termed as DICs, include generating stations, state transmission utilities, distribution licensee including state electricity boards or their successor companies, electricity departments of States and any other entity directly connected to the ISTS and intra-State entity or a trading licensee that has obtained medium term open access or long term access to ISTS (“**DICs**”) on monthly basis such that the YTC and any adjustment thereof are fully recovered.

*National Electricity Policy, 2005*

The GoI notified the National Electricity Policy (“**NEP**”) on February 12, 2005, under Section 3 of the Electricity Act. The key objectives of the NEP are amongst other things stipulating guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders. The NEP vests the CTU and the STUs with the responsibility for transmission system planning and development on the national and regional and the intra-State levels, respectively, and requires the CTU to coordinate with the STUs for eliminating transmission constraints in a cost-effective manner. The NEP provides that the network expansion be planned and implemented keeping in view anticipated transmission needs that would be incident on the system in the open access regime. The NEP encourages private investment in the transmission sector, and states that prior agreement with Beneficiaries would not be a pre-condition for network expansion and the CTU and STUs should undertake network expansion after identifying requirements in consultation with stakeholders and obtaining due regulatory approvals.

*National Electricity Plan*

India is now amongst the fastest developing countries in the world in terms of GDP as well as the electricity consumption. The challenge is to meet the energy needs of high economic growth & electricity consumption of about 1.30 billion people. The development of an efficient, coordinated, economical and robust electricity system is essential for smooth flow of electricity from generating station to load centers (as per Electricity Act, 2003) and for optimum utilization of resources in the country, in order to provide reliable, affordable, un-interruptible (24x7) and quality power for all. Transmission system establishes the link between source of generation on one side and distribution system, which is connected to load / ultimate consumer, on the other

side. Transmission planning is a continuous process of identification of transmission system addition requirements, their timing and need. The transmission requirements could arise from:

- a. new generation additions in the system,
- b. increase in demand
- c. system strengthening that may become necessary to achieve reliability as per the planning criteria under change load-generation scenario.

These transmission system requirements are identified, studied and firmed through the co-ordinated planning process i.e. through Regional Power Committees on Transmission Planning (erstwhile Standing Committee(s) on Power System Planning for the Region) and operational feedback from POSOCO and other stakeholders. Development of adequate intra state transmission system is equally important in order to ensure delivery of power to the load centres and effective utilization of Inter-state transmission system. The progress of ISTS as well as intra-State transmission systems is regularly monitored by CEA. ISTS transmission schemes after approval by the GoI, are being implemented either through the Tariff based Competitive Bidding (TBCB) process or under cost-plus mechanism with Regulated Tariff Mechanism (RTM). As per Section 3 of the Electricity Act 2003, Central Electricity Authority (CEA) has been entrusted with the responsibility of preparing the National Electricity Plan (NEP) in accordance with the National Electricity Policy and to notify such plan once in five years. The National Electricity Plan (Volume I) on Generation Planning was notified vide Extra Ordinary Gazette No. 1871, Sl. No. 121, under part-III, Section IV dated March 28, 2018. National Electricity Plan (Volume II) on Transmission planning was prepared after the finalization of the Generation Plan. In the NEP Volume II (Transmission) i.e. NEP-Trans, the review of development of transmission system during 12th Plan Period and Planning for the ongoing plan period 2017-22 and Perspective plan for 2022-27 have been discussed, keeping in view various factors, such as inter-regional transmission links, reactive compensation, cross border exchange of power etc. For the preparation of the National Electricity Plan for the next five years (2022-2027), a Committee has been constituted by the CEA.

### ***The Tariff Policy 2016 (“Tariff Policy, 2016”)***

In 2006, the GoI, under the Electricity Act, notified the tariff policy which was revised in 2016. The Tariff Policy, 2016 came in effect on January 28, 2016. The goals of the Tariff Policy, 2016 are to ensure availability of electricity to consumers at reasonable and competitive rates, ensure the financial viability of the power sector, attract investment to the power sector, promote transparency, consistency and predictability in regulatory approaches across jurisdictions, minimise perceptions of regulatory risks, promote competition, ensure operational efficiency, improve the quality of the power supply, promote generation of electricity from renewable sources, promote hydroelectric power generation including pumped storage projects to provide adequate peaking reserves, reliable grid operation and integration of variable renewable energy sources, evolve a dynamic and robust electricity infrastructure for better consumer services, facilitate supply of adequate and uninterrupted power to all categories of consumers and ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance, for reliability of supply of electricity to consumers.

In so far as transmission is concerned, the Tariff Policy, 2016 seeks to achieve the objectives of ensuring optimal development of the transmission network ahead of generation with adequate margin for reliability and to promote efficient utilization of generation and transmission assets in the country and attracting the required investments in the transmission sector and providing adequate returns. The Tariff Policy, 2016 stipulates that all future inter-state transmission projects are ordinarily required to be developed through a competitive bidding process. However, the GoI may exempt, from competitive bidding, specific category of projects of strategic importance, technical upgradation etc. or works required to be done in response to an urgent situation, on a case-by-case basis. Intra-state transmission projects shall also be required to be developed through competitive bidding process for projects costing above a threshold limit decided by the relevant SERC.

The Tariff Policy requires CERC to determine the rate of return on equity keeping in view the overall risk and prevalent cost of capital, and to establish norms for capital and operating costs, operating standards and performance indicators for transmission lines at different voltage levels. The Tariff Policy provides that transmission charges under the national tariff framework be determined on MW per circuit kilometer basis, zonal postage stamp basis, or some other pragmatic variant, such that transmission system users share the total transmission cost in proportion to their respective utilization of the transmission system, and that transactions be charged on the basis of average transmission losses arrived at after appropriately considering distance and directional sensitivity, as applicable to relevant voltage levels.

### **The Jawaharlal Nehru National Solar Mission**

The National Solar Mission (the “NSM”) was approved by the Government of India on November 19, 2009 and launched on January 11, 2010. The immediate aim of the NSM was to focus on setting up an enabling environment for solar technology penetration in the country both at a centralized and decentralized level. The NSM has set a target of 100 GW of solar power in India by 2022 and seeks to implement and achieve the target in three phases (Phase I from 2012 to 2013, Phase II from 2013 to

2017 and Phase III from 2017 to 2022). The target will principally comprise 40 GW rooftop solar power projects and 60 GW large and medium scale grid connected solar power projects. In addition, the Government of India on March 22, 2017 sanctioned the implementation of a scheme to enhance the capacity of solar parks from 20,000 MW to 40,000 MW for setting up at least 50 solar parks each with a capacity of 500 MW and above by 2019 or 2020.

### **Integrated Energy Policy 2006**

The Integrated Energy Policy, 2006, (the “**Policy**”) is a report of an expert committee constituted by the Government of India, to explore alternative technologies and possible synergies that would increase energy system efficiency and meet the requirement for energy services. The aims and objectives of this Policy include, amongst others, providing appropriate fiscal policies to take care of externalities, tax measures, transparent and targeted subsidies, promoting energy efficiency, providing incentive for renewable energy production by linking the incentive to not just the outlay but also the output. The Policy also provides for the respective power regulators to mandate feed-in-laws for renewable energy, as may be appropriate and as provided under the Electricity Act. With respect to wind power, the Policy provides that where cultivations is not affected, a wind turbine installation should be permitted on an agricultural land without requiring its conversion into non-agricultural land.

### **The Ministry of New and Renewable Energy (“MNRE”)**

The MNRE is the nodal ministry of the Government of India at the national level for all matters relating to non-conventional sources of energy and renewable energy. The mandate of MNRE includes research, development, commercialisation and deployment of renewable energy systems or devices for various applications in rural, urban, industrial and commercial sector.

### **Net Metering Regulations**

These regulations have been formulated by various states to promote the generation of electricity from renewable energy sources in respect of the grid connected solar rooftop photovoltaic systems. These regulations regulate the supply of excess electricity from an eligible consumer allowing the consumer to export the excess quantum of electricity produced from his premises to the distribution licensee. Under these regulations, the eligible consumer can avail the benefit of the excess quantum supplied to be carried forward to the next billing cycle as credited units of electricity.

### **Guidelines for Tariff Based Competitive Bidding Process for Procurement of Wind and Solar Power and Wind-Solar Hybrid Projects**

The Ministry of Power (the “**MoP**”) has issued guidelines on August 3, 2017 and December 8, 2017 for procurement of solar and wind power, respectively, through tariff based competitive bidding process (the “**Competitive Bidding Guidelines**”). The Competitive Bidding Guidelines as amended from time to time, provide a framework for procurement of solar power through a transparent process of bidding, including standardisation of the process and defining responsibilities of the stakeholders. The guidelines are applicable for long term procurement of electricity through competitive bidding process by the procurer(s) from grid connected solar power projects having size of 5 MW and above. For procurement of electricity, the procurer may opt for either the ‘tariff as a bidding parameter’ option or the ‘viability gap funding as a bidding parameter’ option. Further, the Competitive Bidding Guidelines aim to enable the distribution licensees to procure wind power at competitive rates in a cost-effective manner. The Competitive Bidding Guidelines were further amended by the MoP on July 16, 2019 to include, certain changes pertaining to the wind power projects and The Ministry of New and Renewable Energy (the “**MNRE**”) further amended the Competitive Bidding Guidelines on September 25, 2020 to include certain changes pertaining to the solar power projects.

Additionally, the MNRE on October 14, 2020, issued guidelines for tariff based competitive bidding process for procurement of power from grid connected wind solar hybrid projects pursuant to the Wind-Solar Hybrid Policy 2018. These guidelines were issued, amongst other things, (i) to promote competitive procurement of electricity from grid connected wind solar hybrid projects by distribution licensees to promote consumer interests; (ii) to facilitate transparency and fairness in the procurement process; and (iii) to provide for a framework for an intermediary procurer as an aggregator or trader for the inter-state sale purchase of long term power and to provide a risk-sharing framework between various stakeholders, involved in the wind solar hybrid power procurement, thereby encouraging investments, enhanced bankability of the projects and profitability for the investors.

### **ENVIRONMENTAL LAWS**

The Ministry of Environment, Forests and Climate Change (“**MoEFCC**”) of the GoI is the nodal agency for Planning, promotion, coordination and overseeing and implementation of India’s environmental and forest policies and programmes. The Environment (Protection) Act, 1986 (“**EPA**”) provides GoI with the power to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution. MoEFCC has notified Environment Impact Assessment (“**EIA**”) notifications under the EPA in 1994

and 2006 (collectively, the “**EIA Notifications**”), prescribing the procedure with respect to environmental impact assessment for the commencement, expansion or modernization of industrial or mining operations. However, provisions of both EIA Notifications are not applicable to transmission projects barring certain notified areas of Aravali Range falling in the districts of Alwar in Rajasthan and Gurgaon and Nuh (Mewat) in Haryana. In accordance with MoEFCC notification dated May 7, 1992 prior environment clearance is required under EPA even for electrification and laying of new transmission lines without detailed EIA if it is passing through such notified areas of given districts.

Further, provisions of certain rules like Batteries (Management and Handling) Rules, 2001, Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 etc. notified under EPA does apply to transmission projects. Other environment regulation applicable to the Initial Portfolio Assets is the Forest (Conservation) Act, 1980 (“**FCA**”) if the line route passes through a notified forest area. Similarly, permission of National Board for Wildlife is a statutory requirement under Wildlife (Protection) Act, 1972 for all non-forest activities in protected areas (such as national parks and wildlife sanctuaries).

MoEFCC notification dated February 5, 2013, under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, exempts transmission system developers from obtaining a resolution from Gram Sabhas and only require certificate from DC for using the forest land for non-forest purposes provided that recognized rights of primitive tribal groups and pre-agricultural communities are not affected. MoEFCC vide gazette notification dated March 6, 2017 further extended the timeline for obtaining FRA certificate from DC till Stage-I approval.

Penalties for non-compliance under the EPA, FCA & WPA range from closure or prohibition of operations as well as monetary penalties on and imprisonment of the persons in charge of the conduct of the business of the defaulting company.

## **LABOUR LAWS**

The laws and regulations to employment that may be applicable to the Trust, the Investment Manager and the Portfolio Assets include the following:

- The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
- The Employees' State Insurance Act, 1948;
- The Payment of Gratuity Act, 1972; and
- The Maternity Benefit Act, 1961.

Further, the Code on Wages, 2019, Code on Social Security, 2020, Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020 have been published in the official gazette by the Government of India. These will come into effect on dates as notified by the Government of India in the official gazette.

In addition to the above, various state shops and commercial establishments acts are also applicable to the Trust.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Trust, the Trustee (acting on behalf of the Trust) or the Investment Manager. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Principal Place of Business of the Trust from 10:00 A.M. to 5:00 P.M. on any Working Day during which this Issue is open for public subscription under the respective Tranche Prospectus. Any of the contracts or documents mentioned below may be amended or modified at any time, without reference to the Debenture Holders, in the interest of the Trust, in compliance with applicable laws.

### **A. *Material Contracts***

1. Issue Agreement dated April 7, 2021 between the Investment Manager (acting in its capacity as the Investment Manager of the Trust), the Trustee (acting in its capacity as the Trustee of the Trust), and the Lead Manager.
2. Registrar Agreement dated April 7, 2021 between the Investment Manager (acting on behalf of the Trust), the Trustee (acting in its capacity as the Trustee of the Trust) and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
3. Debenture Trustee Agreement dated April 7, 2021 executed between the Investment Manager (acting on behalf of the Trust) and the Debenture Trustee.
4. Tripartite agreement between the Trust, Registrar to the Issue and CDSL dated April 19, 2017.
5. Tripartite agreement between the Trust, Registrar to the Issue and NSDL dated April 3, 2017.

### **B. *Material Documents***

1. The SEBI registration certificate for the Trust bearing number IN/InvIT/16-17/0005 dated November 28, 2016 as an infrastructure investment trust.
2. The Trust Deed dated October 21, 2016, as amended on August 13, 2020, together with the Amended and Restated Trust Deed dated January 19, 2021.
3. The amended and restated investment management agreement dated September 28, 2020, entered into between the Trustee (on behalf of IndiGrid), the Investment Manager, IGL, BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, IGL1, OGPTL, IGL2, ENICL, GPTL, JKTPCL and PrKTCL.
4. The amended and restated project implementation and management agreement dated August 28, 2020 entered into between the Trustee (on behalf of IndiGrid), the Investment Manager, IGL, BDTCL, JTCL, MTL, RTCL, PKTCL, PTCL, NTL, IGL1, OGPTL, IGL2, ENICL, GPTL.
5. The work order dated March 2, 2021 entered into between IGL and PrKTCL
6. The operation and maintenance contract dated September 28, 2020 entered into between JKTPCL and IGL.
7. Credit rating letter and rational dated March 30, 2021 from CRISIL assigning a rating of “CRISIL AAA/Stable” to the NCDs.
8. Credit rating letter and rational dated March 26, 2021 from India Ratings assigning a rating of “IND AAA/Stable” to the NCDs.
9. Copy of the resolution passed at a meeting of the Board of Directors of IndiGrid Investment Managers Limited held on March 16, 2021 approving this Issue.
10. Copy of resolution passed at a meeting of the Allotment Committee of IndiGrid Investment Managers Limited held on April 6, 2021 approving this Draft Shelf Prospectus.
11. Copy of the resolution passed at a meeting of the Unitholders of the Trust held on July 26, 2019 approving the borrowing limits of the Trust.
12. Industry Report entitled “*Market Assessment of Indian Power Transmission Sector*” prepared by CRISIL Research.

13. Consents of the:
  - (a) the Compliance Officer,
  - (b) the Chief Financial Officer of the Investment Manager,
  - (c) the Lead Manager,
  - (d) the Registrar to the Issue,
  - (e) the Debenture Trustee to the Issue,
  - (f) Legal Advisor to the Issue,
  - (g) Credit Rating Agencies,
  - (h) CRISIL Limited in relation to industry reports as obtained from them, and
  - (i) the Valuer,
 to include their names in this Draft Shelf Prospectus in their respective capacity.
14. No-objection certificate from IDBI Trusteeship Limited dated April 2, 2021, acting as debenture trustee and security trustee on behalf of the existing lenders/creditors, for sharing of *pari passu* charge on security for the Issue.
15. The examination report of the Statutory Auditors dated April 5, 2021 in relation to the Reformatted Ind AS Consolidated Financial Information included herein.
16. The examination report of the Statutory Auditors dated April 5, 2021 in relation to the Reformatted Ind AS Standalone Financial Information included herein.
17. Limited Review Report dated February 24, 2021 on Unaudited Interim Condensed Consolidated Financial Statements for nine months ending December 2020 issued by the Statutory Auditors.
18. Limited Review Report dated February 24, 2021 on Unaudited Interim Condensed Standalone Financial Statements for nine months ending December 2020 issued by the Statutory Auditors.
19. Report on the statement of tax benefits dated April 7, 2021 issued by the Statutory Auditors.
20. Annual reports of the Trust for the financial years ended March 31, 2020, 2019 and 2018.
21. Due diligence certificate dated [●] filed by the Lead Manager with SEBI.
22. Due diligence certificate dated April 7, 2021 issued by the Debenture Trustee.
23. In-principle approval dated [●] for the Issue issued by BSE.
24. In-principle approval dated [●] for the Issue issued by NSE.
25. Framework Agreement dated April 30, 2019 entered into between the Trustee, the Investment Manager and the Sterlite Sponsor, as amended.
26. Share purchase agreement dated March 5, 2021 entered into between the Trustee, Sterlite Sponsor, the Investment Manager, SGL4 and NER.
27. Transmission services agreement dated December 7, 2010 entered into by BDTCL with LTTCs and a transmission services agreement dated November 12, 2013, entered into by BDTCL with PGCIL.
28. Share purchase agreement dated March 23, 2020, entered into between SPGVL, SPTL, the Trustee (on behalf of, and acting in its capacity as the trustee to IndiGrid), the Investment Manager and ENICL.
29. Transmission services agreement dated August 6, 2009 entered into by ENICL with LTTCs and a transmission services agreement dated January 28, 2013 entered into by ENICL with PGCIL.
30. Share purchase agreement dated August 28, 2020 entered into SPGVL, SGL4, the Trustee, the Investment Manager, and GPTL.
31. Transmission services agreement dated March 4, 2016, entered into by GPTL with LTTCs and a transmission services agreement dated April 27, 2017 entered into by GTPL with PGCIL.
32. Transmission services agreement dated June 28, 2017 entered into by GTTPL with LTTCs and a transmission services agreement dated December 27, 2018, entered into by GTTPL with PGCIL.



33. Share purchase agreement dated May 29, 2020 entered into between the Trustee, the Investment Manager, Kalpataru Power Transmission Limited, Techno Electric & Engineering Company Limited and JKTPPL.
34. Transmission services agreement dated December 1, 2010 entered into by JTCL with LTTCs and a transmission services agreement dated November 12, 2013 entered into by JTCL with PGCIL.
35. Transmission services agreement dated March 14, 2016, entered into between KTL and LTTCs and a transmission services agreement dated April 27, 2017 entered into by KTL with PGCIL.
36. Transmission services agreement dated June 10, 2015, entered into by MTL with LTTCs and a transmission services agreement dated April 27, 2017 entered into by MTL with PGCIL.
37. Share Purchase Agreement dated February 14, 2018 entered into between IGL2, IGL, the Trustee, the Investment Manager, SPGVL and MTL, as amended.
38. Transmission services agreement dated December 27, 2016 entered into by NER with the LTTCs and a transmission services agreement dated November 15, 2017 entered into by NER with PGCIL.
39. Share purchase agreement dated April 30, 2019 entered into between the Trustee, SPGVL, the Investment Manager, IGL1 and NTL.
40. Transmission services agreement dated January 2, 2014 entered into by NTL with the LTTCs and a transmission services agreement dated December 22, 2015 entered into by NTL with PGCIL.
41. OGPTL Share Purchase Agreement dated April 30, 2019, entered into between the Trustee, SPGVL, the Investment Manager, IGL2 and OGPTL, as amended.
42. Transmission services agreement dated November 20, 2015 entered into by OGPTL with the LTTCs and a transmission services agreement dated April 27, 2017 entered into by OGPTL with PGCIL.
43. Securities purchase agreement dated May 8, 2017, entered into between SPGVL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager and IGL, as amended.
44. Share Purchase Agreement dated February 14, 2018, entered into between IGL1, IGL, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid), the Investment Manager, SPGVL and PKTCL, as amended.
45. Transmission services agreement dated August 6, 2013, entered into by PKTCL with the LTTCs and a transmission services agreement dated December 22, 2015 entered into by PKTCL with PGCIL.
46. Bulk power transmission agreements:
  - (a) entered into between PrKTCL and Punjab State Electricity Board dated December 17, 2008,
  - (b) PrKTCL and Ajmer Vidyut Vitran Nigam Limited dated November 27, 2008,
  - (c) PrKTCL and BSES Rajdhani Power Limited dated November 24, 2008,
  - (d) PrKTCL and BSES Yamuna Power Limited dated November 24, 2008,
  - (e) PrKTCL and President of India through Secretary Engineering Department of Chandigarh, Administration dated January 7, 2009,
  - (f) PrKTCL and Haryana Power Purchase Centre on behalf of Uttar Haryana Vidyut Vitran Nigam Limited and Dakshin Haryana Vidyut Vitran Nigam Limited dated December 3, 2008,
  - (g) PrKTCL and Himachal Pradesh State Electricity Board dated January 20, 2009,
  - (h) PrKTCL and Power Development Department, Government of Jammu and Kashmir dated May 19, 2009,
  - (i) PrKTCL and Jodhpur Vidyut Vitran Nigam Limited dated December 11, 2008,
  - (j) PrKTCL and Jaipur Vidyut Vitran Nigam Limited dated November 27, 2008,
  - (k) PrKTCL and North Delhi Power Limited dated January 5, 2009,
  - (l) PrKTCL and Uttar Pradesh Power Corporation Limited, and (xiii) PrKTCL and Uttarakhand Power Corporation Limited dated April 2, 2009.
47. Share purchase agreement dated November 28, 2020 entered into between Reliance Infrastructure Limited, the Investment Manager, the Trustee (on behalf of, and acting in its capacity as the trustee to, IndiGrid) and PrKTCL.
48. Transmission services agreement December 24, 2013 entered into by PrKTCL with PGCIL.

49. Deed of Right of First Offer dated May 5, 2017, entered into between SPGVL, the Investment Manager, SPTL and the Trustee (on behalf of IndiGrid); and the deed of amendment dated April 30, 2019 entered into between SPGVL, the Investment Manager, SPTL and the Trustee (on behalf of IndiGrid)
50. RTCL Share Purchase Agreement dated February 13, 2018, entered into between IGL1, IGL, the Trustee, Investment Manager, SPGVL and RTCL, as amended
51. Transmission services agreement dated July 24, 2013 entered into by RTCL with the LTTCs and a transmission services agreement dated December 22, 2015 entered into by RTCL with PGCIL
52. Share purchase agreement dated February 19, 2018, entered into between Techno Power Grid Company Limited, Techno Electric & Engineering Company Limited, the Trustee (on behalf of the Trust).

## DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, InvIT Regulations, the SCRA, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Draft Shelf Prospectus are material, true, correct, not misleading and adequate in order to enable the Investors to make a well informed decision. The Investment Manager further certifies that this Draft Shelf Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

For IndiGrid Investment Managers Limited  
(formerly, *Sterlite Investment Managers Limited*)

Sd/-

Tarun Kataria  
*Independent Director*

Date: April 7, 2021  
Place: Singapore

## DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, InvIT Regulations, the SCRA, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Draft Shelf Prospectus are material, true, correct, not misleading and adequate in order to enable the Investors to make a well informed decision. The Investment Manager further certifies that this Draft Shelf Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

For IndiGrid Investment Managers Limited  
(formerly, *Sterlite Investment Managers Limited*)

Sd/-

Rahul D. Asthana  
*Independent Director*

Date: April 7, 2021  
Place: Mumbai

## DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, InvIT Regulations, the SCRA, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Draft Shelf Prospectus are material, true, correct, not misleading and adequate in order to enable the Investors to make a well informed decision. The Investment Manager further certifies that this Draft Shelf Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

For IndiGrid Investment Managers Limited  
(formerly, *Sterlite Investment Managers Limited*)

Sd/-

Ashok Sethi  
*Independent Director*

Date: April 7, 2021  
Place: Mumbai

## DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, InvIT Regulations, the SCRA, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Draft Shelf Prospectus are material, true, correct, not misleading and adequate in order to enable the Investors to make a well informed decision. The Investment Manager further certifies that this Draft Shelf Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

For IndiGrid Investment Managers Limited  
(formerly, *Sterlite Investment Managers Limited*)

Sd/-

Sanjay Nayar  
*Non-Executive Director*

Date: April 7, 2021  
Place: Mumbai

## DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, InvIT Regulations, the SCRA, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Draft Shelf Prospectus are material, true, correct, not misleading and adequate in order to enable the Investors to make a well informed decision. The Investment Manager further certifies that this Draft Shelf Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

For IndiGrid Investment Managers Limited  
(formerly, *Sterlite Investment Managers Limited*)

Sd/-

Pratik Agarwal  
*Non-Executive Director*

Date: April 7, 2021  
Place: Pune

## DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, InvIT Regulations, the SCRA, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Draft Shelf Prospectus are material, true, correct, not misleading and adequate in order to enable the Investors to make a well informed decision. The Investment Manager further certifies that this Draft Shelf Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

For IndiGrid Investment Managers Limited  
(formerly, *Sterlite Investment Managers Limited*)

Sd/-

Harsh Shah  
*Chief Executive Officer and Whole-Time Director*

Date: April 7, 2021  
Place: Mumbai



## DECLARATION

The Trustee declares and certifies that all relevant provisions of the the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILDS Regulations, the InvIT Regulations, the SCRA, the SEBI Act and all rules, regulations, circulars and guidelines issued by the GoI or SEBI (as the case may be). The Trustee further certifies that all the statements and disclosures in this Draft Shelf Prospectus are material, true, correct, not misleading and adequate in order to enable the Investors to make a well informed decision.

For Axis Trustee Services Limited

Sd/-

Mangalagorwi Bhat  
*Authorised Signatory*

Date: April 7, 2021  
Place: Mumbai

**ANNEXURE A****FINANCIAL INFORMATION**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page Nos.</b>
1.	Independent auditors review report and unaudited interim condensed consolidated Ind AS financial statements for the nine month period ended December 31, 2020.	337
2.	Independent auditors review report and unaudited interim condensed standalone Ind AS financial statements for the nine month period ended December 31, 2020.	369
3.	The Independent auditors' report and the audited reformatted Ind AS consolidated financial statements of India Grid Trust as at and for the fiscal years ended March 31, 2020, March 31, 2019 and March 31, 2018.	389
4.	The Independent auditors' report and the audited reformatted Ind AS standalone financial statements of India Grid Trust as at and for the fiscal years ended March 31, 2020, March 31, 2019 and March 31, 2018.	445

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**Independent Auditor's Review Report on the Unaudited Interim Condensed Consolidated Ind AS Financial Statements of the Trust as at and for the nine months period ended December 31, 2020**

The Board of Directors

Indigrid Investment Managers Limited (as Investment Manager of India Grid Trust)

(Previously known as Sterlite Investment Managers Limited)

1. We have reviewed the accompanying unaudited interim condensed consolidated Ind AS financial statements of India Grid Trust ("the Trust") comprising of the unaudited interim condensed consolidated balance sheet as at December 31, 2020, the related unaudited interim condensed consolidated statement of profit and loss, including other comprehensive income for the nine month period ended December 31, 2020, the unaudited condensed consolidated cash flow statement for the nine month period ended December 31, 2020 and the unaudited condensed consolidated statement of changes in unit holders' equity for the nine month period ended December 31, 2020 of the Trust and its subsidiaries (together, "the Group") ("Unaudited Interim Condensed Consolidated Ind AS Financial Statements") attached herewith, being prepared by Indigrid Investment Managers Limited (the "Investment Manager").
2. The Unaudited Interim Condensed Consolidated Ind AS Financial Statements, which are the responsibility of the Investment Manager and has been approved by the Board of Directors of the Investment Manager, have been prepared in accordance with the requirements of Indian Accounting Standard 34 (referred to as "Ind AS 34"), specified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standard) Rules, 2015 (as amended) and read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Consolidated Ind AS Financial Statements based on our review.
3. We conducted our review of the Unaudited Interim Condensed Consolidated Ind AS Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Interim Condensed Consolidated Ind AS Financial Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Investment Manager personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Unaudited Interim Condensed Consolidated Ind AS Financial Statements includes the following entities:
  - a. Indigrid Limited (formerly known as Sterlite Grid 1 Limited)
  - b. Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)
  - c. Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)
  - d. Patran Transmission Company Limited
  - e. Bhopal Dhule Transmission Company Limited
  - f. Jabalpur Transmission Company Limited
  - g. Maheshwaram Transmission Limited

- h. RAPP Transmission Company Limited
  - i. Purulia & Kharagpur Transmission Company Limited
  - j. NRSS XXIX Transmission Limited
  - k. Odisha Generation Phase-II Transmission Limited
  - l. East North Interconnection Company Limited
  - m. Gurgaon- Palwal Transmission Limited
  - n. Jhajjar KT Transco Private Limited
5. Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Interim Condensed Consolidated Ind AS Financial Statements are not prepared in accordance with the requirements of Indian Accounting Standard 34 (referred to as “Ind AS 34”), specified under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standard) Rules, 2015 (as amended) and read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder (“InvIT Regulations”) and other accounting principles generally accepted in India, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S R B C & CO LLP  
ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

per Huzefa Ginwala  
Partner  
Membership No.: 111757  
UDIN: 21111757AAAAAY2219  
Place: Pune  
Date: February 24, 2021

**INDIA GRID TRUST**  
**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020**  
**(All amounts in Rs. million unless otherwise stated)**

	Notes	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,15,445.58	1,08,163.16
Capital work-in-progress	3	23.58	-
Financial assets			
i. Other financial assets	5	2,826.85	9.86
Other non-current assets	6	356.53	382.34
		<b>1,18,652.54</b>	<b>1,08,555.36</b>
<b>Current assets</b>			
Financial assets			
i. Investments	4	1,700.01	-
ii. Trade receivables	7	3,213.11	2,458.33
iii. Cash and cash equivalents	8	11,838.36	4,088.41
iv. Bank Balances other than (iii) above	9	1,389.77	1,299.74
v. Other financial assets	5	1,524.48	1,282.63
Other current assets	6	280.02	235.72
		<b>19,945.75</b>	<b>9,364.83</b>
<b>Total assets</b>		<b>1,38,598.29</b>	<b>1,17,920.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Unit capital	10	53,145.69	53,145.69
Other equity			
Retained earnings/ (Accumulated deficit)	11	(5,253.67)	(2,659.44)
<b>Total Unit holders' equity</b>		<b>47,892.02</b>	<b>50,486.25</b>
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	12	86,787.60	62,637.00
Deferred tax liabilities (net)	18	910.91	602.06
		<b>87,698.51</b>	<b>63,239.06</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	13		
a. Total outstanding dues of micro enterprises and small enterprises		1.92	105.32
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		184.76	227.59
ii. Other financial liabilities	14	2,526.03	3,617.60
Provisions	15	1.91	-
Other current liabilities	16	292.82	240.27
Current tax liability	17	0.32	4.10
		<b>3,007.76</b>	<b>4,194.88</b>
<b>Total liabilities</b>		<b>90,706.27</b>	<b>67,433.94</b>
<b>Total equity and liabilities</b>		<b>1,38,598.29</b>	<b>1,17,920.19</b>

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**As per our report of even date**

**For SRBC & CO LLP**  
**Chartered Accountants**  
Firm Registration No. 324982E/ E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 24 February 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 24 February 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 24 February 2021

**Swapnil Patil**  
Company Secretary  
Place : Mumbai  
Date : 24 February 2021

**INDIA GRID TRUST**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**  
**(All amounts in Rs. million unless otherwise stated)**

	Notes	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)	Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)
<b>INCOME</b>			
Revenue from contracts with customers	19	11,764.46	9,143.36
Income from investment in mutual funds		98.21	165.56
Interest income on investment in fixed deposits		103.62	78.31
Other finance income		10.05	-
Other income	20	24.22	45.42
<b>Total income (I)</b>		<b>12,000.56</b>	<b>9,432.65</b>
<b>EXPENSES</b>			
Employee benefit expenses	21	81.74	-
Transmission infrastructure maintenance charges		223.99	167.91
Insurance expenses		192.89	101.47
Investment manager fees (refer note 26)		231.04	174.42
Project manager fees (refer note 26)		58.17	46.61
Legal and professional fees		71.16	55.54
Rates & taxes		53.29	32.95
Valuation expenses		2.76	4.21
Trustee fee		2.89	2.01
Vehicle hire charges		12.54	9.82
Payment to auditors (including for subsidiaries)			
- Statutory audit fees		8.11	5.69
- Tax audit fees		1.76	1.38
- Other services (including certification)		0.45	0.07
Other expenses		237.76	77.91
Depreciation expense	23	3,100.59	2,244.03
Impairment/ (reversal) of service concessions/ property, plant and equipment		231.66	(456.96)
Finance costs	22	4,805.86	2,958.26
<b>Total expenses (II)</b>		<b>9,316.66</b>	<b>5,425.32</b>
<b>Profit before tax (I-II)</b>		<b>2,683.90</b>	<b>4,007.33</b>
<b>Tax expense</b>			
Current tax		4.91	59.62
Deferred tax		21.85	(112.76)
<b>Total</b>		<b>26.76</b>	<b>(53.14)</b>
<b>Profit for the period</b>		<b>2,657.14</b>	<b>4,060.47</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>2,657.14</b>	<b>4,060.47</b>
<b>Earnings per unit (Computed on the basis of profit for the period (Rs.))</b>			
Basic and Diluted	24	4.55	7.46
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**As per our report of even date**

**For SRBC & CO LLP**  
**Chartered Accountants**  
Firm Registration No. 324982E/ E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 24 February 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 24 February 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 24 February 2021

**Swapnil Patil**  
Company Secretary  
Place : Mumbai  
Date : 24 February 2021

**INDIA GRID TRUST**
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**

(All amounts in Rs. million unless otherwise stated)

**A. Unit capital**

	Nos. in million	Rs. in million
<b>Balance as at 01 April 2019</b>	283.80	28,380.00
Changes in unit capital during the period (refer note 10)	299.69	25,140.48
Issue expenses (refer note 10)		(374.79)
<b>Balance as at 31 December 2019</b>	<b>583.49</b>	<b>53,145.69</b>
Issued during the period (refer note 10)	-	-
<b>Balance as at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>
<b>Balance as at 01 April 2020</b>	<b>583.49</b>	<b>53,145.69</b>
Changes in unit capital during the year	-	-
<b>Balance as at 31 December 2020</b>	<b>583.49</b>	<b>53,145.69</b>

**B. Other equity**

	(Rs. in million)	
	Retained earnings / (Accumulated deficit)	Total other equity
<b>As at 01 April 2019</b>	(1,613.89)	(1,613.89)
Profit for the nine months period ended 31 December 2019	4,060.47	4,060.47
Less: Distribution during the nine months period ended 31 December 2019	(4,352.30)	(4,352.30)
<b>As at 31 December 2019</b>	<b>(1,905.72)</b>	<b>(1,905.72)</b>
Profit for the quarter ended 31 March 2020	996.73	996.73
Less: Distribution during the quarter ended 31 March 2020	(1,750.45)	(1,750.45)
<b>As at 31 March 2020</b>	<b>(2,659.44)</b>	<b>(2,659.44)</b>
<b>As at 01 April 2020</b>	<b>(2,659.44)</b>	<b>(2,659.44)</b>
Profit for the nine months period ended 31 December 2020	2,657.14	2,657.14
Less: Distribution during the nine months period ended 31 December 2020	(5,251.37)	(5,251.37)
<b>As at 31 December 2020</b>	<b>(5,253.67)</b>	<b>(5,253.67)</b>

The distribution relates to the distributions made during the nine months period along with the distribution related to the last quarter of FY 2018-19 and FY 2019-20 respectively and does not include the distribution relating to the third quarter of FY 2019-20 and FY 2020-21 respectively which will be paid after period end date.

The distributions made by IndiGrid to its unitholders are based on the Net Distributable Cash Flows (NDCF) of IndiGrid under the InvIT Regulations and hence part of the same includes repayment of capital as well.

**As per our report of even date**
**For SRBC & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/ E300003

**For and on behalf of the Board of Directors of**

Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)

(as Investment Manager of India Grid Trust)

**per Huzefa Ginwala**

Partner

Membership Number : 111757

Place : Pune

Date : 24 February 2021

**Harsh Shah**

CEO & Whole Time Director

DIN: 02496122

Place : Mumbai

Date : 24 February 2021

**Jyoti Kumar Agarwal**

CFO

Place : Mumbai

Date : 24 February 2021

**Swapnil Patil**

Company Secretary

Place : Mumbai

Date : 24 February 2021

**INDIA GRID TRUST**  
**INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**  
**(All amounts in Rs. million unless otherwise stated)**

	<b>Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)</b>	<b>Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)</b>
<b>A. Cash flow from operating activities</b>		
<b>Net profit as per statement of profit and loss</b>	<b>2,657.14</b>	<b>4,060.47</b>
Adjustment for taxation	26.76	(53.14)
<b>Profit before tax</b>	<b>2,683.90</b>	<b>4,007.33</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation expenses	3,100.59	2,244.03
Impairment/ (reversal) of service concessions/ property, plant and equipment	231.66	(456.96)
Foreign exchange gain on borrowing	(75.50)	(71.63)
Mark to market loss/ (gain) on derivatives	167.47	(34.86)
Finance cost	4,713.89	3,064.75
Income from investment in mutual funds	(98.21)	(165.56)
Interest income on investment in fixed deposits	(103.62)	(78.31)
<b>Operating profit before working capital changes</b>	<b>10,620.18</b>	<b>8,508.79</b>
<b>Movements in working capital :</b>		
in trade payables	(159.61)	(44.53)
in other current financial liabilities	50.16	326.43
in other current liabilities	27.59	(440.47)
in other non-current financial liabilities	-	(156.72)
in provisions	1.91	-
in trade receivables	(305.02)	(361.18)
in other non-current financial asset	3.71	(34.86)
in other non-current asset	25.81	9.41
in other current financial asset	108.60	85.26
in other current assets	(40.53)	(54.91)
<b>Change in working capital</b>	<b>(287.38)</b>	<b>(671.57)</b>
<b>Cash generated from operations</b>	<b>10,332.80</b>	<b>7,837.22</b>
Direct taxes paid (net of refunds)	113.96	(114.32)
<b>Net cash flow from operating activities (A)</b>	<b>10,446.76</b>	<b>7,722.90</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property plant & equipment (including capital work-in-progress and capital advances)	(11,702.13)	(50,249.51)
Purchase of service concession receivable of subsidiary	(3,049.42)	-
Acquisition of other assets (net of other liabilities)	(507.33)	(448.70)
Interest income on investment in fixed deposits	135.66	38.61
Income from investment in mutual funds	98.21	165.56
Investment in mutual funds	(26,574.40)	(1,069.46)
Proceeds from mutual funds	24,874.40	-
Investment in fixed deposits (net of redemptions)	(90.03)	(1,010.42)
<b>Net cash flow used in investing activities (B)</b>	<b>(16,815.04)</b>	<b>(52,573.92)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of unit capital	-	25,140.48
Unit issue expense incurred	-	(374.79)
Acquisition of borrowings	9,583.11	-
Proceeds of long term borrowings	23,551.22	26,291.13
Repayment of long term borrowings	(9,583.11)	-
Finance costs	(4,183.63)	(2,903.22)
Payment of distributions to unitholders	(5,249.36)	(4,351.36)
<b>Net cash flow from financing activities (C)</b>	<b>14,118.23</b>	<b>43,802.24</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>7,749.95</b>	<b>(1,048.78)</b>
Cash and cash equivalents as at beginning of period	4,088.41	1,603.66
Cash and cash equivalents as at period end	<b>11,838.36</b>	<b>554.88</b>
<b>Components of cash and cash equivalents:</b>		
<b>Balances with banks:</b>		
- On current accounts ^	11,612.96	385.88
- Deposit with original maturity of less than 3 months #	225.40	169.00
<b>Total cash and cash equivalents (refer note 8)</b>	<b>11,838.36</b>	<b>554.88</b>

^ Out of total amount, Rs. 9.35 million (31 December 2019: Rs. 6.69 million) pertains to unclaimed distribution to unitholders.

# Includes amount of Rs. 225.40 million (31 December 2019: Rs. 169.00 million) is kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

Summary of significant accounting policies

2.2

As per our report of even date

**For SR B C & CO LLP**  
**Chartered Accountants**  
Firm Registration No. 324982E/ E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 24 February 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 24 February 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 24 February 2021

**Swapnil Patil**  
Company Secretary  
Place : Mumbai  
Date : 24 February 2021



**INDIA GRID TRUST**
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 issued under the InvIT Regulations)

**A. CONSOLIDATED STATEMENT OF NET ASSETS AT FAIR VALUE AS AT**

Particulars	31 December 2020		31 March 2020	
	Book value	Fair value	Book value	Fair value
A. Assets	1,38,598.29	1,56,971.49	1,17,920.19	1,27,100.52
B. Liabilities	90,706.27	90,706.27	67,433.94	67,433.94
C. Net Assets (A-B)	47,892.02	66,265.22	50,486.25	59,666.58
D. Number of units	583.49	583.49	583.49	583.49
E. NAV (C/D)	82.08	113.57	86.52	102.26

Total assets after provision for impairment on investment in subsidiary determined based on fair valuation.

**Project wise breakup of fair value of assets as at**

Project	31 December 2020	31 March 2020
Bhopal Dhule Transmission Company Limited	20,764.49	18,781.64
Jabalpur Transmission Company Limited	14,402.48	14,490.39
Maheshwaram Transmission Limited	5,872.50	5,466.06
RAPP Transmission Company Limited	4,281.50	4,035.67
Purulia & Kharagpur Transmission Company Limited	6,841.49	6,501.67
Patran Transmission Company Limited	2,677.55	2,386.61
NRSSXXIX Transmission Limited ^	48,367.04	45,382.69
Odisha Generation Phase-II Transmission Limited ^	15,120.49	14,371.15
East North Interconnection Company Limited *	14,976.78	12,581.81
Gurgaon-Palwal Transmission Limited #	12,433.44	-
Jhajjar KT Transco Private Limited #	3,148.46	-
	-	-
<b>Subtotal</b>	<b>1,48,886.22</b>	<b>1,23,997.69</b>
Assets (in IndiGrid)	8,085.27	3,102.83
<b>Total assets</b>	<b>1,56,971.49</b>	<b>1,27,100.52</b>

^ The Trust had acquired Indigrid 1 Limited (IG1L) (formerly known as "Sterlite Grid 2 Limited") which is the holding company of NRSSXXIX Transmission Limited ('NTL') and Indigrid 2 Limited (IG2L) (formerly known as "Sterlite Grid 3 Limited") which is the holding company of Odisha Generation Phase-II Transmission Limited ('OGPTL') on 04 June 2019 and 28 June 2019 respectively.

\* The Trust acquired East-North Interconnection Company Limited ('ENICL') with effect from 24 March 2020.

# In the current period, the Trust has acquired Gurgaon-Palwal Transmission Limited with effect from 28 August 2020 and Jhajjar KT Transco Private Limited with effect from 28 September 2020.

**B. CONSOLIDATED STATEMENT OF TOTAL RETURNS AT FAIR VALUE**

Particulars	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)
Total comprehensive income (as per the statement of profit and loss)	2,657.14
Add/ (less): other changes in fair value (e.g., in property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	6,045.20
<b>Total Return</b>	<b>8,702.34</b>

1. Fair value of assets as at 31 December 2020 and other changes in fair value for the nine months period then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.

2. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 26A.

3. As per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 and the InvIT Regulations, the Trust was not required to present 'Statement of total returns at fair value' as part of the financial statements in the previous nine monthly period ended 31 December 2019. Accordingly, disclosures are given only for period ended 31 December 2020 and not for comparative period ended 31 December 2019.

**INDIA GRID TRUST**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 issued under the InvIT Regulations)

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

Description	Nine months ended 31 December 2020 (Unaudited)
Cash flows received from the Portfolio Assets in the form of interest	8,394.13
Cash flows received from the Portfolio Assets in the form of dividend	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/ return on surplus cash invested by IndiGrid	61.56
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	6,357.22
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>14,812.91</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i and ii)	(2,687.31)
Less: Costs/ retention associated with sale of assets of the Portfolio Assets:	-
-related debts settled or due to be settled from sale proceeds of Portfolio Assets;	-
-transaction costs paid on sale of the assets of the Portfolio Assets; and	-
-capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments.	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the InvIT Regulations	-
Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/ special purpose vehicles (Excluding refinancing)	-
Less: Income tax (if applicable) at the standalone IndiGrid level	(4.42)
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(6,434.65)
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(9,126.38)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>5,686.53</b>

**Notes**

i. Does not include interest accrued but not due for the nine months ended 31 December, 2020 of Rs. 261.96 million 31 December, 2020 of Rs. 98.45 million related to market linked non convertible debentures ('MLDs') which is payable on maturity of these MLDs from FY 2022 to FY 2024.

ii. Does not include Earn - out expenses for the nine months ended 31 December, 2020 of Rs 117.27 million.

iii. As per SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 and the the InvIT Regulations, the Group was not required to present 'Statement of Net Distributable Cash Flows (NDCF)' as part of the financial statements in the previous nine months period ended 31 December 2019. Accordingly, disclosures for NDCF are given only for period ended 31 December 2020 and not for comparative period ended 31 December 2019.

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

Description	Nine months ended 31 December 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A)</b>	<b>(447.26)</b>
Add: Depreciation, impairment and amortisation	8.22
Add/ Less: Decrease/ (increase) in working capital	26.18
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid	466.15
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	1.09
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	(116.27)
- Unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>385.37</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>(61.89)</b>

**INDIA GRID TRUST**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 issued under the InvIT Regulations)

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

Description	Nine months ended 31 December 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A)</b>	<b>(277.39)</b>
Add: Depreciation, impairment and amortisation	531.07
Add/ Less: Decrease/ (increase) in working capital	(122.25)
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	1,004.70
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(6.90)
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
Amortization of Upfront fees	2.85
Loss on account of MTM of F/W & ECB	91.97
Non Cash Income - Reversal of Prepayment penalty	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares/ debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(43.79)
<b>Total Adjustments (B)</b>	<b>1,457.65</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>1,180.26</b>

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

**Jabalpur Transmission Company Limited (JTCL) (SPV)**

Description	Nine months ended 31 December 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A)</b>	<b>(45.22)</b>
Add: Depreciation, impairment and amortisation	(906.47)
Add/ Less: Decrease/ (increase) in working capital	3.10
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	2,038.03
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(9.83)
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares/ debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>1,124.83</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>1,079.61</b>

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

**INDIA GRID TRUST**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 issued under the InvIT Regulations)

**RAPP Transmission Company Limited (RTCL) (SPV)**

Description	Nine months ended 31 December 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A)</b>	<b>6.18</b>
Add: Depreciation, impairment and amortisation	64.53
Add/ Less: Decrease/ (increase) in working capital	6.47
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	253.10
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(0.79)
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares/ debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>323.31</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>329.49</b>

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

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

Description	Nine months ended 31 December, 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A)</b>	<b>(20.21)</b>
Add: Depreciation, impairment and amortisation	107.64
Add/ Less: Decrease/ (increase) in working capital	(4.23)
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	441.96
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(1.59)
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares/ debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>543.78</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>523.57</b>

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

**INDIA GRID TRUST**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 issued under the InvIT Regulations)

**Maheshwaram Transmission Limited (MTL) (SPV)**

Description	Nine months ended 31 December, 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A)</b>	<b>(118.68)</b>
Add: Depreciation, impairment and amortisation	91.74
Add/ Less: Decrease/ (increase) in working capital	(26.57)
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	436.80
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(0.69)
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>501.28</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>382.60</b>

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

**Patran Transmission Company Limited (PTCL) (SPV)**

Description	Nine months ended 31 December, 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A)</b>	<b>(112.01)</b>
Add: Depreciation, impairment and amortisation	136.35
Add/ Less: Decrease/ (increase) in working capital	(16.67)
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	198.88
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(0.61)
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>317.95</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>205.94</b>

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

**INDIA GRID TRUST**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 issued under the InvIT Regulations)

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

Description	Nine months ended 31 December, 2020 (Unaudited)
Profit/ (loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(130.73)
Add: Depreciation, impairment and amortisation	-
Add/ Less: Decrease/ (increase) in working capital	18.55
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	130.89
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	-
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>149.44</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>18.71</b>

\* Being the date of acquisition by IndiGrid.

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

**NRSSXXIX Transmission Limited (NTL) (SPV)**

Description	Nine months ended 31 December, 2020 (Unaudited)
Profit/ (loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	11.35
Add: Depreciation, impairment and amortisation	624.31
Add/ Less: Decrease/ (increase) in working capital	(145.13)
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	3,097.96
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(2.78)
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	38.61
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>3,612.97</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>3,624.32</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 issued under the InvIT Regulations)

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

Description	Nine months ended 31 December, 2020 (Unaudited)
Profit/ (loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(68.14)
Add: Depreciation, impairment and amortisation	-
Add/ Less: Decrease/ (increase) in working capital	(0.79)
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	67.45
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	-
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>66.66</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>(1.48)</b>

\* Being the date of acquisition by IndiGrid.

^ Regrouped

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

Description	Nine months ended 31 December, 2020 (Unaudited)
Profit/ (loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)	(61.83)
Add: Depreciation, impairment and amortisation	288.81
Add/ Less: Decrease/ (increase) in working capital	(83.81)
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	683.53
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	-
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
Amortization of Upfront fees	0.94
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(13.59)
<b>Total Adjustments (B)</b>	<b>875.88</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>814.05</b>

\* Being the date of acquisition by IndiGrid.

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

**INDIA GRID TRUST**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 issued under the InvIT Regulations)

**East-North Interconnection Company Limited (ENICL) (SPV)**

Description	Nine months ended 31 December, 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(54.07)</b>
Add: Depreciation, impairment and amortisation	419.33
Add/ Less: Decrease/ (increase) in working capital	28.43
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	152.17
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(1.83)
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares/ debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>598.10</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>544.03</b>

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

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

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

Description	28 August 2020* to 31 December, 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>14.98</b>
Add: Depreciation, impairment and amortisation	122.16
Add/ Less: Decrease/ (increase) in working capital	26.11
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	149.67
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	0.01
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	(9.43)
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
Amortization of Upfront fees	2.22
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares/ debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>290.74</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>305.72</b>

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

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



**INDIA GRID TRUST**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/ IMD/ DF/ 114/ 2016 dated 20 October 2016 and No. CIR/ IMD/ DF/ 127/ 2016 dated 29 November 2016 issued under the InvIT Regulations)

**Jhajjar KT Transco Private Limited (JKTPL) (SPV)**

Description	28 September 2020* to 31 December, 2020 (Unaudited)
<b>Profit/ (loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>9.78</b>
Add: Depreciation, impairment and amortisation	-
Add/ Less: Decrease/ (increase) in working capital	17.38
Add: Interest accrued on loan/ non-convertible debentures issued to IndiGrid or IGL	68.74
Add/ less: Loss/ gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	-
Add/ less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	(7.33)
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares/ debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>78.79</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>88.57</b>

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

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

## 1. Group information

The condensed consolidated financial statements comprise financial statements of India Grid Trust ("the Trust" or "IndiGrid") and its subsidiaries (collectively, the Group). IndiGrid is an irrevocable trust settled by Sterlite Power Grid Ventures Limited (*now merged with Sterlite Power Transmission Limited*) (the "Sponsor") on 21 October 2016 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on 28 November 2016 having registration number IN/InvIT/ 16-17/ 0005. The Trustee of IndiGrid is Axis Trustee Services Limited (the "Trustee"). The Investment manager for IndiGrid is IndiGrid Investment Managers Limited (*formerly known as Sterlite Investment Managers Limited*) (the "Investment Manager" or the "Management").

The objectives of IndiGrid are to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of IndiGrid is to own and invest in power transmission and solar assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at 31 December 2020, IndiGrid has following project entities which are transmission infrastructure projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

1. Bhopal Dhule Transmission Company Limited ('BDTCL')
2. Jabalpur Transmission Company Limited ('JTCL')
3. RAPP Transmission Company Limited ('RTCL')
4. Purulia & Kharagpur Transmission Company Limited ('PKTCL')
5. Maheshwaram Transmission Limited ('MTL')
6. Patran Transmission Company Limited ('PTCL')
7. NRSS XXIX Transmission Limited ('NTL')
8. Odisha Generation Phase-II Transmission Limited ('OGPTL')
9. East-North Interconnection Company Limited ('ENICL')
10. Gurgaon Palwal Transmission Limited ('GPTL') (w.e.f. August 28, 2020)

Further, the Group has also invested in Jhajjar KT Transco Private Limited ('KTPL') (w.e.f. September 28, 2020) which operates on Build, Operate and Transfer (BOT) basis.

These SPVs have executed Transmission Services Agreements ("TSAs") with Long term transmission customers under which the SPVs have to maintain the transmission infrastructure for 25 years or 35 years post commissioning.

The address of the registered office of the Investment Manager is Unit No.101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanageri Marg, Kalina, Santacruz (East), Mumbai, Maharashtra, India 400 098. The interim condensed consolidated financial statements were approved for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 24 February 2021.

## 2. Significant Accounting Policies

### 2.1 Basis of preparation

The condensed consolidated financial statements comprise of the condensed consolidated balance sheet as at 31 December 2020, the condensed consolidated statement of profit and loss, the condensed consolidated statement of cash flow and the condensed consolidated statement of changes in Unit Holders' equity for nine months ended 31 December 2020 and the condensed consolidated statement of net assets at fair value as at 31 December 2020 and the condensed consolidated statement of total returns at fair value and the statement of Net Distributable Cash Flows ('NDCF's') of the Trust, the underlying holding company ("HoldCo") and each of its subsidiaries for the nine months ended 31 December 2020 and a summary of significant accounting policies and other explanatory notes prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations").

The condensed consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets measured at fair value (e.g. Liquid mutual funds)

The condensed consolidated financial statements are presented in Indian Rupees Millions, except when otherwise indicated.

Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Group's Annual Financial Statements as at 31 March 2020, which were adopted by the Board on 27 May 2020.

The accounting policies adopted in the preparation of Interim Condensed Consolidated Financial Statements are consistent with those of Annual Financial Statement as at 31 March 2020.

## **2.2 Summary of significant accounting policies**

The interim condensed consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. There has been no change in the significant accounting policies in the interim period except as mentioned in the paragraph below. These interim condensed financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 March 2020 and any public announcements made by the Trust during the interim reporting period. The Group has acquired new entity Jhajjar KT Transco Private Limited which operates on Build, operate and transfer (BOT) basis and accordingly appendix in relation to service concession arrangements of Ind AS 115 is followed.

### **A. Service Concession Arrangements**

The company has operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor.

Under Ind AS 115, this arrangement is considered as Service Concession Arrangement and accordingly, rights to receive the consideration from the grantor for providing services has been recognised as "financial assets".

### **B. Revenue Recognition**

Finance Income for Service Concession Arrangements under financial assets model is recognised using effective interest rate method. Revenue from operations and maintenance services are separately recognised in each period as and when services are rendered.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

### **C. Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the India.

**3. Other Amendments to Standards, which are either not applicable to the Group or the impact is not expected to be material**

- Amendments to Ind AS 103: Business Combinations

The amendments to the definition of a business in Ind AS 103 help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. The amendments apply prospectively to transactions or other events that occur on or after the date of first application.

The Management continues to evaluate the impact on acquisitions by the Group during the period and the results would be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the acquisition contractual arrangements including the share purchase agreements.

While the Management continues to evaluate the available transition method and its acquisition contractual arrangements. The ultimate impact resulting from the application of abovementioned amendments in Ind AS 103 will be subject to assessments that are dependent on terms of the acquisition contractual arrangements.

A reliable estimate of the quantitative impact of Ind AS 103 on the condensed standalone financial statements will only be possible once the Management's assessment of the above amendments with respect to acquisition contractual arrangements has been completed.

- Amendments to Ind AS 109 and 107: Financial Instruments and Financial Instruments Disclosures
- Amendments to Ind AS 116: Leases
- Amendments to Ind AS 1 and 8: Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to Ind AS 10: Events after the Reporting Period
- Amendments to Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets

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Note 3: Property, plant and equipment

Particulars	Freehold land	Lease hold land	Building - office (leasehold improvements)	Building - Substations	Substations	Transmission lines	Plant and machinery	Data processing equipments	Furniture and fitting	Vehicle	Office equipment	Road	Right of use	Total
<b>Gross block</b>														
<b>As at 01 April 2019</b>	112.28	89.86	0.59	119.83	7,984.86	44,916.19	5.95	1.37	1.24	0.45	1.71	5.57	-	53,239.90
Additions	-	-	-	-	-	42.07	-	1.59	0.81	1.32	0.05	-	53.67	99.51
Additions on account of acquisition (refer note 25)	9.29	-	-	-	8,265.89	52,619.97	0.15	0.29	0.39	2.47	2.76	-	-	60,901.21
Disposals	-	-	-	-	-	(24.39)	-	-	-	-	(0.01)	-	-	(24.40)
<b>As at 31 March 2020</b>	<b>121.57</b>	<b>89.86</b>	<b>0.59</b>	<b>119.83</b>	<b>16,250.75</b>	<b>97,553.84</b>	<b>6.10</b>	<b>3.25</b>	<b>2.44</b>	<b>4.24</b>	<b>4.51</b>	<b>5.57</b>	<b>53.67</b>	<b>1,14,216.22</b>
Additions	-	-	-	-	2.29	9.58	0.12	3.71	0.25	-	0.68	-	-	16.63
Additions on account of acquisition (refer note 25)	558.21	-	-	-	6,442.36	3,364.63	0.16	-	0.13	-	2.53	-	-	10,368.02
Disposals	-	-	-	-	-	(0.02)	(0.26)	-	-	-	(0.02)	-	-	(0.30)
Adjustments for Present Value	-	-	-	-	-	-	-	-	-	-	-	-	(1.34)	(1.34)
<b>As at 31 December 2020</b>	<b>679.78</b>	<b>89.86</b>	<b>0.59</b>	<b>119.83</b>	<b>22,695.40</b>	<b>1,00,928.03</b>	<b>6.12</b>	<b>6.96</b>	<b>2.82</b>	<b>4.24</b>	<b>7.70</b>	<b>5.57</b>	<b>52.33</b>	<b>1,24,599.23</b>
<b>Depreciation</b>														
<b>As at 01 April 2019</b>	-	6.44	0.06	7.96	553.52	2,838.00	1.90	0.92	0.53	0.15	0.95	1.85	-	3,412.28
Charge for the year	-	3.51	0.01	9.22	620.75	2,460.48	0.56	0.31	0.58	0.50	1.33	1.20	2.67	3,101.12
Impairment / (reversal), net (refer note 25)	-	-	-	-	-	(456.96)	-	-	-	-	-	-	-	(456.96)
Disposals	-	-	-	-	-	(3.38)	-	-	-	-	-	-	-	(3.38)
<b>As at 31 March 2020</b>	<b>-</b>	<b>9.95</b>	<b>0.07</b>	<b>17.18</b>	<b>1,174.27</b>	<b>4,838.14</b>	<b>2.46</b>	<b>1.23</b>	<b>1.11</b>	<b>0.65</b>	<b>2.28</b>	<b>3.05</b>	<b>2.67</b>	<b>6,053.06</b>
Charge for the period	-	2.65	0.01	7.02	392.08	2,687.57	0.58	0.61	0.43	0.71	1.15	-	7.78	3,100.59
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment / (reversal), net (refer note 25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 December 2020</b>	<b>-</b>	<b>12.60</b>	<b>0.08</b>	<b>24.20</b>	<b>1,566.35</b>	<b>7,525.71</b>	<b>3.04</b>	<b>1.84</b>	<b>1.54</b>	<b>1.36</b>	<b>3.43</b>	<b>3.05</b>	<b>10.45</b>	<b>9,153.65</b>
<b>Net Block</b>														
<b>As at 31 March 2020</b>	<b>121.57</b>	<b>79.91</b>	<b>0.52</b>	<b>102.65</b>	<b>15,076.48</b>	<b>92,715.70</b>	<b>3.64</b>	<b>2.02</b>	<b>1.33</b>	<b>3.59</b>	<b>2.23</b>	<b>2.52</b>	<b>51.00</b>	<b>1,08,163.16</b>
<b>As at 31 December 2020</b>	<b>679.78</b>	<b>77.26</b>	<b>0.51</b>	<b>95.63</b>	<b>21,129.05</b>	<b>93,402.32</b>	<b>3.08</b>	<b>5.12</b>	<b>1.28</b>	<b>2.88</b>	<b>4.27</b>	<b>2.52</b>	<b>41.88</b>	<b>1,15,445.58</b>

Note a: Capital work-in-progress

Particulars	Amount
<b>As at 01 April 2019</b>	-
Additions	-
Disposals	-
<b>As at 31 March 2020</b>	-
Additions	23.58
Disposals	-
<b>As at 31 December 2020</b>	<b>23.58</b>

**Note b: Right-of-use asset**

The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The lease liability has been measured by using the incremental borrowing rate.

Particulars	Right-of-use asset	Lease Liabilities
<b>As at 1 April 2019</b>	-	-
Additions	53.67	52.16
Depreciation expense	2.67	-
Interest expense	-	1.18
Cash outflow for lease	-	-
<b>As at 31 March 2020</b>	<b>51.00</b>	<b>53.34</b>
Additions	-	-
Adjustments for Present Value	(1.34)	(1.34)
Depreciation expense	7.78	-
Interest expense	-	3.43
Cash outflow for lease	-	(7.23)
<b>As at 31 December 2020</b>	<b>41.88</b>	<b>48.20</b>

Note c: Certain property, plant and equipment of the Group has been pledged for the borrowing taken by the Group.

**Note d:** Following is the bifurcation of the depreciation expense

Particulars	(Rs. in million)		
	Nine months period ended 31 December 2019	Quarter ended 31 March 2020	Total
Depreciation for	2244.03	856.56	3,100.59

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**Note 4: Investments**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Current</b>		
Investment in mutual funds (valued at fair value through profit or loss)		
<b>Quoted</b>		
HDFC Overnight Fund - Direct Plan - Growth	249.99	-
Nippon India Overnight Fund - Direct Growth Plan	249.99	-
Axis Overnight Fund - Direct Growth	350.01	-
SBI Overnight Fund Direct Growth	350.01	-
Aditya Birla Sunlife Overnight Fund - Growth - Direct Plan	250.01	-
Kotak Overnight Fund Direct Growth	250.00	-
<b>Total</b>	<b>1,700.01</b>	<b>-</b>

**Note 5: Other financial assets**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Non-Current</b>		
Service Concession Receivable	3,232.05	-
Less : Provision for expected credit loss	(182.63)	-
Less : Provision for impairment	(231.66)	-
	2,817.76	-
Balances with Government authorities	0.10	-
Security deposits	8.99	8.87
Other bank balances	-	0.99
<b>Total</b>	<b>2,826.85</b>	<b>9.86</b>
<b>Current</b>		
Unbilled revenue	1,328.08	1,191.66
Advances receivable in cash	4.26	2.27
Interest accrued on deposits	32.55	64.59
Security deposits	-	0.03
Insurance claim receivable	-	14.15
Service Concession receivables	114.90	-
Accrued Unitary Charges	42.02	-
Others	2.67	9.93
<b>Total</b>	<b>1,524.48</b>	<b>1,282.63</b>

**Note 6: Other assets**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Non-Current</b>		
Capital advances (unsecured, considered good)	85.53	10.83
Less: Provision for doubtful advances	(10.83)	(10.83)
	74.70	-
Advance income tax, including TDS (net of provisions)	142.68	217.38
Deposits paid under dispute	138.81	164.91
Others	0.34	0.05
<b>Total</b>	<b>356.53</b>	<b>382.34</b>
<b>Current</b>		
Prepaid expenses	167.20	138.28
Balance with statutory authorities	93.38	93.13
Advance to vendors	4.86	4.31
Others	14.58	-
<b>Total</b>	<b>280.02</b>	<b>235.72</b>

**Note 7: Trade receivables**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Trade receivables	3,213.11	2,458.33
<b>Total</b>	<b>3,213.11</b>	<b>2,458.33</b>
Current portion	3,213.11	2,458.33
Non-current portion	-	-
<b>Break-up of security details:</b>		
-Unsecured, considered good	3,213.11	2,458.33
-Trade receivables which have significant increase in credit risk	-	-
-Trade receivables - credit impaired	-	-

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 60 days

**Note 8: Cash and cash equivalents**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Balance with banks		
- current accounts <sup>^</sup>	11,612.96	3,467.87
Deposit with original maturity of less than 3 months #	225.40	620.54
<b>Total</b>	<b>11,838.36</b>	<b>4,088.41</b>

Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Group and earn interest at the respective short-term deposit rates.

# Includes amount of Rs. 225.40 million (31 March 2020: Rs. Nil) kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

<sup>^</sup> Out of total amount, Rs. 9.35 million (31 March 2020: Rs. 7.34 million) pertains to unclaimed distribution to unitholders.

**Note 9: Other bank balances**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Non-Current</b>		
Bank deposits with original maturity of more than 12 months	-	0.99
Amount disclosed under head "other non current financial asset" (note 5)	-	(0.99)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
Deposit with original maturity for more than 3 months but less than 12 months #	528.19	1,299.74
Deposit with original maturity for more 12 months #	861.58	-
<b>Total</b>	<b>1,389.77</b>	<b>1,299.74</b>

# Includes amount of Rs. 573.00 million (31 March 2020: Rs. 1,244.20 million) is kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

**Note 10: Unit Capital**

	Number of units (In million)	Amount (Rs. in million)
<b>As at 01 April 2019</b>	<b>283.80</b>	<b>28,380.00</b>
Issued during the year	299.69	25,140.48
Issue expenses	-	(374.79)
<b>As at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>
Issued during the period	-	-
<b>As at 31 December 2020</b>	<b>583.49</b>	<b>53,145.69</b>

**Note:**

During the year ended 31 March 2020, the Trust raised Rs. 25,140.48 million of primary capital through a qualified institutional placement of units. The Trust issued and allotted 299,683,881 units at a price of Rs. 83.89 per unit as per the placement agreement dated 04 May 2019. Issue expenses of Rs. 374.79 million incurred in connection with issue of units have been reduced from the Unitholders capital as at 31 March 2020 in accordance with Ind AS32 Financial Instruments: Presentation.

**Note 11: Other Equity**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Retained earnings/ (accumulated deficit)</b>		
Balance as per last financial statements	(2,659.44)	(1,613.89)
Add: Profit for the nine months period/ year ended	2,657.14	5,057.20
Less: Distribution paid to unit holders for the nine months period/ year ended	(5,251.37)	(6,102.75)
<b>Closing balance</b>	<b>(5,253.67)</b>	<b>(2,659.44)</b>



**Note 12: Long term borrowings**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Non-Current</b>		
<b>Debentures</b>		
8.99% Non-convertible debentures (secured)	4,350.00	4,350.00
8.60% Non-convertible debentures (secured)	2,500.00	2,500.00
8.40% Non-convertible market linked debentures (secured)	1,703.85	1,725.66
9.00% Non-convertible market linked debentures (secured)	1,974.07	2,100.12
8.85% Non-convertible debentures (secured)	1,977.21	1,969.00
9.10% Non-convertible debentures (secured)	16,837.90	16,887.38
8.10% Non-convertible debentures (secured) (refer note (ii))	998.36	-
7.85% Non-convertible debentures (secured)	6,710.00	6,710.00
7.25% Non-convertible debentures (secured) (refer note (ii))	1,500.00	-
7.40% Non-convertible debentures (secured) (refer note (ii))	1,000.00	-
8.40% Non-convertible debentures (secured) (refer note (ii))	3,496.01	-
8.50% Non-convertible debentures (secured) (refer note (ii))	4,002.21	-
7.00% Non-convertible debentures (secured) (refer note (ii))	2,498.66	-
Lease liability (unsecured)	38.56	45.87
	<b>49,586.83</b>	<b>36,288.03</b>
<b>Term loans</b>		
Indian rupee loan from banks (secured) (refer note (ii) and (iii))	35,135.54	24,056.61
Foreign currency loan from financial institution (secured) (refer note (ii) and (iii))	2,065.23	2,292.36
	<b>37,200.77</b>	<b>26,348.97</b>
<b>Total</b>	<b>86,787.60</b>	<b>62,637.00</b>
<b>The above amount includes</b>		
Secured borrowings	86,749.04	62,591.13
Unsecured borrowings	38.56	45.87
<b>Total non-current borrowings</b>	<b>86,787.60</b>	<b>62,637.00</b>
<b>Current maturities</b>		
7.85% Non-convertible debentures (secured)	110.00	110.00
9.25% Non-convertible Debentures (secured)	-	600.00
Indian rupee loans from banks (secured)	296.80	325.20
Foreign currency loan from financial institution (secured)	211.19	205.84
Lease liability	9.64	7.47
Interest accrued but not due on borrowings	589.88	118.76
<b>Total current portion of long term borrowings</b>	<b>1,217.51</b>	<b>1,367.27</b>
Less: Amount disclosed under the head "Other current financial liabilities" (note 14)	1,217.51	1,367.27
<b>Net borrowings</b>	<b>-</b>	<b>-</b>

i. The above items represent new secured non-convertible debentures that have been issued by the group during the nine-months period ended 31 December 2020.

ii. During the nine-months period ended 31 December 2020, the Group has taken new Indian rupee loan from banks of Rs. 6,500 million. No new foreign currency term loans have been taken during the period.

iii. During the nine-months period ended 31 December 2020, the group has repaid India rupee loan from banks of Rs. 5,032.58 million and foreign currency term loans of Rs. 221.78 million.

**Note 13: Trade payables**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises	1.92	105.32
- total outstanding dues of creditors other than micro enterprises and small enterprises		
-to related parties (refer note 27)	99.26	157.04
-to others	85.50	70.55
<b>Total</b>	<b>186.68</b>	<b>332.91</b>

Trade payables are not-interest bearing and are normally settled on 30-90 days terms.

**Note 14: Other financial liabilities**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Current</b>		
<b>Derivative instruments</b>		
Foreign exchange forward contracts	179.32	20.42
Cross currency interest rate swap	11.15	2.58
	<b>190.47</b>	<b>23.00</b>
<b>Other financial liabilities at amortised cost</b>		
Current maturities of long-term borrowings (refer note 12)	617.99	1,241.04
Interest accrued but not due on borrowings	589.88	118.76
Payables for purchase of property, plant and equipment	61.83	186.33
Distribution payable	9.35	7.34
Payable towards project acquired	833.89	1,925.09
Employee payable	16.79	-
Payable for expenses	196.19	108.57
Lease Liability	9.64	7.47
	<b>2,335.56</b>	<b>3,594.60</b>
<b>Total</b>	<b>2,526.03</b>	<b>3,617.60</b>

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and currency / interest rate swaps to hedge of interest rate and foreign exchange fluctuation risks on foreign currency loan in USD. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

**Note 15: Provisions**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Current</b>		
Provision for gratuity	0.88	-
Provision for leave benefit	1.03	-
<b>Total</b>	<b>1.91</b>	<b>-</b>

**Note 16: Other current liabilities**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Withholding taxes (TDS) payable	3.94	22.43
Contract liability (including advances received)	166.72	167.03
Statutory dues payables	3.33	1.17
Others *	118.83	49.64
<b>Total</b>	<b>292.82</b>	<b>240.27</b>

\* Includes amounts Rs. 110.48 million (31 March 2020: Nil) received as advance from Nagpur Mumbai Super Communication Expressway Ltd. for modification of location of crossing.

**Note 17: Current tax liability**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Current tax liability (net)	0.32	4.10
<b>Total</b>	<b>0.32</b>	<b>4.10</b>

**Note 18: Deferred tax liability (net)**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Deferred tax liability</b>		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	10,277.94	8,680.02
<b>Gross deferred tax liability (A)</b>	<b>10,277.94</b>	<b>8,680.02</b>
<b>Deferred tax asset</b>		
Tax losses	9,367.03	8,077.96
<b>Gross deferred tax asset (B)</b>	<b>9,367.03</b>	<b>8,077.96</b>
<b>Net deferred tax liability (A-B)</b>	<b>910.91</b>	<b>602.06</b>

**Note 19: Revenue from contracts with customers**

	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)	Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)
Power transmission services	11,660.41	9,143.36
Income from Service Concessions	104.05	-
<b>Total</b>	<b>11,764.46</b>	<b>9,143.36</b>

**Note 20: Other income**

	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)	Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)
Recovery of income tax balance written off	-	21.56
Reversal of provision for doubtful custom deposit	-	12.79
Indemnification of liabilities	12.33	-
Miscellaneous income	11.89	11.07
<b>Total</b>	<b>24.22</b>	<b>45.42</b>

**Note 21: Employee Benefit Expenses**

	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)	Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)
Salaries, wages and bonus	69.77	-
Contribution to provident fund and superannuation fund	2.19	-
Employees stock option and stock appreciation rights expense	5.61	-
Gratuity expense	0.88	-
Staff welfare expenses	3.29	-
<b>Total</b>	<b>81.74</b>	<b>-</b>

**Note 22: Finance Cost**

	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)	Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)
Interest on financial liabilities at amortized costs	4,766.97	2,847.04
Discounting on factoring	22.35	-
Other bank and finance charges	16.54	111.22
<b>Total</b>	<b>4,805.86</b>	<b>2,958.26</b>

**Note 23: Depreciation expense**

	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)	Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)
Depreciation of property, plant and equipment	3,100.59	2,244.03
<b>Total</b>	<b>3,100.59</b>	<b>2,244.03</b>

**Note 24: Earnings per unit**

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

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

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

	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)	Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)
Profit after tax for calculating basic and diluted EPU (Rs. in million)	2,657.14	4,060.47
Weighted average number of units in calculating basic and diluted EPU (No. in million)	583.49	544.26
<b>Earnings Per Unit</b>		
Basic and Diluted (Rupees/ unit)	4.55	7.46

**Note 25: Significant accounting judgements, estimates and assumptions**

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

**a. Applicability of Appendix in relation to Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers**

The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. The subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 25-35 years. The management of the Company is of the view that the grantor as defined under Ind AS 115 requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix in relation to service concession arrangement to Ind AS 115 is not applicable to the Group for all transmission infrastructure operating on a BOOM basis. The Group also holds transmission infrastructure pertaining to Jhajar KT Transco Private Limited which operates on a Build Operate and Transfer ("BOT") basis. The company has operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor. Under Ind AS 115, this arrangement is considered as Service Concession Arrangement and accordingly, rights to receive the consideration from the grantor for providing services has been recognised as "financial assets". Hence the Group is of the view that Appendix in relation to Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers is applicable to this infrastructure asset.

**b. Classification of Unitholders' funds**

Under the provisions of the InvIT Regulations, IndiGrid is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of IndiGrid for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20 October 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

**c. Acquisition of Transmission SPVs classified as asset acquisitions**

The Group acquires operational transmission SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties. There are no employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**a. Impairment of non-financial assets**

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment). Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the transmission assets are based on value in use of the projects. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/ forecasts over the life of the projects. The key assumptions used to determine the recoverable amount for the assets are disclosed.

The provision for impairment/ (reversal) of impairment of investments in subsidiaries is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiaries has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, based on the recoverable amounts of individual portfolio assets computed by the valuation experts, the Group tests impairment on the property, plant and equipment (PPE) and service concession receivable as per the consolidated books of accounts, representing the project assets in the respective subsidiary companies. Based on the valuation exercise so carried out, there is a net impairment of Rs. 231.66 million for nine months ended 31 December 2020 (nine months ended 31 December 2019: impairment reversal of Rs. 456.96 million) which is primarily on account of change in risk premium and other underlying assumptions, including assumptions of new assets purchased.

**Note 26A: Fair value measurements**

The management has assessed that the financial assets and financial liabilities as at year end are reasonable approximations of their fair values.

Particulars	Carrying value		Fair value	
	31 December 2020	31 March 2020	31 December 2020	31 March 2020
	(Rs. in million) (Unaudited)	(Rs. in million) (Audited)	(Rs. in million) (Unaudited)	(Rs. in million) (Audited)
<b>Financial assets</b>				
Investments in mutual funds	1,700.01	-	1,700.01	-
<b>Total</b>	<b>1,700.01</b>	<b>-</b>	<b>1,700.01</b>	<b>-</b>
<b>Financial liabilities</b>				
Derivative instruments	190.47	23.00	190.47	23.00
<b>Total</b>	<b>190.47</b>	<b>23.00</b>	<b>190.47</b>	<b>23.00</b>

The fair value of the quoted mutual fund is based on the price quotations at reporting date.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value through profit and loss.

The Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 as a part of these condensed consolidated financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of transmission assets for the above mentioned statements are taken from observable markets where possible, but where this is not

The significant unobservable inputs used in the fair value measurement required for disclosures as above categorised within Level 3 of the fair value hierarchy as above together with a quantitative sensitivity analysis as at 31 December 2020 are as shown below:

Description of significant unobservable inputs to valuation:					
Significant unobservable inputs	Input for 31 December 2020	Input for 31 March 2020	Sensitivity of input to the fair value	Increase / (decrease) in fair value	
				31 December 2020	31 March 2020
WACC	7.71% to 10.88%	8.44% to 9.09%	+ 0.5%	(6,230.21)	(4,769.00)
			- 0.5%	6,951.27	5,655.00
Tax rate (normal tax and MAT)	Normal Tax - 25.168%	Normal Tax - 25.168%	+ 2%	(387.77)	(1,277.63)
			- 2%	361.40	1,311.93
Inflation rate	Revenue: 5.00%	Revenue: 5.00%	+ 1%	(1,204.51)	(788.38)
	Expenses: 2.72% to 4.56%	Expenses: 2.72% to 4.56%	- 1%	976.49	529.45
Additional tariff (applicable only for BDTCL and GPTL)	2.99%	NA	+ 1%	625.65	NA
			- 1%	(454.95)	

The independent valuer has considered effect of COVID-19 on the significant unobservable inputs used in fair valuation as referred above.

**Note 26B: Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2020 and 31 March 2020:**

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Assets for which fair values are disclosed:</b>				
Property, plant and equipment and service concession receivable *	31 December 2020	-	-	1,36,751.44
	31 March 2020	-	-	1,17,343.51
<b>Assets measured at fair value through profit and loss</b>				
Investments in mutual funds (Asset)	31 December 2020	1,700.01	-	-
	31 March 2020	-	-	-
<b>Liabilities measured at fair value through profit and loss</b>				
Derivative instruments (Liability)	31 December 2020	-	190.47	-
	31 March 2020	-	23.00	-

There have been no transfers among Level 1, Level 2 and Level 3.

\* Fair value require disclosures regarding fair value of assets (liabilities are considered at book values). Since the fair value of assets other than property, plant & equipment and service concession receivable approximate their book values, hence only property, plant & equipment and service concession receivable has been disclosed above.

**Note 27: Related party disclosures**

**I. List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures**

**(a) Entity with significant influence over the Trust**

Esoteric II Pte. Ltd (from 04 May 2019) - Sponsor w.e.f. 28 September 2020  
Sterlite Power Grid Ventures Limited (SPGVL)<sup>^</sup> - Sponsor and Project manager of IndiGrid - upto 15 November 2020  
Sterlite Power Transmission Limited (SPTL) - Sponsor and Project manager of IndiGrid - w.e.f. 15 November 2020

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

**(a) Parties to IndiGrid**

Sterlite Power Grid Ventures Limited (SPGVL)<sup>^</sup> - Sponsor and Project manager of IndiGrid (upto 15 November 2020)  
Sterlite Power Transmission Limited (SPTL) - Sponsor and Project manager of IndiGrid (w.e.f. 15 November 2020)  
Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) - Investment manager of IndiGrid  
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid  
Esoteric II Pte. Ltd (from 04 May 2019) (EPL) - Sponsor w.e.f. 28 September 2020

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

Twin Star Overseas Limited - Promoter of SPTL  
Sterlite Power Transmission Limited - Promoter of IIML<sup>\*</sup>  
Electron IM Pte. Ltd. - Promoter of IIML<sup>\*</sup>  
Axis Bank Limited - Promoter of ATSL  
KKR Ingrid Co-Invest L.P.-Cayman Island - Promoter of Esoteric

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

**(i) Directors of SPTL:**

Pravin Agarwal  
Pratik Agarwal  
A. R. Narayanaswamy  
Arun Tadarwal Lalchand  
Zhao Haixia  
Avaantika Kakkar  
Anoop Seth

**(ii) Directors of IIML:**

Pratik Agarwal  
Kuldip Kumar Kaura (till 07 June 2019)  
Tarun Kataria  
Late Shashikant Bhojani (till 22 July 2020)  
Rahul Asthana  
Harsh Shah (whole time director)  
Sanjay Omprakash Nayar (from 07 June 2019)  
Ashok Sethi (from 20 October 2020)

**(iii) Directors of ATSL:**

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

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

Wong Wai Kin  
Terence Lee Chi Hur  
Ooi Yi Jun

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

Sonakshi Agarwal  
Jyoti Agarwal  
Sujata Asthana  
Mala Tadarwal

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

Cyril Amarchand Mangaldas

<sup>\*</sup> During the previous period, Electron IM Pte. Ltd. purchased 40% stake in Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) from Sterlite Power Transmission Limited post which Electron IM Pte. Ltd. holds 60% of stake in IIML.

<sup>^</sup> Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

III. The transactions with related parties during the period are as follows:-

(Rs. in millions)			
Particulars	Relation	Nine Months ended 31 December 2020 (Rs. in million) (Unaudited)	Nine Months ended 31 December 2019 (Rs. in million) (Unaudited)
<b>1. Purchase of equity shares of Indigrid 1 Limited (formerly known as Sterlite Grid 2 Limited)</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	37.13	12,626.66
<b>2. Purchase of equity shares of Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	465.91
<b>3. Purchase of loan to Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited)</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	2,289.49
<b>4. Purchase of equity shares of ENICL</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	6.17	-
<b>5. Purchase of equity shares of GPTL</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	902.96	-
<b>6. Purchase of loan to GPTL</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	2,252.28	-
<b>7. Received towards indemnification of liabilities</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	47.56	39.22
<b>8. Earn Out Expenses (included in other expenses)</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	117.27	-
<b>9. Issue of unit capital</b> Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	2,300.13
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	-	11,412.04
<b>10. Project Manager Fees</b> Sterlite Power Grid Ventures Limited* Sterlite Power Transmission Limited	Sponsor and Project Manager Sponsor and Project Manager	50.29 7.89	46.61 -
<b>11. Investment Manager Fees</b> Indigrid Investment Managers Limited	Investment Manager	231.04	174.42
<b>12. Distribution to unit holders</b> Sterlite Power Grid Ventures Limited* Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) Esoteric II Pte. Ltd Pravin Agarwal Pratik Agarwal Harsh Shah Swapnil Patil Sonakshi Agarwal Jyoti Agarwal Sujata Asthana Arun Todarwal A. R. Narayanaswamy Mala Todarwal	Sponsor and Project Manager Investment manager of IndiGrid Entity with significant influence over the Trust Director of Sponsor Director of Sponsor and Investment Manager Whole time director of Investment Manager Company Secretary of Investment Manager Relative of director Relative of director Relative of director Director of Sponsor Director of Sponsor Relative of director	531.41 1.02 1,224.32 - 1.96 0.09 0.02 0.14 0.18 0.70 0.06 0.14 0.05	705.68 - 795.74 3.06 3.31 0.09 - 0.13 0.18 0.47 0.04 0.10 -
<b>13. Purchase of Project stores</b> Sterlite Power Transmission Limited	Promoter of project manager	0.25	5.67
<b>14. Trustee fee</b> Axis Trustee Services Limited (ATSL)	Trustee	2.80	2.01
<b>15. Rent</b> Sterlite Power Transmission Limited	Promoter of project manager	-	1.18
<b>16. Legal and professional services taken</b> Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	9.23	16.37

(C) The outstanding balances of related parties are as follows:-

Particulars	(Rs in Million)	
	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>1. Project Manager fees payable</b> Sterlite Power Grid Ventures Limited*	19.82	29.39
<b>2. Investment Manager fees payable</b> Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)	86.01	125.13
<b>3. Payable towards project acquired</b> Sterlite Power Grid Ventures Limited*	758.66	1,925.09
<b>4. Management fees payable</b> Sterlite Power Grid Ventures Limited*	0.16	2.52
<b>5. Payable for purchase of property, plant and equipment</b> Sterlite Power Grid Ventures Limited*	-	23.83
<b>6. Legal and professional services taken</b> Cyril Amarchand Mangaldas	-	5.18

\* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

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

For the nine months period ended 31 December 2020:

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

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

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

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

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

Under the Agreements, the Trust has the following rights:

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

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

For the year ended 31 March 2020:

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

Particulars	(Rs in million)		
	NTL	OGPTL	ENICL
Enterprise value	41,626	12,840	11,355
Method of valuation	Discounted Cash Flow		
Discounting rate (WACC):	8.12%	8.42%	8.77%

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

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

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

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

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

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

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



**INDIA GRID TRUST**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**

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

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

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

\* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

**Note 28: Capital and other Commitments**

(a) The Group has entered into a Framework agreement on 30 April 2019 with Sterlite Grid Ventures Limited ('SPGVL')\* for acquisition of NER II Transmission Limited ('NER') and Khargone Transmission Limited ('KTL').

(b) The Group has entered into a Share Purchase agreement on 18 December 2020 with FRV Solar Holdings XI BV ('FRV') for acquisition of 100% equity share capital of FRV Andhra Pradesh Solar Farm-I Pvt Ltd ('FRVAPL') and FRV India Solar Park II-Pvt Ltd ('FRVIPL').

(c) The Group has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group has to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.

(d) The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years.

(e) The Group has entered into a contract for leasehold improvements which extends upto January 2021.

(f) The Group has entered into a contract for Enterprise Risk Management system.

\* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

**Note 29: Contingent liability**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
- Entry tax demand*	432.59	411.23
- Sales tax demand#	68.53	24.66
- Other Demands^	20.12	-
<b>Total</b>	<b>521.24</b>	<b>435.89</b>

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

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

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Chhattisgarh. The total demand Rs. 113.41 million (31 March 2020: Rs. 92.05 million) pertains to Jabalpur Transmission Company Limited ('JTCL') out of which Rs. 51.55 million (31 March 2020: Rs. 51.55 million) is pending with the Chhattisgarh High Court, Rs. 40.50 million (31 March 2020: Rs. 40.50 million) is pending with Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.) and Rs. 21.36 million (31 March 2020: Nil) the notice for assessment has been received in the month of October 2020 for which the Group has applied for a certified copy of the Assessment Order on 29 October 2020 and is still awaiting a copy of the same.

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

VAT demand notice of Rs. 16.06 million (31 March 2020: Nil) for Purulia & Kharagpur Transmission Company Limited (PKTCL) pertains to Jharkhand VAT Act, 2005. The Group has received the notice for assessment in the month of January 2020 and various submissions along with the requisite details and documents were made to the officer. The Group further applied for a certified copy of the Assessment Order on 01 October 2020 and is still awaiting a copy of the same.

VAT demand notice of Rs. 9.83 million (31 March 2020: Nil) for Jabalpur Transmission Company Limited (JTCL) pertains to Chhattisgarh, VAT Act, 2005. The Group has received the notice for assessment in the month of October 2020. The Group further applied for a certified copy of the Assessment Order on 29 October 2020 and is still awaiting a copy of the same.

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

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

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

**Others**

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

\* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

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

**Note 30: Segment reporting**

The Group's activities comprise of owning and investing in transmission SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS- 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS-108 have not separately been given. The Group has all the assets within India.

**Note 31: Subsequent events and business acquisitions**

1) The Board of Directors of the Investment Manager approved a distribution of Rs. 3.10 per unit for the period 01 October 2020 to 31 December 2020 to be paid on or before 15 days from the date of declaration approved on 22 January 2021.

2) On 08 January 2021, pursuant to share purchase agreements dated 28 November 2020 ("SPA") executed among Reliance Infrastructure Limited ("the selling shareholder"), Parbati Koldam Transmission Company Limited ("PrKTCL"), Indigrid Investment Managers Limited, and Axis Trustee Services Limited, the Trust acquired 74% of paid up equity share capital of PrKTCL. The balance 26% share in PrKTCL is held by Power Grid Corporation of India Limited ("PGCIL").

PrKTCL was incorporated on 02 September 2002 as a joint venture between Reliance Infrastructure Limited (74%) and Power Grid Corporation of India Limited (26%). PrKTCL has entered into a Transmission Service Agreement with PGCIL on 24 December 2013. The projects of PrKTCL were fully commissioned in June 2015.

With effect from 07 January 2021, the Group has acquired PrKTCL for total consideration of INR 3,592.59 million as a going concern including its business assets, business liabilities, contracts, permits, records, employees, any incorporeal asset, any benefit or incentives granted or accrued by any regulatory body. The total purchase consideration, which has been determined based on enterprise value of PrKTCL and as agreed between the parties, is payable by the Group to Reliance Infrastructure Limited and shall be paid on agreed date except an amount of INR 10 million which shall be payable later subject to certain conditions and timeline agreed between the parties.

None of the Trade and other Receivables is credit impaired and it is expected that the full contractual amounts will be recoverable. The Group has not allocated the purchase consideration, pending final determination of fair value of the acquired assets and liabilities.

3) The board of investment manager has passed an enabling resolution on 22 January 2021 to raise capital upto an aggregate value not exceeding INR 1,500 crore, subject to receipt of necessary approvals from statutory, regulatory and other authorities as applicable, by way of issue of Units of IndiGrid to its eligible Unitholders on a right basis ('Rights Issue') in accordance with the applicable provisions of the InvIT Regulations and other applicable laws.

4) The board of investment manager also passed an enabling resolution on 22 January 2021 to raise funds upto INR 1,400 crore through issuance of commercial papers, public or private issuance of debt or non-convertible debentures subject to receipt of necessary approvals from statutory, regulatory and other authorities as applicable and in accordance with the applicable provisions of the InvIT Regulations and other applicable laws.

**Note 32: Impact of Code on Social Security**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**Note 33: Impact of COVID-19**

The management has assessed impact on business and financial risks on account of COVID-19 on the financial information of the Group. Considering that the subsidiaries of the Group are engaged in the business of transmission of electricity which is considered as an "Essential Service", the management believes that the impact of COVID-19 is not significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

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

**As per our report of even date**

**For SRBC & CO LLP**  
**Chartered Accountants**  
 Firm Registration No. 324982E/ E300003

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

**per Huzefa Ginwala**  
 Partner  
 Membership Number : 111757  
 Place : Pune  
 Date : 24 February 2021

**Harsh Shah**  
 CEO & Whole Time Director  
 DIN: 02496122  
 Place : Mumbai  
 Date : 24 February 2021

**Jyoti Kumar Agarwal**  
 CFO  
 Place : Mumbai  
 Date : 24 February 2021

**Swapnil Patil**  
 Company Secretary  
 Place : Mumbai  
 Date : 24 February 2021

**Independent Auditor's Review Report on the Unaudited Interim Condensed Standalone Ind AS  
Financial Statements of the Trust as at and for the nine months period ended  
December 31, 2020**

The Board of Directors

Indigrid Investment Managers Limited (as Investment Manager of India Grid Trust)

(Previously known as Sterlite Investment Managers Limited)

1. We have reviewed the accompanying unaudited interim condensed standalone Ind AS financial statements of India Grid Trust ("the Trust") comprising of the unaudited interim condensed standalone balance sheet as at December 31, 2020, the related unaudited interim condensed standalone statement of profit and loss, including other comprehensive income for the nine month period ended December 31, 2020, the unaudited condensed standalone cash flow statement for the nine month period ended December 31, 2020 and the unaudited condensed standalone statement of changes in unit holders' equity for the nine month period ended December 31, 2020 of the Trust ("Unaudited Interim Condensed Standalone Ind AS Financial Statements") attached herewith, being prepared by Indigrid Investment Managers Limited (the "Investment Manager").
2. The Unaudited Interim Condensed Standalone Ind AS Financial Statements, which are the responsibility of the Investment Manager and has been approved by the Board of Directors of the Investment Manager, have been prepared in accordance with the requirements of Indian Accounting Standard 34 (referred to as "Ind AS 34"), specified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standard) Rules, 2015 (as amended) and read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Standalone Ind AS Financial Statements based on our review.
3. We conducted our review of the Unaudited Interim Condensed Standalone Ind AS Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Interim Condensed Standalone Ind AS Financial Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Investment Manager personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Interim Condensed Standalone Ind AS Financial Statements are not prepared in accordance with the requirements of Indian Accounting Standard 34 (referred to as “Ind AS 34”), specified under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standard) Rules, 2015 (as amended) and read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder (“InvIT Regulations”) and other accounting principles generally accepted in India, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S R B C & CO LLP

ICAI Firm registration number: 324982E/E300003

Chartered Accountants

per Huzefa Ginwala

Partner

Membership No.: 111757

UDIN: 21111757AAAAAZ6011

Place: Pune

Date: February 24, 2021

**INDIA GRID TRUST**  
**INTERIM CONDENSED STANDALONE BALANCE SHEET AS AT 31 DECEMBER 2020**  
**(All amounts in Rs. million unless otherwise stated)**

	Notes	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	4	17,517.67	15,169.05
Financial assets			
i. Investments	5	-	3,314.99
ii. Loans	6	82,593.60	70,713.80
Other non-current assets	8	0.26	-
		<b>1,00,111.53</b>	<b>89,197.84</b>
<b>Current assets</b>			
Financial assets			
i. Investments	5	5,393.08	-
ii. Cash and cash equivalents	9	7,521.82	2,128.83
iii. Bank Balances other than (ii) above	10	573.00	798.90
iv. Loans	6	220.08	560.61
v. Other financial assets	7	634.79	331.49
Other current assets	8	0.90	-
		<b>14,343.67</b>	<b>3,819.83</b>
<b>Total assets</b>		<b>1,14,455.20</b>	<b>93,017.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Unit capital	11	53,145.69	53,145.69
Other equity			
Retained earnings/ (accumulated deficit)	12	568.70	(1,713.72)
<b>Total unit holders' equity</b>		<b>53,714.39</b>	<b>51,431.97</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	59,306.58	39,482.21
		<b>59,306.58</b>	<b>39,482.21</b>
<b>Current liabilities</b>			
Financial liabilities			
Other financial liabilities	14	1,432.80	2,090.33
Other current liabilities	15	1.29	9.06
Current tax liability	16	0.14	4.10
		<b>1,434.23</b>	<b>2,103.49</b>
<b>Total liabilities</b>		<b>60,740.81</b>	<b>41,585.70</b>
<b>Total equity and liabilities</b>		<b>1,14,455.20</b>	<b>93,017.67</b>

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the interim condensed standalone financial statements.

**As per our report of even date**

**For SRBC & CO LLP**  
**Chartered Accountants**  
Firm Registration No. 324982E/ E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 24 February 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 24 February 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 24 February 2021

**Swapnil Patil**  
Company Secretary  
Place : Mumbai  
Date : 24 February 2021

## INDIA GRID TRUST

## INTERIM CONDENSED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

(All amounts in Rs. million unless otherwise stated)

	Notes	Nine months period ended 31 December 2020 (Rs. in million) (Unaudited)	Nine months period ended 31 December 2019 (Rs. in million) (Unaudited)
<b>INCOME</b>			
Revenue from operations	17	9,190.03	7,435.05
Income from investment in mutual funds		-	97.44
Interest income on investment in fixed deposits		61.56	63.69
<b>Total income (I)</b>		<b>9,251.59</b>	<b>7,596.18</b>
<b>EXPENSES</b>			
Legal and professional fees		38.23	48.16
Annual listing fee		6.10	6.26
Rating fee		34.71	22.78
Valuation expenses		2.76	4.21
Trustee fee		2.42	2.87
Payment to auditors			
- Statutory audit fees		2.24	1.82
- Tax audit fees		0.18	0.24
- Other services (including certification)		-	-
Other expenses		139.07	5.46
Finance costs	18	3,101.92	2,122.38
(Reversal)/ impairment of investment in subsidiaries		(1,614.25)	547.75
<b>Total expenses (II)</b>		<b>1,713.38</b>	<b>2,761.93</b>
<b>Profit before tax (I - II)</b>		<b>7,538.21</b>	<b>4,834.25</b>
<b>Tax expense:</b>			
- Current tax		4.42	55.56
- Deferred tax		-	-
<b>Total</b>		<b>4.42</b>	<b>55.56</b>
<b>Profit for the period</b>		<b>7,533.79</b>	<b>4,778.69</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>7,533.79</b>	<b>4,778.69</b>
<b>Earnings per unit (Computed on the basis of profit for the period) (Rs.)</b>			
Basic and Diluted	19	12.91	8.78
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the interim condensed standalone financial statements.

## As per our report of even date

**For SR B C & CO LLP**  
Chartered Accountants  
Firm Registration No. 324982E/ E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 24 February 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 24 February 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 24 February 2021

**Swapnil Patil**  
Company Secretary  
Place : Mumbai  
Date : 24 February 2021

**INDIA GRID TRUST**  
**INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY AS AT AND FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**  
**(All amounts in Rs. million unless otherwise stated)**

**A. Unit capital**

	Nos. in million	Rs. in million
<b>Balance as at 01 April 2019</b>	<b>283.80</b>	<b>28,380.00</b>
Issued during the period (refer note 11)	299.69	25,140.48
Issue expenses (refer note 11)		(374.79)
<b>Balance as at 31 December 2019</b>	<b>583.49</b>	<b>53,145.69</b>
Issued during the period (refer note 11)	-	-
<b>Balance as at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>
<b>Balance as at 01 April 2020</b>	<b>583.49</b>	<b>53,145.69</b>
Issued during the period (refer note 11)	-	-
<b>Balance as at 31 December 2020</b>	<b>583.49</b>	<b>53,145.69</b>

**B. Other equity**

	Retained earnings/ (Accumulated deficit)	Total other equity
<b>Balance as at 01 April 2019</b>	(519.17)	(519.17)
Profit for the nine months period ended 31 December 2019	4,778.69	4,778.69
Less: Distribution during the nine months period ended 31 December 2019	(4,352.30)	(4,352.30)
<b>As at 31 December 2019</b>	<b>(92.78)</b>	<b>(92.78)</b>
Profit for the quarter ended 31 March 2020	129.51	129.51
Less: Distribution during the quarter ended 31 March 2020	(1,750.45)	(1,750.45)
<b>As at 31 March 2020</b>	<b>(1,713.72)</b>	<b>(1,713.72)</b>
<b>Balance as at 01 April 2020</b>	<b>(1,713.72)</b>	<b>(1,713.72)</b>
Profit for the nine months period ended 31 December 2020	7,533.79	7,533.79
Less: Distribution during the nine months period ended 31 December 2020	(5,251.37)	(5,251.37)
<b>As at 31 December 2020</b>	<b>568.70</b>	<b>568.70</b>

The distribution relates to the distributions made during the nine months period along with the distribution related to the last quarter of FY 2018-19 and FY 2019-20 respectively and does not include the distribution relating to the third quarter of FY 2019-20 and FY 2020-21 respectively which will be paid after period end date.

The distributions made by IndiGrid to its unitholders are based on the Net Distributable Cash Flows (NDCF) of IndiGrid under the InvIT Regulations and hence part of the same includes repayment of capital as well.

**As per our report of even date**

**For SR B C & CO LLP**  
**Chartered Accountants**  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 24 February 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
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**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 24 February 2021

**Swapnil Patil**  
Company Secretary  
Place : Mumbai  
Date : 24 February 2021

**INDIA GRID TRUST**  
**INTERIM CONDENSED STANDALONE CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**  
**(All amounts in Rs. million unless otherwise stated)**

	Nine months period ended 31 December 2020 (Rs. in million) (Unaudited)	Nine months period ended 31 December 2019 (Rs. in million) (Unaudited)
<b>A. Cash flow from operating activities</b>		
Net profit as per statement of profit and loss	7,533.79	4,778.69
Adjustment for taxation	4.42	55.56
<b>Profit before tax</b>	<b>7,538.21</b>	<b>4,834.25</b>
Non-cash adjustments to reconcile profit before tax to net cash flows		
Interest income on non convertible debentures	(461.98)	(208.52)
(Reversal)/ impairment of investment in subsidiaries	(1,614.25)	547.75
Finance costs	3,101.92	2,122.38
Interest income on loans given to subsidiaries	(8,728.05)	(7,226.53)
Income from investment in mutual funds	-	(97.44)
Interest income on investment in fixed deposits	(61.56)	(63.69)
<b>Operating (loss) before working capital changes</b>	<b>(225.71)</b>	<b>(91.80)</b>
Movements in working capital :		
- other current financial liabilities	(68.50)	334.99
- other current liabilities	(7.77)	(1.02)
- other non-current asset	-	-
- other current financial asset	(0.25)	13.09
- other current assets	(0.90)	(1.08)
<b>Change in working capital</b>	<b>(77.42)</b>	<b>345.98</b>
<b>Cash (used in)/ generated from operations</b>	<b>(303.13)</b>	<b>254.18</b>
Direct taxes paid (net of refunds)	(8.64)	(41.62)
<b>Net cash flow (used in)/ from operating activities (A)</b>	<b>(311.77)</b>	<b>212.56</b>
<b>B. Cash flow used in investing activities</b>		
Purchase of equity shares of subsidiaries	(3,441.68)	(12,698.85)
Loans given to subsidiaries	(17,896.49)	(38,511.37)
Loans repaid by subsidiaries	6,357.22	4,853.37
Interest income on loans given to subsidiaries	8,394.13	7,392.71
Interest income on investment in fixed deposits	92.43	32.40
Income from investment in mutual funds	-	97.44
Redemption from fixed deposits	225.90	-
<b>Net cash flow used in investing activities (B)</b>	<b>(6,268.49)</b>	<b>(38,834.30)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of unit capital	-	25,140.48
Unit issue expense incurred	-	(374.79)
Proceeds of long term borrowings	19,771.23	20,779.89
Finance costs	(2,548.62)	(1,960.50)
Payment of distributions to unitholders	(5,249.36)	(4,351.36)
<b>Net cash flow from financing activities (C)</b>	<b>11,973.25</b>	<b>39,233.72</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>5,392.99</b>	<b>611.98</b>
Cash and cash equivalents as at beginning of period	2,128.83	1,290.23
Cash and cash equivalents as at period end	<b>7,521.82</b>	<b>1,902.21</b>
<b>Components of cash and cash equivalents:</b>		
<b>Balances with banks:</b>		
- in current accounts <sup>A</sup>	7,296.42	1,103.31
- Deposit with original maturity of less than 3 months <sup>#</sup>	225.40	798.90
<b>Total cash and cash equivalents (refer note 9)</b>	<b>7,521.82</b>	<b>1,902.21</b>

<sup>A</sup> Out of total amount, Rs. 9.35 million (31 December 2019: Rs. 6.69 million) pertains to unclaimed distribution to unitholders.

<sup>#</sup> Includes amount of Rs. 225.40 million (31 December 2019: Rs. 789.90 million) kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

Summary of significant accounting policies

2.2

As per our report of even date

**For SR B C & CO LLP**  
**Chartered Accountants**  
 Firm Registration No. 324982E/ E300003

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

**per Huzefa Ginwala**  
 Partner  
 Membership Number : 111757  
 Place : Pune  
 Date : 24 February 2021

**Harsh Shah**  
 CEO & Whole Time Director  
 DIN: 02496122  
 Place : Mumbai  
 Date : 24 February 2021

**Jyoti Kumar Agarwal**  
 CFO  
 Place : Mumbai  
 Date : 24 February 2021

**Swapnil Patil**  
 Company Secretary  
 Place : Mumbai  
 Date : 24 February 2021



**INDIA GRID TRUST**  
**INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**  
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**  
(SeBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

**A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT**

Particulars	(Rs. in million)	
	31 December 2020 (Unaudited)	31 March 2020 (Audited)
	Book value	Fair value
A. Assets	1,14,455.20	1,29,052.43
B. Liabilities (at book value)	60,740.81	60,740.81
C. Net Assets (A-B)	53,714.39	68,311.62
D. Number of units	583.49	583.49
E. NAV (C/D)	92.06	117.07

Total assets after provision for impairment on investment in subsidiaries determined based on fair valuation.

**Project wise breakup of fair value of assets as at**

Project	(Rs. in million)	
	31 December 2020 (Unaudited)	31 March 2020 (Audited)
Indigrid Limited	43,197.27	40,065.03
Indigrid 1 Limited <sup>^</sup>	48,368.91	44,604.81
Indigrid 2 Limited <sup>^</sup>	9,767.31	9,967.44
Patran Transmission Company Limited	2,677.55	2,377.46
East North Interconnection Company Limited*	8,676.78	2,067.45
Gurgaon-Palwal Transmission Limited <sup>#</sup>	5,160.50	-
Jhajjar KT Transco Private Limited <sup>#</sup>	3,471.31	-
<b>Subtotal</b>	<b>1,21,319.63</b>	<b>98,082.20</b>
Assets (in IndiGrid)	7,732.80	3,542.09
<b>Total assets</b>	<b>1,29,052.43</b>	<b>1,01,624.29</b>

<sup>^</sup> The Trust had acquired Indigrid 1 Limited (IG1L) (formerly known as "Sterlite Grid 2 Limited") which is the holding company of NRSSXXIX Transmission Limited ('NTL') and Indigrid 2 Limited (IG2L) (formerly known as "Sterlite Grid 3 Limited") which is the holding company of Odisha Generation Phase-II Transmission Limited ('OGPTL') on 04 June 2019 and 28 June 2019 respectively.

\* The Trust acquired East-North Interconnection Company Limited ('ENICL') with effect from 24 March 2020.

<sup>#</sup> In the current period, the Trust has acquired Gurgaon-Palwal Transmission Limited with effect from 28 August 2020 and Jhajjar KT Transco Private Limited with effect from 28 September 2020.

**B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE**

Particulars	Nine months period ended 31 December 2020 (Rs. in million) (Unaudited)
Total comprehensive income (as per the statement of profit and loss)	7,533.79
Add: other changes in fair value (e.g., in property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	6,108.46
<b>Total Return</b>	<b>13,642.25</b>

**Notes:**

1. Fair value of assets as at 31 December 2020 and other changes in fair value for the nine months period then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.
2. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 21A.
3. As per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 and the InvIT Regulations, the Trust was not required to present 'Statement of Net Distributable Cash Flows (NDCF)' as part of the financial statements in the previous nine monthly period ended December 31, 2019. Accordingly, disclosures for NDCF are given only for period ended 31 December 2020 and not for comparative period ended 31 December 2019.

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**INDIA GRID TRUST**
**CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**
**DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 issued under the InvIT Regulations)

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

Description	Nine months ended December 31, 2020 (Unaudited)
Cash flows received from the Portfolio Assets in the form of interest	8,394.13
Cash flows received from the Portfolio Assets in the form of dividend	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/ return on surplus cash invested by IndiGrid	61.56
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	6,357.22
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>14,812.91</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i & ii)	(2,687.31)
Less: Costs/ retention associated with sale of assets of the Portfolio Assets:	-
-related debts settled or due to be settled from sale proceeds of Portfolio Assets;	-
-transaction costs paid on sale of the assets of the Portfolio Assets; and	-
-capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments.	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the InvIT Regulations	-
Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/ special purpose	-
Less: Income tax (if applicable) at the standalone IndiGrid level	(4.42)
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(6,434.65)
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-
<b>Total cash outflows/ retention at IndiGrid level (B)</b>	<b>(9,126.38)</b>
<b>Net Distributable Cash Flows (C) = (A+B)</b>	<b>5,686.53</b>

**Notes**

i. Does not include interest accrued but not due for the nine months ended 31 December 2020 of Rs. 261.96 million related to market linked non convertible debentures ('MLDs') which is payable on maturity of these MLDs from FY 2022 to FY 2024.

ii. Does not include Earn - out expenses for the nine months ended 31 December 2020 of Rs 117.27 million.

iii. As per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016 and the InvIT Regulations, the Trust was not required to present 'Statement of Net Distributable Cash Flows (NDCF)' as part of the financial statements in the previous nine monthly period ended 31 December 2019. Accordingly, disclosures for NDCF are given only for period ended 31 December 2020 and not for comparative period ended 31 December 2019.

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## **1. Trust information**

India Grid Trust ("the Trust" or "IndiGrid") is an irrevocable trust settled by Sterlite Power Grid Ventures Limited (*now merged with Sterlite Power Transmission Limited*) (the "Sponsor") on 21 October 2016 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on 28 November 2016 having registration number IN/ InvIT/ 16-17/ 0005. The Trustee of IndiGrid is Axis Trustee Services Limited (the "Trustee"). The Investment manager for IndiGrid is Indigrid Investment Managers Limited (*formerly known as Sterlite Investment Managers Limited*) (the "Investment Manager" or the "Management").

The objectives of IndiGrid are to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of IndiGrid is to own and invest in power transmission and renewable energy asset in India with the objective of producing stable and sustainable distributions to unitholders.

As at 31 December 2020, IndiGrid has following project entities which are transmission infrastructure projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

1. Bhopal Dhule Transmission Company Limited ('BDTCL')
2. Jabalpur Transmission Company Limited ('JTCL')
3. RAPP Transmission Company Limited ('RTCL')
4. Purulia & Kharagpur Transmission Company Limited ('PKTCL')
5. Maheshwaram Transmission Limited ('MTL')
6. Patran Transmission Company Limited ('PTCL')
7. NRSS XXIX Transmission Limited ('NTL')
8. Odisha Generation Phase-II Transmission Limited ('OGPTL')
9. East-North Interconnection Company Limited ('ENICL')
10. Gurgaon Palwal Transmission Limited ('GPTL') (w.e.f. 28 August 2020)

Further, the trust has also invested in Hajjar KT Transco Private Limited ('KTPL') (w.e.f. 28 September 2020) which operates on Build, Operate and Transfer (BOT) basis.

These SPVs have executed Transmission Services Agreements ("TSAs") with Long term transmission customers under which the SPVs have to maintain the transmission infrastructure for 25 years or 35 years post commissioning.

The address of the registered office of the Investment Manager is Unit No.101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai, Maharashtra, India 400 098. The interim condensed standalone financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 24 February 2021.

## **2. Significant Accounting Policies**

### **2.1 Basis of preparation**

These Interim Condensed Standalone Financial Statements (the "financial statements") are the separate financial statements of the Trust and comprise of the Balance Sheet as at 31 December 2020, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Unit Holders' Equity for the nine-month period ended 31 December 2020 and the Statement of Net Assets at fair value as at 31 December, 2020 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') for the nine-months period then ended and a summary of significant accounting policies and other explanatory notes prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations").

The financial assets have been prepared on a historical cost basis, except for certain assets which have been measured at fair value.

The financial statements are presented in Indian Rupees Millions, except when otherwise indicated.

Interim Condensed Standalone Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Trust's Annual Financial Statements as at 31 March 2020.

The accounting policies adopted in the preparation of Interim Condensed Standalone Financial Statements are consistent with those of Annual Financial Statement as at 31 March 2020. These Interim Condensed Standalone Financial Statements have been prepared solely for the purpose of proposed issue of the units by the Trust and should not be used for any other purpose.

## **2.2 Summary of Significant accounting policies**

The interim condensed standalone financial statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Trust's Annual Financial Statements as at 31 March 2020.

The interim condensed standalone financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of these financial statements are consistent with those of Annual Financial Statements as at 31 March 2020. There has been no change in the significant accounting policies in the interim period.

## **3 Other Amendments to Standards, which are either not applicable to the Trust or the impact is not expected to be material**

- Amendments to Ind AS 103: Business Combinations

The amendments to the definition of a business in Ind AS 103 help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. The amendments apply prospectively to transactions or other events that occur on or after the date of first application.

The Management continues to evaluate the impact on acquisitions by the Trust during the period and the results would be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the acquisition contractual arrangements including the share purchase agreements.

While the Management continues to evaluate the available transition method and its acquisition contractual arrangements. The ultimate impact resulting from the application of abovementioned amendments in Ind AS 103 will be subject to assessments that are dependent on terms of the acquisition contractual arrangements. A reliable estimate of the quantitative impact of Ind AS 103 on the condensed standalone financial statements will only be possible once the Trust's assessment of the above amendments with respect to acquisition contractual arrangements has been completed.

- Amendments to Ind AS 109 and 107: Financial Instruments and Financial Instruments Disclosures
- Amendments to Ind AS 116: Leases
- Amendments to Ind AS 1 and 8: Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to Ind AS 10: Events after the Reporting Period
- Amendments to Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets

**INDIA GRID TRUST**  
**INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**

**Note 4: Investments in subsidiaries**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Equity investments, at cost (unquoted)</b>		
Indgrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") [17.67 million (31 March 2020: 17.67 million) equity shares of Rs 10 each fully paid-up] Less: Provision for impairment	1,929.22 (1,929.22)	1,929.22 (1,929.22)
Patran Transmission Company Limited ("PTCL") [50 million (31 March 2020: 50 million) equity shares of Rs 10 each fully paid-up]	735.53	735.53
Indgrid 1 Limited ("IGL1") (formerly known as "Sterlite Grid 2 Limited") [87.30 million equity shares (31 March 2020: 87.30 million) of Rs. 10 each fully paid up]	12,663.79	12,626.66
Indgrid 2 Limited ("IGL2") (formerly known as "Sterlite Grid 3 Limited") [26.05 million equity shares (31 March 2020: 26.05 million) of Rs. 10 each fully paid up]	518.31	518.31
East-North Interconnection Company Limited ("ENICL") [1.05 million equity shares (31 March 2020: 0.05 million) of Rs. 10 each fully paid up]	1,294.72	1,288.55
Gurgaon-Palwal Transmission Limited ("GPTL") [0.69 million equity shares (31 March 2020: Nil) of Rs. 10 each fully paid up]	902.96	-
Jhajjar KT Transco Private Limited ("JKTPL") [226.57 million equity shares (31 March 2020: Nil) of Rs. 10 each fully paid up] Less: Provision for impairment	1,404.20 (1.84)	- (1.84)
	1,402.36	-
<b>Preference shares, at cost (unquoted)</b>		
Indgrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited") [665.82 million (31 March 2020: 665.82 million) 0.01% Optionally convertible redeemable non cumulative preference shares ("OCRPS") of Rs. 10 each fully paid-up] Less: Provision for impairment	1,001.96 (1,001.96)	1,001.96 (1,001.96)
	-	-
<b>Total non-current investments</b>	<b>17,517.67</b>	<b>15,169.05</b>

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest %	
		31 December 2020	31 March 2020
<b>Directly held by the Trust:</b>			
Indgrid Limited ("IGL")	India	100%	100%
Indgrid 1 Limited ("IGL1") #	India	100%	100%
Indgrid 2 Limited ("IGL2") *	India	100%	100%
Patran Transmission Company Limited ("PTCL")**	India	74%	74%
East-North Interconnection Company Limited@	India	100%	49%
Gurgaon-Palwal Transmission Limited ("GPTL")^	India	49%	-
Jhajjar KT Transco Private Limited ("JKTPL")^^	India	100%	-
<b>Indirectly held by the Trust (through subsidiaries):</b>			
Bhopal Dhule Transmission Company Limited ("BDTCL")	India	100%	100%
Jabalpur Transmission Company Limited ("JTCL")	India	100%	100%
Purulia & Kharagpur Transmission Company Limited ("PKTCL")	India	100%	100%
RAPP Transmission Company Limited ("RTCL")	India	100%	100%
Maheshwaram Transmission Limited ("MTL")	India	100%	100%
NRSSXXIX Transmission Limited ("NTL")#	India	100%	100%
Odisha Generation Phase-II Transmission Limited ("OGPTL")*	India	100%	100%

# The Trust acquired Indgrid 1 Limited (formerly known as "Sterlite Grid 2 Limited"), which is the holding company of NRSSXXIX Transmission Limited ("NTL") from Sterlite Power Grid Ventures Limited ("SPGVL") (merged with "Sterlite Power Transmission Limited" ("SPTL")) pursuant to share purchase agreements dated 30 April 2019 on 04 June 2019. 100% equity share capital of SGL2 is acquired by the Trust as per the share purchase agreement dated 30 April 2019.

\* The Trust acquired Indgrid 2 Limited (formerly known as "Sterlite Grid 3 Limited") which is the holding company of Odisha Generation Phase-II Transmission Limited ("OGPTL") from Sterlite Power Grid Ventures Limited ("SPGVL") (merged with "Sterlite Power Transmission Limited" ("SPTL")) pursuant to share purchase agreements dated 30 April 2019 on 28 June 2019 respectively. 100% equity share capital of Indgrid 2 Limited is acquired by the Trust as per the share purchase agreement dated 30 April 2019.

\*\* Pursuant to Share Purchase agreement/ Shareholders' Agreement ("SPA") dated 19 February 2018, the Trust acquired Patran Transmission Company Limited (PTCL) (referred as "the SPV"), from Techno Power Grid Company Limited and Techno Electric and Engineering Company Limited with effect from 30 August 2018. The Trust holds 74% equity stake in the SPV and on the remaining 26%, the Trust has beneficial interest based on the rights available to it under the SPA.

@ The Trust acquired 49% of paid up equity capital of East-North Interconnection Company Limited ("ENICL") with effect from 24 March 2020 from Sterlite Power Grid Ventures Limited ("SPGVL") (merged with "Sterlite Power Transmission Limited" ("SPTL")) and Sterlite Power Transmission Limited ("SPTL") (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 23 March 2020 ("SPA") and acquired remaining 51% equity stake in ENICL on 26 May 2020.

^ The Trust acquired 49% of paid up equity capital of Gurgaon Palwal Transmission Limited ("GPTL") with effect from 28 August 2020 from Sterlite Power Grid Ventures Limited ("SPGVL") (merged with "Sterlite Power Transmission Limited" ("SPTL")) and Sterlite Grid 4 Limited ("SGL4"), (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 28 August 2020 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in GPTL and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in GPTL from the Selling Shareholders. The Trust has beneficial interest based on the rights available to it under the SPA.

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

**INDIA GRID TRUST**  
**INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**

**Note 5: Investments**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Non-Current</b>		
<b>Non-convertible debentures (unquoted) (at amortised cost)</b>		
Indigrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited")		
(665.82 million (31 March 2020: 665.82 million) 0.01% Non-convertible debentures of Rs 10 each)#	-	5,823.90
Less: Provision for impairment	-	(2,508.91)
	-	<b>3,314.99</b>
<b>Current</b>		
<b>Non-convertible debentures (unquoted) (at amortised cost)</b>		
Indigrid Limited ("IGL") (formerly known as "Sterlite Grid 1 Limited")		
(665.82 million (31 March 2020: 665.82 million) 0.01% Non-convertible debentures of Rs 10 each)#	6,285.89	-
Less: Provision for impairment	(892.81)	-
	<b>5,393.08</b>	-

# Non Convertible debenture (NCD) of Face value of Rs.10 each are issued by Indigrid Limited. The NCD were redeemable at the option of the NCD holder anytime after 22 July 2019 but the NCD holders did not exercise their right of redeeming the NCDs, hence the NCDs are due for repayment at the end of July 2021. Since the interest rate for the NCD is below market rate, an amount of Rs. 1,754.50 million (31 March 2020: Rs 1,754.50 million) has been re-classified as equity contribution in subsidiary disclosed under investment in subsidiary.

**Note 6: Loans (unsecured, considered good)**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Non-Current</b>		
Loan to subsidiaries (refer note 22) *	82,593.60	70,713.80
<b>Total</b>	<b>82,593.60</b>	<b>70,713.80</b>
<b>Current</b>		
Loan to subsidiaries (refer note 22) #	220.08	560.61
	<b>220.08</b>	<b>560.61</b>
<b>Total</b>	<b>82,813.68</b>	<b>71,274.41</b>

\* Loans are non-derivative financial assets which are repayable by subsidiaries upon expiry of period of their respective Transmission Services Agreement. Further, the subsidiaries are entitled to prepay all or any portion of the outstanding principal with a prior notice. The loans to subsidiaries carry interest @ 15% - 15.75% p.a.

# Loan given to wholly owned subsidiaries is repayable on demand. These loans carry interest @ 15% p.a.

**Note 7: Other current financial assets**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Interest receivable from subsidiaries (refer note 22)	615.56	281.64
Advances receivable in cash	0.46	0.21
Interest accrued on deposits	18.77	49.64
<b>Total</b>	<b>634.79</b>	<b>331.49</b>

**Note 8: Other assets**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Non-Current</b>		
Others	0.26	-
<b>Total</b>	<b>0.26</b>	-
<b>Current</b>		
Prepaid expenses	0.64	-
Balance with statutory authorities	0.26	-
<b>Total</b>	<b>0.90</b>	-

**Note 9: Cash and cash equivalents**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Balance with banks		
- in current accounts ^	7,296.42	2,079.93
Deposit with original maturity of less than 3 months #	225.40	48.90
<b>Total</b>	<b>7,521.82</b>	<b>2,128.83</b>

Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Trust and earn interest at the respective deposit rates.

# Includes amount of Rs. 225.40 million (31 March 2020: Rs. Nil) kept in Interest Service Reserve Account ("ISRA") as per borrowing agreements with lenders.

^ Out of total amount, Rs. 9.35 million (31 March 2020: Rs. 7.34 million) pertains to unclaimed distribution to unitholders.

**Note 10: Other bank balances**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Current</b>		
Deposit with original maturity for more than 12 months#	573.00	798.90
<b>Total</b>	<b>573.00</b>	<b>798.90</b>

# Includes amount of Rs. 573.00 million (31 March 2020: Rs. 798.40 million) kept in Interest Service Reserve Account ("ISRA") as per borrowing agreements with lenders.

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**Note 11: Unit Capital**

	Number of units (In million)	Amount (Rs. in million)
<b>As at 01 April 2019</b>	<b>283.80</b>	<b>28,380.00</b>
Issued during the year (refer note below)	299.69	25,140.48
Issue expenses (refer note below)	-	(374.79)
<b>As at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>
Issued during the period	-	-
<b>As at 31 December 2020</b>	<b>583.49</b>	<b>53,145.69</b>

**Note:**

During the previous year ended 31 March 2020, the Trust raised Rs. 25,140.48 million of primary capital through a qualified institutional placement of units. The Trust issued and allotted 299,683,881 units at a price of Rs. 83.89 per unit as per the placement agreement dated 04 May 2019. Issue expenses of Rs. 374.79 million incurred in connection with issue of units have been reduced from the Unitholders capital as at 31 March 2020 in accordance with Ind AS32 Financial Instruments: Presentation.

**Note 12: Other Equity**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Retained earnings</b>		
Balance as per last financial statements	(1,713.72)	(519.17)
Add: Profit for the nine months period/ year ended	7,533.79	4,908.20
Less: Distribution paid to unit holders for the nine months period/ year ended	(5,251.37)	(6,102.75)
<b>Closing balance</b>	<b>568.70</b>	<b>(1,713.72)</b>

**Note 13: Long term borrowings**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
<b>Non-Current</b>		
<b>Debentures</b>		
8.9922% Non-convertible debentures (secured)	4,350.00	4,350.00
8.60% Non-convertible debentures (secured)	2,500.00	2,500.00
8.40% Non-convertible market linked debentures (secured)	1,703.85	1,725.66
9.00% Non-convertible market linked debentures (secured)	1,974.07	2,100.12
8.85% Non-convertible debentures (secured) (refer note (i))	1,977.21	1,969.00
9.10% Non-convertible debentures (secured)	16,837.90	16,887.38
8.10% Non-convertible debentures (secured) (refer note (i))	998.36	-
8.40% Non-convertible debentures (secured) (refer note (i))	3,496.01	-
7.25% Non-convertible debentures (secured) (refer note (i))	1,500.00	-
7.40% Non-convertible debentures (secured) (refer note (i))	1,000.00	-
8.50% Non-convertible debentures (secured) (refer note (i))	4,002.21	-
7.00% Non-convertible debentures (secured) (refer note (i))	2,498.66	-
	<b>42,838.27</b>	<b>29,532.16</b>
<b>Term loans</b>		
Indian rupee loan from banks (secured) (refer note (ii))	16,468.31	9,950.05
	<b>16,468.31</b>	<b>9,950.05</b>
<b>Total</b>	<b>59,306.58</b>	<b>39,482.21</b>
<b>The above amount includes</b>		
Secured borrowings	59,306.58	39,482.21
Unsecured borrowings	-	-
<b>Total non-current borrowings</b>	<b>59,306.58</b>	<b>39,482.21</b>
<b>Current maturities</b>		
Interest accrued but not due on borrowings	588.90	88.74
<b>Total current portion of long term borrowings</b>	<b>588.90</b>	<b>88.74</b>
Less: Amount disclosed under the head "Other current financial liabilities" (note 14)	588.90	88.74
<b>Net borrowings</b>	<b>-</b>	<b>-</b>

i. The above items represent new secured non-convertible debentures that have been issued by the Trust during the nine-months period ended 31 December 2020.

ii. During the nine-months period ended 31 December 2020 the Trust has taken new Indian rupee loan from banks of Rs. 6,500 million.

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**Note 14: Other financial liabilities**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Interest accrued but not due on borrowings	588.90	88.74
Distribution payable	9.35	7.34
Payable towards project acquired#	805.80	1,897.00
Others	28.75	97.25
<b>Total</b>	<b>1,432.80</b>	<b>2,090.33</b>

# Liability of Rs. 805.80 million (31 March 2020: Rs. 1,897.00 million) is towards acquisition of equity shares of NRSS XXIX Transmission Limited, Odisha Generation Phase-II Transmission Limited, East-North Interconnection Company Limited, Gurgaon-Palwal Transmission Limited (31 March 2020 : Nil) and Hajjar KT Transco Private Limited (31 March 2020 : Nil) pursuant to respective share purchase agreements.

Other payables are non-interest bearing and have an average term of six months.

**Note 15: Other current liabilities**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Withholding taxes (TDS) payable	1.15	9.06
GST payable	0.14	-
<b>Total</b>	<b>1.29</b>	<b>9.06</b>

**Note 16: Current tax liability**

	31 December 2020 (Rs. in million) (Unaudited)	31 March 2020 (Rs. in million) (Audited)
Provision for income tax payable	0.14	4.10
<b>Total</b>	<b>0.14</b>	<b>4.10</b>

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**Note 17: Revenue from operations**

	Nine months period ended 31 December 2020 (Rs. in million) (Unaudited)	Nine months period ended 31 December 2019 (Rs. in million) (Unaudited)
Interest income on loans given to subsidiaries (refer note 22)	8,728.05	7,226.53
Finance income on non-convertible debentures issued by subsidiary on EIR basis	461.98	208.52
<b>Total</b>	<b>9,190.03</b>	<b>7,435.05</b>

**Note 18: Finance Cost**

	Nine months period ended 31 December 2020 (Rs. in million) (Unaudited)	Nine months period ended 31 December 2019 (Rs. in million) (Unaudited)
Interest on financial liabilities recorded at amortised cost	3,101.91	2,122.34
Other finance costs	0.01	0.04
<b>Total</b>	<b>3,101.92</b>	<b>2,122.38</b>

**Note 19: Earnings per unit**

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

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

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

	Nine months period ended 31 December 2020	Nine months period ended 31 December 2019
Profit after tax for calculating basic and diluted EPU (Rs. in million)	7,533.79	4,778.69
Weighted average number of units in calculating basic and diluted EPU (No. in million)	583.49	544.26
<b>Earnings Per Unit</b>		
Basic and Diluted (Rupees/ unit)	12.91	8.78

**Note 20: Significant accounting judgements, estimates and assumptions**

The preparation of the Trust's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

**a) Classification of Unitholders' funds**

Under the provisions of the InvIT Regulations, IndiGrid is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of IndiGrid for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20 October 2016 and No. CIR/IMD/DF/127/2016 dated 29 November 2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20 October 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the distribution payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or fair value disclosures within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

**a) Fair valuation and disclosures**

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer note 21A and 21B). In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager quarterly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

**b) Impairment of non-financial assets**

Non-financial assets of the Trust primarily comprise of investments in subsidiaries.

The provision for impairment/ (reversal) of impairment of investments in subsidiaries is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiaries has been computed by external independent valuation experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies. Based on the valuation exercise so carried out, there is a net impairment reversal of Rs. 1,614.25 million for nine months ended 31 December 2020 (nine months ended 31 December 2019: impairment provision of Rs. 547.75 million) which is primarily on account of change in risk premium and other underlying assumptions.

The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 21A.

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**Note 21A: Fair value measurements**

The Trust is required to present the statement of total assets at fair value and statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 as a part of these financial statements- Refer Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value.

The inputs to the valuation models for computation of fair value of assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2020 are as shown below:

Description of significant unobservable inputs to valuation:					(Rs in million)
Significant unobservable inputs	Input for 31 December 2020	Input for 31 March 2020	Sensitivity of input to the fair value	Increase / (decrease) in fair value 31 December 2020	31 March 2020
WACC	7.71% to 10.88%	8.44% to 9.09%	+ 0.5% - 0.5%	(6,230.21) 6,951.27	(4,769.00) 5,655.00
Tax rate (normal tax and MAT)	Normal Tax -	Normal Tax -	+ 2%	(387.77)	(1,277.63)
	25.168%	25.168%	- 2%	361.40	1,311.93
Inflation rate	Revenue: 5.00%	Revenue: 5.00%	+ 1%	(1,204.51)	(788.38)
	Expenses: 2.72% to 4.56%	Expenses: 2.72% to 4.56%	- 1%	976.49	529.45
Incremental revenue (applicable only for BDTCL and GPTL)	2.99%	NA	+ 1%	625.65	NA
			- 1%	(454.95)	

The independent valuer has considered effect of COVID-19 on the significant unobservable inputs used in fair valuation as referred above.

**Note 21B: Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Trust's assets and liabilities:

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2020 and 31 March 2020:**

Fair value measurement hierarchy for assets as at 31 December 2020 and 31 March 2020.					(Rs. in million)
	Date of valuation	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets for which fair values are disclosed:</b>					
Investment in subsidiaries (including loan to subsidiaries)	31 December 2020	-	-	-	1,20,321.66
	31 March 2020	-	-	-	98,365.08

There have been no transfers among Level 1, Level 2 and Level 3.

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**Note 22: Related party disclosures**

**I. List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures**

**(a) Name of related party and nature of its relationship:**

**Subsidiaries**

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

**(b) Other related parties under Ind AS 24 with whom transactions have taken place during the period**

**Entities with significant influence over the Trust**

Esoteric II Pte. Ltd (from 04 May 2019) - Sponsor w.e.f. 28 September 2020  
 Sterlite Power Grid Ventures Limited (SPGVL)<sup>^</sup> - Sponsor and Project manager of IndiGrid - upto 15 November 2020  
 Sterlite Power Transmission Limited (SPTL) - Sponsor and Project manager of IndiGrid - w.e.f. 15 November 2020

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

**(a) Parties to IndiGrid**

Sterlite Power Grid Ventures Limited (SPGVL)<sup>^</sup> - Sponsor and Project manager of IndiGrid (upto 15 November 2020)  
 Sterlite Power Transmission Limited (SPTL) - Sponsor and Project manager of IndiGrid (w.e.f. 15 November 2020)  
 Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (IIML) - Investment manager of IndiGrid  
 Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid  
 Esoteric II Pte. Ltd (from 04 May 2019) (EPL) - Sponsor w.e.f. 28 September 2020

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

Twin Star Overseas Limited - Promoter of SPTL  
 Sterlite Power Transmission Limited - Promoter of IIML\*  
 Electron IM Pte. Ltd. - Promoter of IIML\*  
 Axis Bank Limited - Promoter of ATSL  
 KKR Ingrid Co-Invest L.P.-Cayman Island - Promoter of EPL

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

**(i) Directors of SPTL:**

Pravin Agarwal  
 Pratik Agarwal  
 A. R. Narayanaswamy  
 Arun Todarwal Lalchand  
 Zhao Haixia  
 Avaantika Kakkar  
 Anoop Sethi

**(ii) Directors of IIML:**

Pratik Agarwal  
 Kuldip Kumar Kaura (till 07 June 2019)  
 Tarun Kataria  
 Late Shashikant Bhojani (till 22 July 2020)  
 Rahul Asthana  
 Harsh Shah (whole time director)  
 Sanjay Omprakash Nayar (from 07 June 2019)  
 Ashok Sethi (from 20 October 2020)

**(iii) Directors of ATSL:**

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

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

Wong Wai Kin  
 Terence Lee Chi Hur  
 Ooi Yi Jun

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

Sonakshi Agarwal  
 Jyoti Agarwal  
 Sujata Asthana  
 Mala Todarwal

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

Cyril Amarchand Mangaldas

<sup>^</sup> Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

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

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**III. The transactions with related parties during the period are as follows:-**

Particulars	Relation	(Rs. in millions)	
		Nine months period ended 31 December 2020	Nine months period ended 31 December 2019
<b>1. Unsecured loans given to subsidiaries</b>			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary	384.44	68.50
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	1,853.94	891.50
Maheshwaram Transmission Limited (MTL)	Subsidiary	137.51	-
RAPP Transmission Company Limited (RTCL)	Subsidiary	275.32	-
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary	513.93	-
Patran Transmission Company Limited (PTCL)	Subsidiary	529.57	-
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	3,640.97	28,169.22
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary	137.51	6,143.52
East-North Interconnection Company Limited (ENICL)	Subsidiary	5,357.80	-
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary	839.10	-
Hajjar KT Transco Private Limited (KTPL)	Subsidiary	1,776.36	-
Indgrid Limited (IGL)	Subsidiary	164.80	-
Indgrid 1 Limited (IGL1)	Subsidiary	31.22	1,089.93
Indgrid 2 Limited (IGL2)	Subsidiary	1.74	-
<b>2. Repayment of loan from subsidiaries</b>			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary	297.01	-
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	700.00	35.03
Maheshwaram Transmission Limited (MTL)	Subsidiary	-	-
RAPP Transmission Company Limited (RTCL)	Subsidiary	303.50	105.07
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary	543.24	93.86
Patran Transmission Company Limited (PTCL)	Subsidiary	324.18	22.56
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	3,563.94	2,240.59
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary	130.44	43.72
East-North Interconnection Company Limited (ENICL)	Subsidiary	340.53	-
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary	123.71	-
Hajjar KT Transco Private Limited (KTPL)	Subsidiary	30.47	-
Indgrid Limited (IGL)	Subsidiary	-	252.80
Indgrid 1 Limited (IGL1)	Subsidiary	-	-
Indgrid 2 Limited (IGL2)	Subsidiary	0.20	2,059.72
<b>3. Interest income from subsidiaries</b>			
Bhopal Dhule Transmission Company Limited (BDTCL)	Subsidiary	1,004.70	978.70
Jabalpur Transmission Company Limited (JTCL)	Subsidiary	2,038.03	1,886.17
Maheshwaram Transmission Limited (MTL)	Subsidiary	436.80	427.21
RAPP Transmission Company Limited (RTCL)	Subsidiary	253.10	261.79
Purulia & Kharagpur Transmission Company Limited (PKTCL)	Subsidiary	441.96	447.07
Patran Transmission Company Limited (PTCL)	Subsidiary	198.88	178.27
NRSS XXIX Transmission Limited (NRSS)	Subsidiary	3,097.96	2,461.65
Odisha Generation Phase II Transmission Limited (OGPTL)	Subsidiary	683.53	396.37
East-North Interconnection Company Limited (ENICL)	Subsidiary	152.17	-
Gurgaon-Palwal Transmission Limited (GPTL)	Subsidiary	149.67	-
Hajjar KT Transco Private Limited (KTPL)	Subsidiary	68.74	-
Indgrid Limited (IGL)	Subsidiary	4.17	17.45
Indgrid 1 Limited (IGL1)	Subsidiary	130.89	84.91
Indgrid 2 Limited (IGL2)	Subsidiary	67.45	86.92
<b>4. Purchase of equity shares of Indgrid 1 Limited (formerly known as Sterlite Grid 2 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	37.13	12,626.66
<b>5. Purchase of equity shares of Indgrid 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	465.91
<b>6. Purchase of loan to Indgrid 2 Limited (formerly known as Sterlite Grid 3 Limited)</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	2,289.49
<b>7. Purchase of equity shares of ENICL</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	6.17	-
Sterlite Power Transmission Limited	Promoter of project manager	-	-
<b>8. Purchase of equity shares of GPTL</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	902.96	-
<b>9. Purchase of loan to GPTL</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	2,252.28	-
<b>10. Received towards indemnification of liabilities</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	15.36	18.66
<b>11. Earn Out Expenses</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	117.27	-
<b>12. Issue of unit capital</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager/ Entity with significant influence	-	2,300.13
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	-	11,412.04

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(Rs. in millions)

Particulars	Relation	Nine months period ended 31 December 2020	Nine months period ended 31 December 2019
<b>13. Distribution to unit holders</b>			
Sterlite Power Grid Ventures Limited*	Sponsor and Project Manager	531.41	705.68
Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)	Investment manager of IndiGrid	1.02	-
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	1,224.32	795.74
Pravin Agarwal	Director of Sponsor	-	3.06
Pratik Agarwal	Director of Sponsor and Investment Manager	1.96	3.31
Harsh Shah	Whole time director of Investment Manager	0.09	0.09
Swapnil Patil	Company Secretary of Investment Manager	0.02	-
Sonakshi Agarwal	Relative of director	0.14	0.13
Jyoti Agarwal	Relative of director	0.18	0.18
Sujata Asthana	Relative of director	0.70	0.47
Arun Todorwal	Director of Sponsor	0.06	0.06
A. R. Narayanaswamy	Director of Sponsor	0.14	0.10
Mala Todorwal	Relative of director	0.05	-
<b>14. Trustee fee</b>			
Axis Trustee Services Limited (ATSL)	Trustee	2.42	2.01
<b>15. Legal and professional services taken</b>			
Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	9.23	16.37

**IV. The outstanding balances of related parties are as follows:**

(Rs in Million)

Particulars	31 December 2020	31 March 2020
1. Unsecured loan receivable	82,813.68	71,274.41
2. Interest receivable from subsidiaries	615.56	281.64
3. Non-Convertible Debentures of subsidiary (including accrued interest on EIR) (excluding provision for impairment)	6,285.89	5,823.90
4. Investment in equity shares of subsidiary (excluding provision for impairment)	19,448.73	17,098.27
5. Optionally convertible redeemable preference shares (excluding provision for impairment)	1,001.96	1,001.96
6. Payable towards project acquired	758.66	1,897.00
7. Payable towards legal and professional services	-	5.18

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

For the nine months period ended 31 December 2020:

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

(Rs in million)

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

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

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

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

Under the agreements, the Trust has the following rights:

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

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

For the year ended 31 March 2020:

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

(Rs in million)

Particulars	NTL	OGPTL	ENICL
Enterprise value	41,626	12,840	11,355
Method of valuation	Discounted Cash Flow		
Discounting rate (WACC):	8.12%	8.42%	8.77%

**INDIA GRID TRUST**  
**INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**

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

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

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

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

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

Pursuant to the share purchase agreements dated 23 March 2020 ("SPA") as amended on 28 June 2019 ("SPA") executed among Sterlite Power Grid Ventures Limited\*, Axis Trustee Services Limited, Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited), Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) and Odisha Generation Phase-II Transmission Limited for acquisition of equity stake in OGPTL. The Trust has acquired 100% of equity in Indigrid 2 Limited (formerly known as Sterlite Grid 3 Limited) which is the holding company of OGPTL.

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

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

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

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

\* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

**Note 23: Capital and other Commitments**

(a) The Trust has entered into a Framework agreement on 30 April 2019 with Sterlite Grid Ventures Limited ('SPGVL')\* for acquisition of NER II Transmission Limited ('NER') and Khargone Transmission Limited ('KTL').

(b) The Trust has entered into a Share Purchase agreement on 18 December 2020 with FRV Solar Holdings XI BV ('FRV') for acquisition of 100% equity share capital of FRV Andhra Pradesh Solar Farm-I Pvt Ltd ('FRVAPL') and FRV India Solar Park II-Pvt Ltd ('FRVIPL').

\* Sterlite Power Grid Ventures Limited ('SPGVL') has been merged with Sterlite Power Transmission Limited ('SPTL').

**Note 24: Contingent liability**

The Trust has no contingent liability to be reported.

**Note 25: Subsequent events**

1) The Board of Directors of the Investment Manager approved a distribution of Rs. 3.10 per unit for the period 01 October 2020 to 31 December 2020 to be paid on or before 15 days from the date of declaration approved on 22 January 2021.

2) On 08 January 2021, pursuant to share purchase agreements dated 28 November 2020 ("SPA") executed among Reliance Infrastructure Limited ("the selling shareholder"), Parbati Koldam Transmission Company Limited ('PBKTCL'), Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited), and Axis Trustee Services Limited, the Trust acquired 74% of paid up equity share capital of PBKTCL. The balance 26% share in PBKTCL is held by Power Grid Corporation of India Limited.

3) The board of investment manager has passed an enabling resolution on 22 January 2021 to raise capital upto an aggregate value not exceeding INR 1,500 crore, subject to receipt of necessary approvals from statutory, regulatory and other authorities as applicable, by way of issue of Units of IndiGrid to its eligible Unitholders on a right basis ('Rights Issue') in accordance with the applicable provisions of the InvIT Regulations and other applicable laws.

4) The board of investment manager also passed an enabling resolution on 22 January 2021 to raise funds upto INR 1,400 crore through issuance of commercial papers, public or private issuance of debt or non-convertible debentures subject to receipt of necessary approvals from statutory, regulatory and other authorities as applicable and in accordance with the applicable provisions of the InvIT Regulations and other applicable laws.

**Note 26: Impact of COVID-19**

The management has assessed impact on business and financial risks on account of COVID-19 on the financial information. Considering that the Trust receives income mainly in the form of interest income on loans given to subsidiaries engaged in business of transmission of electricity, which is considered as an essential service, the Management believes that the impact of COVID-19 is not significant. The management does not see any risks in the Trust's ability to continue as a going concern and meeting its liabilities as and when they fall due.

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

**As per our report of even date**

**For SRBC & CO LLP**  
**Chartered Accountants**  
 Firm Registration No. 324982E/ E300003

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

**per Huzefa Ginwala**  
 Partner  
 Membership Number : 111757  
 Place : Pune  
 Date : 24 February 2021

**Harsh Shah**  
 CEO & Whole Time Director  
 DIN: 02496122  
 Place : Mumbai  
 Date : 24 February 2021

**Jyoti Kumar Agarwal**  
 CFO  
 Place : Mumbai  
 Date : 24 February 2021

**Swapnil Patil**  
 Company Secretary  
 Place : Mumbai  
 Date : 24 February 2021

**Auditors' Report on the reformatted consolidated assets and liabilities of the Group as at March 31, 2020, March 31, 2019 and March 31, 2018 and the related statements of reformatted consolidated profit and loss including other comprehensive income, the reformatted consolidated cash flow statement and the reformatted consolidated statement of change in unit holders' equity for the years then ended, the reformatted consolidated statement of net assets at fair value as at March 31, 2020, March 31, 2019 and March 31, 2018 and the reformatted consolidated statement of total returns at fair value, the reformatted consolidated statement of net distributable cash flows ('NDCFs') of the Trust (including the underlying holding companies ["HoldCos"] and each of its subsidiaries) for the years then ended (collectively, the "Reformatted Ind AS Consolidated Financial Information of the Trust")**

The Board of Directors of  
Indigrd Investment Managers Limited (as Investment Manager of India Grid Trust)  
(Previously known as Sterlite Investment Managers Limited)  
Unit No 101, First Floor,  
Windsor Village, Kole Kalyan Off CST Road,  
Vidyanagari Marg, Santacruz (East)  
Mumbai - 400098, Maharashtra

Dear Sirs / Madams,

1. We have examined the attached Reformatted Consolidated Financial Information of the Trust of India Grid Trust (the "Trust"), and its subsidiary companies (the Trust, together with its subsidiaries are hereinafter collectively referred to as the "Group") comprising of reformatted consolidated assets and liabilities of the Group as at March 31, 2020, March 31, 2019 and March 31, 2018 and the related statements of reformatted consolidated profit and loss including other comprehensive income, the reformatted consolidated cash flow statement and the reformatted consolidated statement of change in unit holders' equity for the years then ended, the reformatted consolidated statement of net assets at fair value as at March 31, 2020, March 31, 2019 and March 31, 2018 and the reformatted consolidated statement of total returns at fair value, the reformatted consolidated statement of net distributable cash flows ('NDCFs') of the Trust (including the underlying holding companies ["HoldCos"] and each of its subsidiaries) for the years then ended (collectively referred to as the "Reformatted Ind AS Consolidated Financial Information of the Trust") annexed to this report and prepared by the Investment Manager of the Trust for the purpose of inclusion in the Draft Shelf Prospectus and/or Shelf Prospectus and/or Tranche prospectus(es) and/or any amendments and supplements thereto ("Offering Document") in connection with the proposed issue of Secured Redeemable Non-Convertible Debt Securities - Debentures of face value of Rs. 1,000 each ("NCD") through one or more tranches ("Issue") by the Trust. The Reformatted Consolidated Financial Information of the Trust, which have been approved by the Board of Directors of the Investment Manager on behalf of the Trust, and have been prepared by the Investment Manager in accordance the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder, along with the requirements of the relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

### **Management's Responsibility for the Reformatted Consolidated Financial Information of the Trust**

2. The preparation of Reformatted Consolidated Financial Information of the Trust is based on the audited consolidated financial statements of the Group prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which are to be included in the Offering Document as specified in paragraph 1 above, is the responsibility of the Management of the Investment Manager for the purpose set out in paragraph 4 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Consolidated Financial Information of the Trust. The Management of the Investment Manager is also responsible for identifying and ensuring that the Trust complies with the Regulations.

### **Auditors' Responsibilities**

3. We have examined such Reformatted Consolidated Financial Information of the Trust taking into consideration:
  - a) the terms of reference and our engagement agreed with you vide our engagement letter dated April 1, 2021, requesting us to carry out work on such Reformatted Consolidated Financial Information of the Trust in connection with the Trust's Issue of NCDs; and
  - b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note").
4. The Trust proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures of Face Value Rs. 1,000 each by the Trust, as may be decided by the Board of Directors of the Investment Manager.

### **Reformatted Consolidated Financial Information of the Trust**

5. The Reformatted Consolidated Financial Information of the Trust have been compiled by the management of the Investment Manager from:
  - a) the audited Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2020 which were prepared in accordance Ind AS, which have been approved by the Board of Directors of the Investment Manager at their meeting held on May 27, 2020 (the "2020 Audited Consolidated Ind AS Financial Statement").
  - b) the audited Consolidated Ind AS financial statements of the Group as at and for each of the year ended March 31, 2019 which were prepared in accordance Ind AS, which have been approved by the Board of Directors of the Investment Manager at their meeting held on April 24, 2019 (the "2019 Audited Consolidated Ind AS Financial Statement").
  - c) the audited Consolidated Ind AS financial statements of the Group as at and for each of the year ended March 31, 2018 which were prepared in accordance Ind AS, which have been approved by the Board of Directors of the Investment Manager at their meeting held on April 24, 2018 (the "2018 Audited Consolidated Ind AS Financial Statement").

The 2020 Audited Consolidated Ind AS Financial Statement, 2019 Audited Consolidated Ind AS Financial Statement and 2018 Audited Consolidated Ind AS Financial Statement together referred as "Audited Consolidated Ind AS Financial Statements).
6. For the purpose of our examination, we have relied on Auditors' reports issued by us, dated May 27, 2020, April 24, 2019 and April 24, 2018 on the consolidated Ind AS financial statements of the Group as at and for each the years ended March 31, 2020, March 31, 2019 and March 31, 2018 as referred in Paragraph 5 above.



7. Taking into consideration the Regulations and the terms of our engagement agreed with you, we further report that:
- a) the Reformatted Consolidated Financial Information of the Trust have been examined by us and are accurately extracted from the Audited Consolidated Ind AS Financial Statements of the Trust. These Reformatted Consolidated Financial Information of the Trust have been prepared after regrouping as in management's opinion were appropriate and more fully described in Significant Accounting policies and notes to the financial information.
  - i) the Reformatted Consolidated Financial Information of the Trust have to be read in conjunction with the notes; and
  - ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Consolidated Ind AS Statements as at and for the year ended March 31, 2020.

### **Opinion**

8. In our opinion, the Reformatted Consolidated Financial Information of the Trust, read with respective significant accounting policies, notes, adjustments / regroupings as considered appropriate, has been prepared by the Investment Manager as per the regulations.

### **Other matters**

9. In the preparation and presentation of Reformatted Consolidated Financial Information of the Trust based on audited Consolidated Ind AS financial statements as referred to in paragraph 5 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 6 above.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. This report is intended solely for use of the management for inclusion in the Offering Document as specified in paragraph 1 above to be filed with SEBI, NSE and BSE Limited in connection with the proposed Issue of NCD of the Trust and is not to be used, referred to or distributed for any other purpose.

Yours faithfully,  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per Huzefa Ginwala  
Partner  
Membership No. 111757

UDIN: 21111757AAAABQ6649

Place: Mumbai  
Date: April 5, 2021

**INDIA GRID TRUST**  
**REFORMATTED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**  
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	1,08,163.16	49,827.62	50,264.53
Financial assets				
i. Other financial assets	5	9.86	3.57	12.79
Other assets	6	382.34	192.25	150.21
		<b>1,08,555.36</b>	<b>50,023.44</b>	<b>50,427.53</b>
<b>Current assets</b>				
Financial assets				
i. Investments	4	-	75.72	-
ii. Trade receivables	7	2,458.33	1,140.61	1,061.89
iii. Cash and cash equivalents	8	4,088.41	1,603.66	1,672.92
iv. Bank balances other than (iii) above	9	1,299.74	19.66	10.50
v. Other financial assets	5	1,282.63	553.26	498.85
Other current assets	6	235.72	45.91	115.25
		<b>9,364.83</b>	<b>3,438.82</b>	<b>3,359.41</b>
<b>Total assets</b>		<b>1,17,920.19</b>	<b>53,462.26</b>	<b>53,786.94</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Unit capital	10	53,145.69	28,380.00	28,380.00
Other equity	11			
Retained earnings / (accumulated deficit)		(2,659.44)	(1,613.89)	252.56
<b>Total Unit holders' equity</b>		<b>50,486.25</b>	<b>26,766.11</b>	<b>28,632.56</b>
<b>Non-current liabilities</b>				
Financial liabilities				
i. Borrowings	12	62,637.00	25,902.00	19,112.50
ii. Other financial liabilities	15	-	156.72	579.50
Deferred tax liabilities (net)	18	602.06	-	-
		<b>63,239.06</b>	<b>26,058.72</b>	<b>19,692.00</b>
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings	13	-	-	4,230.00
ii. Trade payables	14			
a. Total outstanding dues of micro enterprises and small enterprises		105.32	54.10	29.65
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		227.59	107.86	100.52
iii. Other financial liabilities	15	3,617.60	462.98	1,088.51
Other current liabilities	16	240.27	12.42	13.70
Current tax liability	17	4.10	0.07	-
		<b>4,194.88</b>	<b>637.43</b>	<b>5,462.38</b>
<b>Total liabilities</b>		<b>67,433.94</b>	<b>26,696.15</b>	<b>25,154.38</b>
<b>Total equity and liabilities</b>		<b>1,17,920.19</b>	<b>53,462.26</b>	<b>53,786.94</b>

Summary of significant accounting policies

2.3

The accompanying notes are an integral part of the reformatted consolidated financial information

**As per our report of even date**

**For S R B C & CO LLP**  
**Chartered Accountants**  
Firm Registration No. 324982E/E300003

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

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

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 05 April 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021

**INDIA GRID TRUST**  
**REFORMATTED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>INCOME</b>				
Revenue from contracts with customers	19	12,427.13	6,655.70	4,475.69
Income from investment in mutual funds		190.89	48.64	49.94
Interest income on investment in fixed deposits		102.09	22.63	0.86
Other finance income		0.32	-	-
Other income	20	65.51	12.08	78.51
<b>Total income (I)</b>		<b>12,785.94</b>	<b>6,739.05</b>	<b>4,605.00</b>
<b>EXPENSES</b>				
Transmission infrastructure maintenance charges		240.38	175.57	107.58
Insurance expenses		147.02	87.00	65.92
Investment manager fees (refer note 37)		238.79	130.53	87.54
Project manager fees (refer note 37)		63.66	39.54	26.44
Legal and professional fees		117.85	82.34	41.55
Valuation expenses		4.89	3.70	4.06
Trustee fee		3.60	2.16	2.94
Vehicle hire charges		13.51	7.26	5.20
Rates & taxes		37.76	34.68	33.43
Payment to auditors (including for subsidiaries)		11.00	9.52	4.69
Other expenses		110.07	59.24	19.99
Depreciation expense		3,101.12	1,809.22	1,157.41
Impairment / (reversal of impairment) of property, plant and equipment		(456.96)	456.96	-
Finance costs	21	4,153.38	2,295.83	1,012.57
<b>Total expenses (II)</b>		<b>7,786.07</b>	<b>5,193.55</b>	<b>2,569.32</b>
<b>Profit before tax (I) - (II)</b>		<b>4,999.87</b>	<b>1,545.50</b>	<b>2,035.68</b>
<b>Tax expense</b>				
Current tax	18	56.96	6.08	-
Deferred tax	18	(114.29)	-	-
Income tax for earlier years	18	-	0.28	(67.82)
<b>Profit for the year</b>		<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>
<b>Other comprehensive income</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>
<b>Earnings per unit (Computed on the basis of profit for the year (Rs.))</b>				
Basic	22	9.13	5.42	7.41
Diluted		9.13	5.32	7.25
Summary of significant accounting policies	2.3			

The accompanying notes are an integral part of the reformatted consolidated financial information

**As per our report of even date**

**For S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 05 April 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021

**INDIA GRID TRUST**  
**REFORMATTED CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY**  
(All amounts in Rs. million unless otherwise stated)

**A. Unit capital**

	Nos. in million	Rs. in million
<b>Balance as at 1 April 2017</b>	-	-
Units issued during the year	283.80	28,380.00
<b>Balance as at 31 March 2018</b>	<b>283.80</b>	<b>28,380.00</b>
Units issued during the year	-	-
<b>Balance as at 31 March 2019</b>	<b>283.80</b>	<b>28,380.00</b>
Units issued during the year (refer note 10)	299.69	25,140.48
Issue expenses (refer note 10)	-	(374.79)
<b>Balance as at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>

**B. Other equity**

	(Rs. in million)	
	Retained earnings /(accumulated deficit)	Total other equity
<b>As at 1 April 2017</b>	-	-
Profit for the year	2,103.50	2,103.50
Other comprehensive income	-	-
Less: Distribution during the year (refer note below)	(1,850.94)	(1,850.94)
<b>As at 31 March 2018</b>	<b>252.56</b>	<b>252.56</b>
Profit for the year	1,539.14	1,539.14
Other comprehensive income	-	-
Less: Distribution during the year (refer note below)	(3,405.59)	(3,405.59)
<b>As at 31 March 2019</b>	<b>(1,613.89)</b>	<b>(1,613.89)</b>
Profit for the year	5,057.20	5,057.20
Other comprehensive income	-	-
Less: Distribution during the year (refer note below)	(6,102.75)	(6,102.75)
<b>As at 31 March 2020</b>	<b>(2,659.44)</b>	<b>(2,659.44)</b>

**Note:**

For the year ended 31 March 2018, the distribution relates to the distributions made during the financial year and does not include the distribution relating to the last quarter of FY 2017-18 which was paid after 31 March 2018.

For the financial year 2018-19, the distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2017-18 and does not include the distribution relating to the last quarter of FY 2018-19 which was paid after 31 March 2019.

For the financial year 2019-20, the distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2018-19 and does not include the distribution relating to the last quarter of FY 2019-20 which was paid after 31 March 2020.

The distributions made by IndiGrid to its unitholders are based on the Net Distributable Cash Flows (NDCF) of IndiGrid under the InvIT Regulations and hence part of the same includes repayment of capital as well.

**As per our report of even date**

**For S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 05 April 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021

**INDIA GRID TRUST**  
**REFORMATTED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(All amounts in Rs. million unless otherwise stated)

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>A. Cash flow from operating activities</b>			
<b>Net Profit as per statement of profit and loss</b>	<b>5,057.20</b>	<b>1,539.14</b>	<b>2,103.50</b>
Adjustment for taxation	(57.33)	6.36	(67.82)
<b>Profit before tax</b>	<b>4,999.87</b>	<b>1,545.50</b>	<b>2,035.68</b>
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation expenses	3,101.12	1,809.22	1,157.41
Impairment / (reversal of impairment) of property plant & equipment	(456.96)	456.96	-
Reversal of prepayment charges	-	(2.37)	(63.85)
Foreign exchange loss on borrowing	62.85	113.78	-
Finance costs	4,090.53	2,182.05	1,012.57
Income from investment in mutual funds	(190.89)	(48.64)	(49.94)
Interest income on investment in fixed deposits	(102.09)	(22.63)	(0.86)
Gain on sale of property, plant and equipment	-	(7.00)	-
<b>Operating profit before working capital changes</b>	<b>11,504.43</b>	<b>6,026.87</b>	<b>4,091.01</b>
Movements in working capital :			
Increase/(decrease) in trade payables	3.08	31.83	106.32
Increase/(decrease) in other current financial liabilities	194.12	5.10	72.99
Increase/(decrease) in other current liabilities	(378.88)	(9.41)	13.71
Decrease/(increase) in trade receivables	31.07	(236.38)	101.45
Decrease/(increase) in other non current financial asset	(5.82)	9.45	(7.90)
Decrease/(increase) in other non current asset	(10.72)	6.79	-
Decrease/(increase) in other current financial asset	49.71	(50.54)	(49.40)
Decrease/(increase) in other current assets	(12.03)	22.73	4.37
<b>Changes in working capital</b>	<b>(129.47)</b>	<b>(220.43)</b>	<b>241.54</b>
<b>Cash generated from operations</b>	<b>11,374.96</b>	<b>5,806.44</b>	<b>4,332.55</b>
Direct taxes paid (net of refunds)	(125.92)	(6.29)	-
<b>Net cash flow from operating activities (A)</b>	<b>11,249.04</b>	<b>5,800.15</b>	<b>4,332.55</b>
<b>B. Cash flow from investing activities</b>			
Acquisition of property, plant and equipment #	(59,156.47)	(2,252.05)	(44,740.74)
Acquisition of other assets (net of other liabilities) #	(779.36)	(51.69)	(1,551.21)
Proceeds from sale of property plant and equipment	-	8.40	-
Acquisition of mutual fund investments #	(2,604.21)	-	(7,904.77)
Interest income on investment in fixed deposits	41.91	18.76	3.27
Income from investment in mutual funds	190.89	48.64	49.94
Purchase of mutual fund investments	(28,774.82)	(11,309.26)	(11,636.16)
Redemption of mutual fund investments	31,454.75	11,233.54	19,540.93
Investment in fixed deposits (net)	(1,280.08)	-	-
<b>Net cash flow used in investing activities (B)</b>	<b>(60,907.39)</b>	<b>(2,303.66)</b>	<b>(46,238.74)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of unit capital *	25,140.48	-	22,500.00
Unit issue expenses	(374.79)	-	-
Proceeds from issue of debentures / long term borrowings	28,248.58	6,850.00	14,230.00
Repayment of long term borrowings	(273.91)	(6,520.21)	(32,546.46)
Acquisition of borrowings #	9,600.00	1,675.00	42,345.56
Payment of upfront fees of long term borrowings	(272.91)	-	-
Finance costs	(3,823.19)	(2,170.70)	(1,099.05)
Distributions to unit holders	(6,101.16)	(3,399.84)	(1,850.94)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>52,143.10</b>	<b>(3,565.75)</b>	<b>43,579.11</b>
Net increase / (decrease) in cash and cash equivalents (A + B + C)	2,484.75	(69.26)	1,672.92
Cash and cash equivalents as at beginning of year	1,603.66	1,672.92	-
<b>Cash and cash equivalents as at year end</b>	<b>4,088.41</b>	<b>1,603.66</b>	<b>1,672.92</b>

\* During the year ended 31 March 2018, the Trust has purchased for 17.67 million equity shares and 665.82 million non-convertible debentures issued by Sterlite Grid 1 Limited in exchange of issue of its 58.80 million units. Hence the same has not been reflected in cash flow being a non-cash transaction.

# Pertains to projects acquired during the year ended 31 March 2018 viz., BDTCL, JTCL, MTL, RTCL PKTCL and PTCL and during the year ended 31 March 2020 viz., NRSS, OGPTL and ENICL.

**INDIA GRID TRUST**  
**REFORMATTED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(All amounts in Rs. million unless otherwise stated)  
**Components of cash and cash equivalents:**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Balances with banks:</b>			
- On current accounts ^	3,467.87	519.10	1,672.92
- Deposit with original maturity of less than 3 months	620.54	1,084.56	-
<b>Total cash and cash equivalents (refer note 8)</b>	<b>4,088.41</b>	<b>1,603.66</b>	<b>1,672.92</b>

^ Out of total amount, Rs. 7.34 million (31 March 2019: Rs. 5.75 million, 31 March 2018: 0.04 million) pertains to unclaimed dividend to unitholders.

\* Includes amount of Rs. Nil (31 March 2019: Rs. 429.67 million, 31 March 2018: 270.17 million) is kept in Interest Service Reserve Account ('ISRA')/Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

**Reconciliation between opening and closing balances for liabilities arising from financing activities:-**

Particulars	Long term borrowings	Short term borrowings
<b>01 April 2017</b>	-	-
Cash flow		
- Interest	(866.57)	(232.48)
- Proceeds/ (repayments)	19,852.94	4,230.00
Accrual	780.09	232.48
<b>31 March 2018</b>	<b>19,766.46</b>	<b>4,230.00</b>
Cash flow		
- Interest	(2,199.99)	(127.07)
- Proceeds/(repayments)	6,280.68	(4,230.00)
- Lease liability	-	-
Foreign exchange loss on borrowing	156.37	-
Accrual	2,168.76	127.07
<b>31 March 2019</b>	<b>26,172.28</b>	<b>-</b>
Cash flow		
- Interest	(3,823.19)	-
- Proceeds/(repayments)	37,301.76	-
- Lease liability	45.87	-
Foreign exchange loss on borrowing	209.56	-
Accrual	4,090.53	-
<b>31 March 2020</b>	<b>63,996.81</b>	<b>-</b>

Summary of significant accounting policies  
As per our report of even date

2.3

**For S R B C & CO LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 05 April 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021

**INDIA GRID TRUST**
**REFORMATTED DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

**A. CONSOLIDATED STATEMENT OF NET ASSETS AT FAIR VALUE AS AT:**

Particulars	(Rs. in million)					
	31 March 2020		31 March 2019		31 March 2018	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
A. Assets	1,17,920.19	1,27,100.52	53,462.26	54,097.07	53,786.94	54,064.90
B. Liabilities (at book value)	67,433.94	67,433.94	26,696.15	26,696.15	25,154.38	25,154.38
C. Net assets (A-B)	50,486.25	59,666.58	26,766.11	27,400.93	28,632.56	28,910.52
D. Number of units	583.49	583.49	283.80	283.80	283.80	283.80
E. NAV (C/D)	86.52	102.26	94.31	96.55	100.89	101.87

**Project wise breakup of fair value of assets as at**

Project	(Rs. in million)		
	31 March 2020	31 March 2019	31 March 2018
Bhopal Dhule Transmission Company Limited	18,781.64	19,621.32	20,632.61
Jabalpur Transmission Company Limited	14,490.39	14,811.09	15,706.90
RAPP Transmission Company Limited	4,035.67	4,113.56	4,285.14
Purulia & Kharagpur Transmission Company Limited	6,501.67	6,490.78	6,653.60
Maheshwaram Transmission Limited	5,466.06	5,342.48	5,578.96
Patran Transmission Company Limited	2,386.61	2,444.73	-
NRSS XXIX Transmission Limited	45,382.69	-	-
Odisha Generation Phase-II Transmission Limited	14,371.15	-	-
East-North Interconnection Company Limited	12,581.81	-	-
<b>Subtotal</b>	<b>1,23,997.69</b>	<b>52,823.96</b>	<b>52,857.21</b>
Assets (in IndiGrid and Sterlite Grid 1 Limited, Sterlite Grid 2 Limited and Sterlite Grid 3 Limited)	3,102.83	1,273.11	1,207.69
<b>Total assets</b>	<b>1,27,100.52</b>	<b>54,097.07</b>	<b>54,064.90</b>

**B. CONSOLIDATED STATEMENT OF TOTAL RETURNS AT FAIR VALUE FOR THE YEAR ENDED**

Particulars	(Rs. in million)		
	31 March 2020	31 March 2019	31 March 2018
Total Comprehensive Income (As per the statement of profit and loss)	5,057.20	1,539.14	2,103.50
Add/(less): Other changes in fair value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	8,545.52	356.86	277.96
<b>Total Return</b>	<b>13,602.72</b>	<b>1,896.00</b>	<b>2,381.46</b>

**Note:**

1. Fair value of assets and other changes in fair value for the year then ended as disclosed in the above tables are derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

2. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 26A.

**INDIA GRID TRUST**
**REFORMATTED DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

**STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)**
**A) Statement of Net Distributable Cash Flows (NDCF's) of India Grid Trust**

Description	(Rs in million)		
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows received from the Portfolio Assets in the form of interest	10,114.90	4,447.45	2,758.65
Cash flows received from the Portfolio Assets in the form of dividend	-	-	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	177.66	27.47	12.54
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	6,752.28	303.37	335.88
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>17,044.84</b>	<b>4,778.29</b>	<b>3,107.07</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i)	(2,943.87)	(1,158.18)	(313.90)
Less: Costs/retention associated with sale of assets of the Portfolio Assets:	-	-	-
-related debts settled or due to be settled from sale proceeds of Portfolio Assets;	-	-	-
-transaction costs paid on sale of the assets of the Portfolio Assets; and	-	-	-
-capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments.	-	-	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the InvIT Regulations	-	-	-
Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/special purpose vehicles (Excluding refinancing)	-	-	-
Less: Income tax (if applicable) at the standalone IndiGrid level	(56.96)	(6.24)	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(6,843.29)	(261.80)	-
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-	-
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(9,844.12)</b>	<b>(1,426.22)</b>	<b>(313.90)</b>
<b>Net Distributable Cash Flows (C) = (A+B) (refer note iii)</b>	<b>7,200.72</b>	<b>3,352.07</b>	<b>2,793.17</b>

**Notes to the Statement of Net Distributable Cash Flows of IndiGrid**

- FY 17-18, excludes Rs. 1,395.39 million of debt repayment by JTCL to IndiGrid out of the proceeds of total external debt of Rs 4,230 million raised by JTCL during financial year 17-18
- Does not include interest accrued but not due of Rs. 150.51 million related to market linked non convertible debentures ('MLDs') which is payable on maturity of these MLDs in FY 2022-2024.

**B) Statement of Net Distributable Cash Flows (NDCF's) of underlying Holdcos and SPVs**
**(i) Sterlite Grid 1 Limited (SGL1) (Holdco)**

Description	(Rs in million)		
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(884.64)</b>	<b>(454.51)</b>	<b>93.99</b>
Add: Depreciation, impairment and amortisation	436.45	5.89	7.29
Add/Less: Decrease/(increase) in working capital	4.93	(155.55)	(10.10)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	621.04	639.14	473.60
Add/Less: Loss/gain on sale of infrastructure assets	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-
-related debts settled or due to be settled from sale proceeds;	-	-	-
-directly attributable transaction costs;	-	-	-
-directly attributable transaction costs;	-	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-
Less: Capital expenditure, if any	-	-	-
Add/Less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-
-deferred tax;	(160.15)	(185.97)	(163.99)
- Unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-	-	0.30
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-
Amortization of Upfront fees	-	-	-
Loss on account of MTM of F/W & ECB	-	-	-
Non Cash item - Reversal of impairment of investment in subsidiary	-	-	(429.22)
Non Cash item - Provision for TDS receivable	-	-	21.52
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-
<b>Total Adjustments (B)</b>	<b>902.27</b>	<b>303.51</b>	<b>(100.60)</b>
<b>Net Distributable Cash Flows (C)=(A+ B)</b>	<b>17.63</b>	<b>(151.00)</b>	<b>(6.61)</b>

Note: During the year, an amount of Rs. 17.97 million (being at least 90%) has already been distributed to IndiGrid.



## (ii) Sterlite Grid 2 Limited (SGL2) (Holdco)

(Rs in million)

Description	04 June 2019* to 31 March 2020
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(129.37)</b>
Add: Depreciation, impairment and amortisation	-
Add/Less: Decrease/(increase) in working capital	(292.84)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	127.71
Add/Less: Loss/gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	-
Add/Less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
- Unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>(165.13)</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>(294.50)</b>

## (iii) Sterlite Grid 3 Limited (SGL3) (Holdco)

(Rs in million)

Description	28 June 2019* to 31 March 2020
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>785.52</b>
Add: Depreciation, impairment and amortisation	-
Add/Less: Decrease/(increase) in working capital	0.96
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	109.20
Add/Less: Loss/gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	-
Add/Less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
- Unwinding of Interest cost on Non convertible debentures issued at interest rate lower than market rate of interest	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>110.16</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>895.68</b>

## (iv) Bhopal Dhule Transmission Company Limited (BDTCL) (SPV)

(Rs in million)

Description	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(285.62)</b>	<b>(571.14)</b>	<b>(369.97)</b>
Add: Depreciation, impairment and amortisation	707.04	708.48	593.20
Add/Less: Decrease/(increase) in working capital	(80.41)	(9.33)	86.72
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	1,305.15	1,298.27	1,014.26
Add/less: Loss/gain on sale of infrastructure assets	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-
-related debts settled or due to be settled from sale proceeds;	-	-	-
-directly attributable transaction costs;	-	-	-
-directly attributable transaction costs;	-	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-
Less: Capital expenditure, if any	(0.82)	(0.09)	(2.93)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-
-deferred tax;	-	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-
Amortization of Upfront fees	4.10	4.37	-
Loss on account of MTM of F/W & ECB	62.85	113.78	51.35
Non Cash Income - Reversal of Prepayment penalty	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(120.95)	(622.10)	(143.66)
<b>Total Adjustments (B)</b>	<b>1,876.96</b>	<b>1,493.38</b>	<b>1,598.94</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>1,591.34</b>	<b>922.24</b>	<b>1,228.97</b>

Note: During the year, an amount of Rs. 1,522.43 million (being at least 90%) has already been distributed to IndiGrid.

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

(Rs in million)

Description	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(1,103.49)</b>	<b>(1,147.58)</b>	<b>(21.60)</b>
Add: Depreciation, impairment and amortisation	(34.43)	899.69	473.80
Add/Less: Decrease/(increase) in working capital	137.41	(95.22)	5.05
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	2,541.68	1,905.14	1,561.34
Add/less: Loss/gain on sale of infrastructure assets	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-
-related debts settled or due to be settled from sale proceeds;	-	-	-
-directly attributable transaction costs;	-	-	-
-directly attributable transaction costs;	-	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-
Less: Capital expenditure, if any	(21.08)	-	(9.23)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	(4.39)
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-
-deferred tax;	-	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-
<b>Total Adjustments (B)</b>	<b>2,623.58</b>	<b>2,709.61</b>	<b>2,026.57</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>1,520.09</b>	<b>1,562.03</b>	<b>2,004.97</b>

Note: During the year, an amount of Rs. 1,604.92 million (being at least 90%) has already been distributed to IndiGrid.

## (vi) RAPP Transmission Company Limited ('RTCL')

(Rs in million)

Description	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>27.39</b>	<b>(7.29)</b>	<b>(20.96)</b>
Add: Depreciation, impairment and amortisation	85.66	85.67	10.26
Add/Less: Decrease/(increase) in working capital	(31.37)	184.30	16.98
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	345.17	381.90	47.16
Add/less: Loss/gain on sale of infrastructure assets	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-
-related debts settled or due to be settled from sale proceeds;	-	-	-
-directly attributable transaction costs;	-	-	-
-directly attributable transaction costs;	-	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-
Less: Capital expenditure, if any	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-
-deferred tax;	-	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-
<b>Total Adjustments (B)</b>	<b>399.46</b>	<b>651.87</b>	<b>74.40</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>426.85</b>	<b>644.58</b>	<b>53.44</b>

Note: During the year, an amount of Rs. 477.41 million (being at least 90%) has already been distributed to IndiGrid.

## (vii) Purulia &amp; Kharagpur Transmission Company Limited (PKTCL)(SPV)

(Rs in million)

Description	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(21.19)</b>	<b>(36.47)</b>	<b>(34.28)</b>
Add: Depreciation, impairment and amortisation	142.89	142.91	17.11
Add/Less: Decrease/(increase) in working capital	0.13	(72.02)	36.84
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	592.69	598.15	73.74
Add/less: Loss/gain on sale of infrastructure assets	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-
-related debts settled or due to be settled from sale proceeds;	-	-	-
-directly attributable transaction costs;	-	-	-
-directly attributable transaction costs;	-	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-
Less: Capital expenditure, if any	-	-	-
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-
-deferred tax;	-	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	(19.00)
<b>Total Adjustments (B)</b>	<b>735.71</b>	<b>669.04</b>	<b>108.69</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>714.52</b>	<b>632.57</b>	<b>74.41</b>

Note: During the year, an amount of Rs. 755.39 million (being at least 90%) has already been distributed to IndiGrid.

## (viii) Maheshwaram Transmission Limited (MTL)(SPV)

(Rs in million)

Description	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
<b>Profit/(loss) after tax as per profit and loss account (A)</b>	<b>(146.04)</b>	<b>(155.22)</b>	<b>(19.28)</b>
Add: Depreciation, impairment and amortisation	121.78	121.78	15.00
Add/Less: Decrease/(increase) in working capital	(8.21)	(15.12)	11.71
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	568.58	562.52	69.17
Add/Less: Loss/gain on sale of infrastructure assets	-	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-
-related debts settled or due to be settled from sale proceeds;	-	-	-
-directly attributable transaction costs;	-	-	-
-directly attributable transaction costs;	-	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-	-
Less: Capital expenditure, if any	-	-	-
Add/Less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-
-deferred tax;	-	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-	-
<b>Total Adjustments (B)</b>	<b>682.15</b>	<b>669.18</b>	<b>95.88</b>
<b>Net Distributable Cash Flows (C)= (A+B)</b>	<b>536.11</b>	<b>513.96</b>	<b>76.60</b>

Note: During the year, an amount of Rs. 574.97 million (being at least 90%) has already been distributed to IndiGrid.

## (ix) Patran Transmission Limited (PTCL)(SPV)

(Rs in million)

Description	Year ended 31 March 2020	30 August 2018* to 31 March 2019
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>(168.14)</b>	<b>(183.29)</b>
Add: Depreciation, impairment and amortisation	205.58	184.36
Add/Less: Decrease/(increase) in working capital	(7.92)	5.55
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	236.71	139.97
Add/Less: Loss/gain on sale of infrastructure assets	-	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-	-
-related debts settled or due to be settled from sale proceeds;	-	-
-directly attributable transaction costs;	-	-
-directly attributable transaction costs;	-	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-	-
Less: Capital expenditure, if any	-	-
Add/Less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-
-deferred tax;	-	-
-unwinding of Interest cost on interest free loan or other debentures;	-	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-	-
<b>Total Adjustments (B)</b>	<b>434.37</b>	<b>329.88</b>
<b>Net Distributable Cash Flows (C)= (A+B)</b>	<b>266.23</b>	<b>146.59</b>

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

Note: During the year, an amount of Rs. 274.08 million (being at least 90%) has already been distributed to IndiGrid.

## (x) NRSS XXIX Transmission Limited (NTL)(SPV)

(Rs in million)	
Description	04 June 2019* to 31 March 2020
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>598.65</b>
Add: Depreciation, impairment and amortisation	683.93
Add/Less: Decrease/(increase) in working capital	(456.11)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	3,484.61
Add/less: Loss/gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	(3.17)
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	(95.30)
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>3,613.96</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>4,212.61</b>

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

Note: During the year, an amount of Rs. 4,222.95 million (being at least 90%) has already been distributed to IndiGrid.

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

(Rs in million)	
Description	28 June 2019* to 31 March 2020
<b>Profit/(loss) after tax as per profit and loss account (A) (pertaining to period post acquisition by IndiGrid)</b>	<b>626.45</b>
Add: Depreciation, impairment and amortisation	(428.76)
Add/Less: Decrease/(increase) in working capital	(75.77)
Add: Interest accrued on loan/non-convertible debentures issued to IndiGrid or SGL1	621.56
Add/less: Loss/gain on sale of infrastructure assets	-
Add: Proceeds from sale of infrastructure assets adjusted for the following:	-
-related debts settled or due to be settled from sale proceeds;	-
-directly attributable transaction costs;	-
-directly attributable transaction costs;	-
-proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations	-
Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit / (loss) recognised in profit and loss account	-
Less: Capital expenditure, if any	0.11
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items)	-
-any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-
-interest cost as per effective interest rate method (difference between accrued and actual paid);	-
-deferred tax;	-
-unwinding of Interest cost on interest free loan or other debentures;	-
-portion reserve for major maintenance which has not been accounted for in profit and loss statement;	-
-reserve for debenture/ loan redemption (Excluding any reserve required by any law or as per lender's agreement)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	-
<b>Total Adjustments (B)</b>	<b>117.14</b>
<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>743.59</b>

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

Note: During the year, an amount of Rs. 667.95 million (being at least 90%) has already been distributed to IndiGrid.

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

(Rs in million)

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

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

Note: During the year, an amount of Rs. 26.39 million (being at least 90%) has already been distributed to IndiGrid.

## **India Grid Trust**

### **Notes to the Reformatted Ind AS Consolidated Financial information**

#### **1. Group information (FY 2017-18, FY 2018-2019 and FY 2019-2020)**

The reformatted Ind AS consolidated financial information comprise of the financial statements of India Grid Trust ("the Trust" or "IndiGrid") and its subsidiaries (collectively, the Group) for the year ended March 31, 2020, March 31, 2019 and March 31, 2018. IndiGrid is an irrevocable trust settled by Sterlite Power Grid Ventures Limited (the "Sponsor") on October 21, 2016 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on November 28, 2016 having registration number IN/InvIT/16-17/0005. The Trustee of IndiGrid is Axis Trustee Services Limited (the "Trustee"). The Investment manager for IndiGrid is IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited) (the "Investment Manager" or the "Management").

The objectives of IndiGrid are to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of IndiGrid is to own and invest in power transmission assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at March 31, 2020, IndiGrid have following project entities which are transmission infrastructure projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

1. Bhopal Dhule Transmission Company Limited ('BDTCL')
2. Jabalpur Transmission Company Limited ('JTCL')
3. RAPP Transmission Company Limited ('RTCL')
4. Purulia & Kharagpur Transmission Company Limited ('PKTCL')
5. Maheshwaram Transmission Limited ('MTL')
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')

These SPVs have executed Transmission Services Agreements ("TSAs") with Long term transmission customers under which the SPVs have to maintain the transmission infrastructure for 35-25 years post commissioning.

The address of the registered office of the Investment Manager is Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex, Bandra East Mumbai Maharashtra, India 400 051. The reformatted consolidated financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 05 April 2021.

#### **2. Significant Accounting Policies**

##### **2.1 Basis of preparation (FY 2017-18, FY 2018-2019 and FY 2019-2020)**

The reformatted consolidated financial information comprise of the Reformatted Consolidated Statement of Assets and Liabilities of the Trust as at March 31, 2020, March 31, 2019 and March 31, 2018, the Reformatted Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Reformatted Consolidated Statement of Cash Flows and the Reformatted Consolidated Statement of Changes in Unit Holders' Equity for the years then ended and the Reformatted Consolidated Statement of Net Assets at fair value as at March 31, 2020, March 31, 2019 and March 31, 2018 and the Reformatted consolidated statement of Total Returns at fair value and the Reformatted Consolidated statement of Net Distributable Cash Flows ('NDCF's') of the Trust, the underlying holding company ("HoldCo") and each of its subsidiaries for the years then ended and a summary of significant accounting policies and other explanatory notes (together referred as "Reformatted Ind AS Consolidated Financial information") have been extracted by the Management of the Investment Manager, from the Consolidated Ind AS Audited Financial Statements of the Trust for the years ended March 31, 2020, March 31, 2019 and 31 March 2018 ("Audited Ind AS Financial Statements").

The Reformatted Ind AS Consolidated Financial information have been prepared by the management of the Investment Manager in connection with the proposed listing of secured redeemable non-convertible debentures of the Trust with the BSE Limited and the NSE Limited ("the stock exchanges"), in accordance with the requirements of:

- a) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time read along with the SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013 (together referred to as the "SEBI Regulations")

The Reformatted Ind AS Consolidated Financial information relate to Trust and its subsidiaries, (together 'the Group'). The Group's activities comprise of transmission of electricity in certain states in India.

## India Grid Trust

### Notes to the Reformatted Ind AS Consolidated Financial information

The Reformatted Ind AS Consolidated Financial information of the Group have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015(as amended), prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations").

The reformatted consolidated financial information have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets measured at fair value (e.g. Liquid mutual funds)

The reformatted consolidated financial information are presented in Indian Rupees Millions, except when otherwise indicated.

#### 2.2 Basis of consolidation (FY 2017-18, FY 2018-2019 and FY 2019-2020)

The Reformatted Ind AS Consolidated Financial information as on March 31, 2020, March 31, 2019 and March 31, 2018, comprise the reformatted Ind AS standalone financial information of the Trust and its subsidiaries as at March 31, 2020, March 31, 2019 and March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the reformatted consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Reformatted Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the reformatted consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the reformatted consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

- (a). Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the reformatted consolidated financial statements at the acquisition date.
- (b). Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c). Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the reformatted consolidated financial statements. Ind AS 12 *Income Taxes* applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the unit holders of the Trust and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:



- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

**2.2 Summary of significant accounting policies (FY 2017-18, FY 2018-2019 and FY 2019-2020, unless stated otherwise)**

The following is the summary of significant accounting policies applied by the Group in preparing its reformatted consolidated financial information:

**a) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

**b) Foreign currencies**

The Group's reformatted consolidated financial information are presented in INR, which is its functional currency. The Group does not have any foreign operation.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**c) Fair value measurement**

The Group measures financial instruments such as mutual funds at fair value at each balance sheet date.

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 measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the reformatted consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the reformatted consolidated financial information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In estimating the fair value of transmission assets/projects, the Group engages independent qualified external valuers to perform the valuation. The management works closely with the external valuers to establish the appropriate valuation techniques and inputs to the model. The management in conjunction with the external valuers also compares the change in fair value with relevant external sources to determine whether the change is reasonable. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects.

At each reporting date, the management analyses the movement in the values of assets and liabilities which are required to be re-measured or reassessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (Note 26B)
- Disclosures for valuation methods, significant estimates and assumptions (Note 26A and Note 23)
- Financial instruments (including those carried at amortised cost) (Note 26A and Note 26B)

#### **d) Revenue Recognition (FY 17-18)**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for estimated discounts and other similar allowances. The specific recognition criteria described below must also be met before revenue is recognised.

#### **e) Revenue from contracts with customers (FY 2018-2019 and FY 2019-2020)**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or

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services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

**Power transmission services**

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTs for periods of 35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

**Contract balances**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been billed to the customers are disclosed as Trade receivables and amounts which are to be billed to the customers (and not conditional on the group's future performance) are disclosed under Other financial assets. Refer accounting policies for financial assets in Financial instruments – initial recognition and subsequent measurement.

**f) Interest income/Dividend income (FY 2017-18, FY 2018-2019 and FY 2019-2020)**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Income from dividend on investments is accrued in the year in which it is declared, whereby the Group's right to receive is established.

**g) Income from other services (FY 2017-18)**

Income from power transmission services is recognised on a pro-rata basis as and when services are rendered based on availability and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting period.

**h) Taxation**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available

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against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Sales/value added/goods and service taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of sales/value added/goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

**i) Non-current assets held for sale**

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell/distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

**j) Property, plant and equipment**

Capital work in progress, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<b>Asset Category</b>	<b>Useful Life considered</b>	<b>Useful life (Schedule II#)</b>
Leasehold improvements	Lease Period of 5 years*	30
Buildings (substation)	25	30
Substations	25-35	40
Transmission lines (including components)	25-35	40
Plant and machinery	2-5	15
Data Processing Equipment (Computers)	3-5	3-6
Furniture and Fittings	5-7.5	10
Office equipment's	4-5	3
Motor Vehicles	8	8
Roads	10	10

# Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies.

\*Leasehold improvements are depreciated over the useful life of the asset or the lease period, whichever is lower.

The Group, based on technical assessments made by technical experts and management estimates, depreciates buildings (substation) and certain items of plant and equipment, data processing equipment, furniture and fittings, office equipment and vehicles over estimated useful lives which are different from the useful lives prescribed in Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**l) Leases (FY 2017-18 and FY 2018-19)**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

**Group as Lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the

outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

***Group as Lessor***

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee.

**m) Leases (FY 2019-2020)**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Premises 5 years

***Lease Liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 33).

***Short-term leases and leases of low-value assets***

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

***Group as lessor***

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset

and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**n) Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**o) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**p) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Financial assets***

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in Revenue from contracts with customers.

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**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have any financial assets which are subsequently measured at FVTOCI.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or



- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

Majority of the financial assets of the Group which are not reflected at fair value pertain to trade and other receivables. Considering the nature of business, the Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. Also, the Group does not have any history of impairment of trade and other receivables.

For the financial assets which are reflected at fair value, no further impairment allowance is necessary as they reflect the fair value of the relevant financial asset itself.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings and related costs, trade and other payables and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings. For more information refer Note 12.

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**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

<b>Original classification</b>	<b>Revised Classification</b>	<b>Accounting Treatment</b>
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit or loss at the reclassification date.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**q) Derivative financial instruments and hedge accounting**

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at

## **India Grid Trust**

### **Notes to the Reformatted Ind AS Consolidated Financial information**

fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Since the Group does not meet the strict criteria for hedge accounting, it has not applied hedge accounting in respect of its derivative contracts.

#### **r) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

#### **s) Cash distribution to unit holders**

The Group recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

#### **t) Earnings per unit**

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unit holders of the Trust and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

### **Changes in accounting policies and disclosures (FY 2019-20)**

#### **Ind AS 116 Leases**

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below:

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor. The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

### **Other Amendments to Standards, which are either not applicable to the Group or the impact is not expected to be material**

#### **FY 2019 - 20**

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

- Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- Amendments to Ind AS 109: Prepayment Features with Negative Compensation

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**Notes to the Reformatted Ind AS Consolidated Financial information**

- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Annual Improvements to Ind AS 2018: -
  - Amendments to Ind AS 103 Business Combinations
  - Amendments to Ind AS 111 Joint Arrangements
  - Amendments to Ind AS 12 Income Taxes
  - Amendments to Ind AS 23 Borrowing Costs

**FY 2018 – 19**

**Standards issued but not yet effective**

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from the current accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. The Trust intends to adopt this standard, if applicable, when it becomes effective. As the Trust does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Financial Statements.

**FY 2017 – 18**

**Standards issued but not yet effective:**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Trust intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Ind AS 115 is effective for the Trust from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

**Other Amendments to standards, issued but not effective, which are not applicable to the Trust:**

a) Amendments to Ind 112 Disclosure of Interests in Other Entities:

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10– B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

b) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

c) Transfers of Investment Property - Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use

d) Ind AS 28 Investments in Associates and Joint Ventures

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

e) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

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Notes to Reformatted Consolidated Financial Statements

Note 3: Property, plant and equipment

Particulars	Freehold land	Lease hold land	Building - office (leasehold improvements)	Building - Substations	Substations	Transmission lines	Plant and machinery	Data processing equipments	Furniture and fitting	Vehicle	Office equipment	Roads	Right-of-use asset (Refer note b)	Total
<b>Gross block</b>														
<b>As at 1 April 2017</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions on account of acquisition (refer note 23)	24.94	89.86	0.59	57.14	6,311.64	44,916.83	14.33	1.34	1.24	-	1.71	-	-	51,419.62
Other additions during the year	-	-	-	-	-	9.21	2.93	0.03	-	-	-	-	-	12.17
Disposals	-	-	-	-	-	(9.85)	-	-	-	-	-	-	-	(9.85)
<b>As at 31 March 2018</b>	<b>24.94</b>	<b>89.86</b>	<b>0.59</b>	<b>57.14</b>	<b>6,311.64</b>	<b>44,916.19</b>	<b>17.26</b>	<b>1.37</b>	<b>1.24</b>	<b>-</b>	<b>1.71</b>	<b>-</b>	<b>-</b>	<b>51,421.94</b>
Additions on account of acquisition (refer note 23)	87.34	-	-	62.69	2,096.00	-	-	-	-	0.45	-	5.57	-	2,252.05
Adjustments	-	-	-	-	(422.78)	-	-	-	-	-	-	-	-	(422.78)
Disposals	-	-	-	-	-	-	(11.31)	-	-	-	-	-	-	(11.31)
<b>As at 31 March 2019</b>	<b>112.28</b>	<b>89.86</b>	<b>0.59</b>	<b>119.83</b>	<b>7,984.86</b>	<b>44,916.19</b>	<b>5.95</b>	<b>1.37</b>	<b>1.24</b>	<b>0.45</b>	<b>1.71</b>	<b>5.57</b>	<b>-</b>	<b>53,239.90</b>
Additions on account of acquisition (refer note 23)	9.29	-	-	-	8,265.89	52,619.97	0.15	0.29	0.39	2.47	2.76	-	-	60,901.21
Other additions during the year	-	-	-	-	-	-	-	1.59	0.81	1.32	0.05	-	53.67	99.51
Disposals	-	-	-	-	-	-	(24.39)	-	-	-	(0.01)	-	-	(24.40)
<b>As at 31 March 2020</b>	<b>121.57</b>	<b>89.86</b>	<b>0.59</b>	<b>119.83</b>	<b>16,250.75</b>	<b>97,553.84</b>	<b>6.10</b>	<b>3.25</b>	<b>2.44</b>	<b>4.24</b>	<b>4.51</b>	<b>5.57</b>	<b>53.67</b>	<b>1,14,216.22</b>
<b>Depreciation</b>														
<b>As at 1 April 2017</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	2.93	0.04	2.00	260.00	884.15	7.23	0.48	0.18	-	0.40	-	-	1,157.41
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>-</b>	<b>2.93</b>	<b>0.04</b>	<b>2.00</b>	<b>260.00</b>	<b>884.15</b>	<b>7.23</b>	<b>0.48</b>	<b>0.18</b>	<b>-</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>1,157.41</b>
Charge for the year	-	3.51	0.02	5.96	293.52	1,496.89	5.98	0.44	0.35	0.15	0.55	1.85	-	1,809.22
Impairment / (reversal), net (refer note 23)	-	-	-	-	-	456.96	-	-	-	-	-	-	-	456.96
Disposals	-	-	-	-	-	-	(11.31)	-	-	-	-	-	-	(11.31)
<b>As at 31 March 2019</b>	<b>-</b>	<b>6.44</b>	<b>0.06</b>	<b>7.96</b>	<b>553.52</b>	<b>2,838.00</b>	<b>1.90</b>	<b>0.92</b>	<b>0.53</b>	<b>0.15</b>	<b>0.95</b>	<b>1.85</b>	<b>-</b>	<b>3,412.28</b>
Charge for the year	-	3.51	0.01	9.22	620.75	2,460.48	0.56	0.31	0.58	0.50	1.33	1.20	2.67	3,101.12
Impairment / (reversal), net (refer note 23)	-	-	-	-	-	(456.96)	-	-	-	-	-	-	-	(456.96)
Disposals	-	-	-	-	-	(3.38)	-	-	-	-	-	-	-	(3.38)
<b>As at 31 March 2020</b>	<b>-</b>	<b>9.95</b>	<b>0.07</b>	<b>17.18</b>	<b>1,174.27</b>	<b>4,838.14</b>	<b>2.46</b>	<b>1.23</b>	<b>1.11</b>	<b>0.65</b>	<b>2.28</b>	<b>3.05</b>	<b>2.67</b>	<b>6,053.06</b>
<b>Net Block</b>														
<b>As at 31 March 2018</b>	<b>24.94</b>	<b>86.93</b>	<b>0.55</b>	<b>55.14</b>	<b>6,051.64</b>	<b>44,032.04</b>	<b>10.03</b>	<b>0.89</b>	<b>1.06</b>	<b>-</b>	<b>1.31</b>	<b>-</b>	<b>-</b>	<b>50,264.53</b>
<b>As at 31 March 2019</b>	<b>112.28</b>	<b>83.42</b>	<b>0.53</b>	<b>111.87</b>	<b>7,431.34</b>	<b>42,078.19</b>	<b>4.05</b>	<b>0.45</b>	<b>0.71</b>	<b>0.30</b>	<b>0.76</b>	<b>3.72</b>	<b>-</b>	<b>49,827.62</b>
<b>As at 31 March 2020</b>	<b>121.57</b>	<b>79.91</b>	<b>0.52</b>	<b>102.65</b>	<b>15,076.48</b>	<b>92,715.70</b>	<b>3.64</b>	<b>2.02</b>	<b>1.33</b>	<b>3.59</b>	<b>2.23</b>	<b>2.52</b>	<b>51.00</b>	<b>1,08,163.16</b>

\* Amounts less than Rs. 0.01 million

Note a: Certain property, plant and equipment of the Group has been pledged for the borrowing taken by the Group. Also refer note 12.

Note b: Right-of-use asset (FY 2019-20)

The Group has taken office building on lease which has lease term of 5 years with lock-in-period of 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The cash outflows relating to leases have not yet commenced. The lease liability has been measured by using the incremental borrowing rate.

Particulars	Right-of-use asset	Lease Liabilities
<b>As at 1 April 2019</b>	-	-
Additions	53.67	52.16
Depreciation expense	2.67	-
Interest expense	-	1.18
Cash outflow for lease	-	-
<b>As at 31 March 2020</b>	<b>51.00</b>	<b>53.34</b>

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**Note 4: Investments**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Investment in mutual funds (valued at fair value through profit or loss)</b>			
<b>Quoted</b>			
Nil units (31 March 2019- 75,474 units, 31 March 2018- Nil) of SBI Liquid Fund - Direct Plan - Daily Dividend*	-	75.72	-
<b>Total</b>	<b>-</b>	<b>75.72</b>	<b>-</b>

\* Amount of Rs. Nil (31 March 2019: Rs. 75.72 million, 31 March 2018: Nil) is kept in Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

**Note 5: Other financial assets**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-Current</b>			
Security deposits	8.87	3.45	3.46
Other bank balances (refer note 9)	0.99	0.12	9.33
<b>Total</b>	<b>9.86</b>	<b>3.57</b>	<b>12.79</b>
<b>Current</b>			
Unbilled revenue*	1,191.66	548.84	497.26
Advances receivable in cash	2.27	-	1.06
Interest accrued on deposits	64.59	4.41	0.53
Security deposits	0.03	0.01	-
Insurance claim receivable#	14.15	-	-
Others	9.93	-	-
<b>Total</b>	<b>1,282.63</b>	<b>553.26</b>	<b>498.85</b>

\* Unbilled revenue is the transmission charges for the month of March 2020 amounting to Rs. 1,191.66 million (31 March 2019 : Rs. 548.84 million, 31 March 2018 : Rs. 497.26 million) billed to transmission utilities in the month of April 2020, April 2019 and April 2018 respectively.

# On 8 June 2019, the Jabalpur-Bina transmission line ('JB Line') of Jabalpur Transmission Company Limited ('JTCL') was rendered inoperable due to a storm which damaged certain towers of the transmission line. The carrying amount of assets destroyed amounting to Rs. 21.25 million which has been derecognised. JTCL has a valid insurance policy which covers the reinstatement cost for the above loss and it has filed an insurance claim with the insurer. Pending final approval of claim by the insurers, an amount equivalent to the derecognised assets charged to the statement of profit and loss has been recognised as receivable from the insurance company based on the probability of recovery of the claim by the Group.

**Note 6: Other assets**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-Current</b>			
Capital advances (unsecured, considered good)	10.83	-	-
Less: Provision for doubtful advances	(10.83)	-	-
	-	-	-
Advance income tax, including TDS (net of provisions)	217.38	48.84	-
Deposits paid under dispute (refer note 29)	164.91	143.14	150.21
Others	0.05	0.27	-
<b>Total</b>	<b>382.34</b>	<b>192.25</b>	<b>150.21</b>
<b>Current</b>			
Advance income tax, including TDS (net of provisions)	-	-	48.74
Prepaid expenses	138.28	38.54	47.44
Custom deposit	-	12.79	12.79
Less: Provision for non recovery of deposit	-	(12.79)	-
Balance with government authorities	93.13	-	-
Others	4.31	7.37	6.28
<b>Total</b>	<b>235.72</b>	<b>45.91</b>	<b>115.25</b>

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**Note 7: Trade receivables**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Trade receivables (unsecured, considered good)	2,458.33	1,140.61	1,061.89
<b>Total</b>	<b>2,458.33</b>	<b>1,140.61</b>	<b>1,061.89</b>

**Break-up of security details:**

-Unsecured, considered good	2,458.33	1,140.61	1,061.89
-Trade receivables which have significant increase in credit risk	-	-	-
-Trade receivables - credit impaired	-	-	-

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 60 days

See Note 32 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

**Note 8: Cash and cash equivalents**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Balance with banks			
- on current accounts ^	3,467.87	519.10	1,672.92
- Deposit with original maturity of less than 3 months*	620.54	1,084.56	-
<b>Total</b>	<b>4,088.41</b>	<b>1,603.66</b>	<b>1,672.92</b>

Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Group and earn interest at the respective short-term deposit rates.

\* Includes amount of Rs. Nil (31 March 2019: Rs. 429.67 million, 31 March 2018: Rs. 270.17 million) is kept in Interest Service Reserve Account ('ISRA')/Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

^ Out of total amount, Rs. 7.34 million (31 March 2019: Rs. 5.75 million, 31 March 2018: Rs. 0.04 million) pertains to unclaimed distribution to unit holders.

**Note 9: Other bank balances**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-Current</b>			
Bank deposits with original maturity of more than 12 months *	0.99	0.12	9.33
Less: Disclosed under head other non current financial asset (refer note 5)	(0.99)	(0.12)	(9.33)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current</b>			
Deposit with original maturity for more than 3 months but less than 12 months*	1,299.74	19.66	10.50
<b>Total</b>	<b>1,299.74</b>	<b>19.66</b>	<b>10.50</b>

\* Includes amount of Rs. 1,244.20 million (31 March 2019: Rs. Nil, 31 March 2018: Nil) is kept in interest service reserve account ('ISRA')/debt service reserve account ('DSRA') as per borrowing agreements with lenders. Further it also includes amount of Rs. 19.69 million (31 March 2019: Rs. 19.32 million, 31 March 2018: Rs. 19.32 million) held as lien by bank against bank guarantees.



**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**Note 10: Unit capital**

	<b>Number of units (In million)</b>	<b>Unit capital (Rs. in million)</b>
<b>As at 1 April 2017</b>	-	-
Issued during the year	283.80	28,380.00
<b>As at 31 March 2018</b>	<b>283.80</b>	<b>28,380.00</b>
Issued during the year	-	-
<b>As at 31 March 2019</b>	<b>283.80</b>	<b>28,380.00</b>
Issued during the year (refer note below)	299.69	25,140.48
Issue expenses (refer note below)	-	(374.79)
<b>As at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>

**Note:**

During the year ended 31 March 2020, the Trust raised Rs. 25,140.48 million of primary capital through a qualified institutional placement of units. The Trust issued and allotted 299,683,881 units at a price of Rs. 83.89 per unit as per the placement agreement dated May 04, 2019. Issue expenses of Rs. 374.79 million incurred in connection with issue of units have been reduced from the Unitholders capital as at 31 March 2020 in accordance with Ind AS 32 Financial Instruments: Presentation.

**a. Terms/rights attached to equity shares**

The Trust has only one class of units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the InvIT Regulations. The Investment Manager approves distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays distribution in Indian rupees.

A Unitholder has no equitable or proprietary interest in the projects of IndiGrid and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of IndiGrid. A Unitholder's right is limited to the right to require due administration of IndiGrid in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

**b. Unitholders holding more than 5 percent Units in the Trust**

	<b>31 March 2020</b>		<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>Nos. in million</b>	<b>% holding</b>	<b>No. in million</b>	<b>% holding</b>	<b>No. in million</b>	<b>% holding</b>
Esoteric II Pte. Limited	136.03	23.31%	-	-	-	-
Government of Singapore	116.82	20.02%	-	-	-	-
Sterlite Power Grid Ventures Limited	87.55	15.00%	60.13	21.19%	58.80	20.72%
Schroder Asian Asset Income Fund	19.78	3.39%	14.33	5.05%	14.33	5.05%
Deutsche Global Infrastructure Fund	-	-	-	-	16.69	5.88%

The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further the Trust has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date.

**Note 11: Other Equity**

	<b>31 March 2020 (Rs. in million)</b>	<b>31 March 2019 (Rs. in million)</b>	<b>31 March 2018 (Rs. in million)</b>
<b>Retained earnings / (accumulated deficit)</b>			
Balance as per last financial statements	(1,613.89)	252.56	-
Add: Profit for the year	5,057.20	1,539.14	2,103.50
Less: Distribution during the year	(6,102.75)	(3,405.59)	(1,850.94)
<b>Closing balance</b>	<b>(2,659.44)</b>	<b>(1,613.89)</b>	<b>252.56</b>

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**Note 12: Long term borrowings (secured)**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-Current Debentures</b>			
8.9922% Non-convertible debentures (refer note A and J below)	4,350.00	4,350.00	-
8.60% Non-convertible debentures (refer note A and J below)	2,500.00	2,500.00	-
9.10% Non-convertible debentures (refer note A below)	2,956.96	-	-
8.40% Non-convertible market linked debentures (refer note C below)	1,725.66	-	-
9.00% Non-convertible market linked debentures (refer note B below)	2,100.12	-	-
8.85% Non-convertible debentures (refer note A below)	1,969.00	-	-
9.10% Non-convertible debentures (refer note A below)	13,930.42	-	-
7.85% Non-convertible debentures (refer note E, L and O below)	6,710.00	6,820.00	6,870.00
Lease liability (Refer note 33) (unsecured)	45.87	-	-
<b>Term loans</b>			
Indian rupee term loan from banks (refer note D, H, G, K and N below)	24,056.61	9,945.46	9,941.47
Foreign currency loan from financial institution (refer note F, M and P below)	2,292.36	2,286.54	2,301.03
<b>Total</b>	<b>62,637.00</b>	<b>25,902.00</b>	<b>19,112.50</b>
<b>The above amount includes</b>			
Secured borrowings	62,591.13	25,902.00	19,112.50
Unsecured borrowings	45.87	-	-
<b>Total non-current borrowings</b>	<b>62,637.00</b>	<b>25,902.00</b>	<b>19,112.50</b>
<b>Current maturities</b>			
7.85% Non-convertible debentures (refer note E, L and O below)	110.00	50.00	480.00
9.25% Non-convertible debentures (refer note I below)	600.00	-	-
Indian rupee term loan from banks (refer note D, H, G, K and N below)	325.20	-	-
Foreign currency loan from financial institution (refer note F, M and P below)	205.84	166.65	139.58
Lease liability (refer note 33)	7.47	-	-
Interest accrued but not due on borrowings	118.76	53.62	34.38
	<b>1,367.27</b>	<b>270.27</b>	<b>653.96</b>
Less: Amount disclosed under the head "Other current financial liabilities" (note 15)	1,367.27	270.27	653.96
<b>Net borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes as at 31 March 2020:**

**India Grid Trust**

**(A) Non-convertible debentures referred above are secured by:**

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

**(B) Market linked non-convertible debentures referred above are secured by:**

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

**(C) Market linked non-convertible debentures referred above are secured by:**

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
  - (ii) First pari-passu charge on Escrow account of the Trust
  - (iii) First pari-passu charge on the ISRA and DSRA accounts.
  - (iv) Pledge over 51% of the share capital of specified SPVs
- The Trust has created security charge on the above NCDs on 13 April 2020.

Rate of Interest	Frequency of repayment	Repayment Commencement Date	2022-2023	2023-2024	2024-2025	2028-2029
4,350 8.9922% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	14 February 2029	-	-	-	4,350
2,500 8.60% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	31 August 2028	-	-	-	2,500
3000 9.10% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	29 July 2024	-	-	3,000	-
1740 8.40% market linked non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	24 January 2024	-	1,740	-	-
2,000 9.00% market linked non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	04 January 2023	2,000	-	-	-
2,000 8.85% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	02 November 2022	2,000	-	-	-
14,000 9.10% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	03 June 2022	14,000	-	-	-

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**(D) Term loan from bank:**

The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

**Bhopal Dhule Transmission Company Limited**

**(E) Non- Convertible Debentures:**

Bhopal Dhule Transmission Company Limited ('BDTCL') had issued 7,350 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis which carries an interest at the rate of 7.85%. The interest is payable quarterly at the end of each quarter. 11% of the total debentures are redeemable in structured instalments in accordance with the redemption schedule. The balance 89% shall be repayable as a bullet repayment on 4th April 2022. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

(i) First and exclusive charge on all movable assets and immovable assets of issuers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, uncalled capital, right of way/land, civil structures, tower and cables, office buildings, present and future if any for the project.

(ii) First charge by way of:

a) Assignment/hypothecation or creation of security interest present and future of all rights, titles, interest, benefits, claims and demands whatsoever of BDTCL in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;

b) All rights, title, interest, benefits, claims and demands whatsoever of the company in the permits, approvals and clearances pertaining to the projects, in the letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document;

c) All insurances proceeds (debenture trustee to be the loss payee in the insurance policy).

(iii) A First charge on letter of credit, Escrow account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.

(iv) First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of BDTCL, present and future.

(v) Pledge of 51% of the equity share capital of the BDTCL.

**(F) Term loans from bank and financial institutions:**

Foreign currency loan from financial institution carries interest at the rate of 6m LIBOR + 2.10% to 3.80% spread. BDTCL has taken currency and interest rate swap to hedge 6m LIBOR to fixed rate. Amount of USD 15.62 million being 35% of the total loan amount shall be repayable as a bullet repayment in accordance with the repayment schedule such that average tenor of the facility shall be more than 8.51 years. Remaining amount of USD 17.78 million is being repaid in quarterly instalments till December 2026. The foreign currency loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of BDTCL in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of BDTCL into and under all clearances pertaining to the project (including transmission licence) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of BDTCL in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from India Grid Trust directly/indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of BDTCL.

**Odisha Generation Phase-II Transmission Limited**

**(G) Term loan from bank:**

Odisha Generation Phase-II Transmission Limited has taken Indian rupee term loan from bank. The interest rate is aligned with the bank's 3 year MCLR plus five basis points. 73% of the total amount is repayable in 46 structured quarterly instalments in accordance with amortisation schedule balance 27% is repayable as a bullet repayment as a last instalment. The Loan together with interest, fees, commission and other monies payable to the bank are secured by:

(i) A first charge on all the borrower's tangible moveable assets and all other movable assets and current and non-current assets, both present and future.

(ii) A first charge over all the accounts of the borrower and receivables

(iii) A first charge on all intangible assets of The Borrower including but not limited to goodwill, rights and undertakings and intellectual property rights and uncalled capital, book debts, current assets, operating cash flows, commissions, revenues of whatsoever nature, both present and future.

(iv) A first charge on all immovable assets of the Borrower, present and future.

(v) Pledge of equity shares representing atleast 51% of the equity share capital (if Axis bank is sole lender, shares pledged shall be restricted to 30% and balance 21% shall be under a non-disposal undertaking).

**East-North Interconnection Company Limited**

**(H) Term loan from bank:**

East-North Interconnection Company Limited has taken Indian rupee term loan from bank. interest is payable quarterly at a rate of 8% p.a. 19.25% of the total amount is repayable in 19 structured quarterly instalments in accordance with amortisation schedule balance 80.75% is repayable as a bullet repayment as a last instalment. The loan together with interest, fees, commission and other monies payable to the bank are secured by:

(i) A first charge on all the borrower's tangible moveable assets and all other movable assets and current and non-current assets, both present and future.

(ii) A first charge over all the accounts of the borrower and receivables

(iii) A first charge on all intangible assets of the borrower including but not limited to goodwill, rights and undertakings and intellectual property rights and uncalled capital, book debts, current assets, operating cash flows, commissions, revenues of whatsoever nature, both present and future.

(iv) Assignment/ Hypothecation of

a. All the right, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all the project documents including the transmission service agreement as amended, varied or supplemented from time to time;

b. The right, title and interest and benefits of the borrower in, to and under all the clearances pertaining to the project including the transmission license) to the extent the same are assignable;

c. all the right, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project documents and additional project documents (if any) (including any security/ letter of credit that may be available to the borrower pursuant to the transmission service agreement or in relation to the project and/or guarantees issued by EPC contractors in favour of the borrower, which may be legally assigned); and

d. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under all Insurance Contracts and Insurance Proceeds pertaining to the Project

(v) Pledge of equity shares representing atleast 51% of the equity share capital (if Axis bank is sole lender, shares pledged shall be restricted to 30% and balance 21% shall be under a non-disposal undertaking).

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**(I) Non- Convertible Debentures:**

During the year 2015-16, the Company issued 9,250 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis in three tranches of 2,125 8.85% Non Convertible Debentures, 2,375 9.10% Non Convertible Debentures and 4,750 9.25% Non Convertible Debentures having face value of Rs 1,000,000 each redeemable by 31 December 2020, 31 December 2025 and 31 December 2033 respectively in quarterly instalments ranging from Rs. 0.07 million to Rs 0.25 million. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

- 1) First and exclusive charge on all movable assets and immovable assets of issuers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, uncalled capital, right of way/land, civil structures, tower and cables, office buildings. present and future if any for the project.
- 2) First charge by way of:
  - a) Assignment/hypothecation or creation of security interest present and future of all rights, titles, interest, benefits, claims and demands whatsoever of the Company in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;
  - b) All rights, title, interest, benefits, claims and demands whatsoever of the Company in the permits, approvals and clearances pertaining to the projects, in the letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document;
  - c) All insurances proceeds (debenture trustee to be the loss payee in the insurance policy).
- 3) A First charge on letter of credit, Escrow account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.
- 4) First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of the Company, present and future.
- 5) Pledge of 51% of the equity share capital of the Company.

Further, subsequent to 31 March 2020, the Company has prepaid the amount to all the NCD holders.

**Financial covenants**

Loans from bank, financial institution and non convertible debentures raised contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, total debt gearing, maintenance of specified security margin etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower periodically. For the financial year ended 31 March 2020, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

**Notes as at 31 March 2019:**

**India Grid Trust**

**(J) Non- Convertible Debentures**

India Grid Trust ('IGT') has issued 2,500 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis which carries an interest at the rate of 8.60%. The interest is payable quarterly. Entire amount of NCD shall be repayable as a bullet repayment at the end of 10th year from the date of disbursement. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders and NCD are secured by: (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust (iii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs; (iv) Pledge over 51% of the share capital of specified SPVs. The trust is in process of creation of security charge on the above debentures as at 31 March 2019.

India Grid Trust ('IGT') has issued 4,350 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis which carries an interest at the rate of 8.9922%. The interest is payable quarterly. Entire amount of NCD shall be repayable as a bullet repayment at the end of 10th year from the date of disbursement. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders and NCD are secured by: (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust; (iii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs; (iv) Pledge over 51% of the share capital of specified SPVs. The trust is in process of creation of security charge on the above debentures as at 31 March 2019.

**(K) Term loans from bank and financial institutions**

The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) negative lien on immovable assets, movable assets, current assets and cash flows of specified project SPVs; (iii) First pari-passu charge on Escrow account of the India Grid Trust.

**Bhopal Dhule Transmission Company Limited**

**(L) Non- Convertible Debentures**

Bhopal Dhule Transmission Company Limited ('BDTCL') had issued 7,350 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis which carries an interest at the rate of 7.85%. The interest is payable quarterly at the end of each quarter. 11% of the total debentures are redeemable in structured instalments in accordance with the redemption schedule. The balance 89% shall be repayable as a bullet repayment on 4th April 2022. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

- 1) First and exclusive charge on all movable assets and immovable assets of issuers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, uncalled capital, right of way/land, civil structures, tower and cables, office buildings. present and future if any for the project.
- 2) First charge by way of:
  - a) Assignment/hypothecation or creation of security interest present and future of all rights, titles, interest, benefits, claims and demands whatsoever of BDTCL in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;
  - b) All rights, title, interest, benefits, claims and demands whatsoever of the company in the permits, approvals and clearances pertaining to the projects, in the letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document;
  - c) All insurances proceeds (debenture trustee to be the loss payee in the insurance policy).
- 3) A First charge on letter of credit, Escrow account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.
- 4) First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of BDTCL, present and future.
- 5) Pledge of 51% of the equity share capital of the BDTCL.

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**(M) Term loans from bank and financial institutions**

Foreign currency loan from financial institution carries interest at the rate of 6m LIBOR + 2.10% to 3.80% spread. BDTCL has taken currency and interest rate swap to hedge 6m LIBOR to fixed rate [refer note 26B]. Amount of USD 15.62 million being 35% of the total loan amount shall be repayable as a bullet repayment in accordance with the repayment schedule such that average tenor of the facility shall be more than 8.51 years. Remaining amount of USD 28.99 million is being repaid in quarterly instalments till December 2026. The foreign currency loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of BDTCL in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of BDTCL into and under all clearances pertaining to the project (including transmission licence) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of BDTCL in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from India Grid Trust directly/indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of BDTCL.

**Financial covenants**

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, total debt gearing, maintenance of specified security margin etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower annually. For the financial year ended 31 March 2019, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

**Notes as at 31 March 2018:**

**India Grid Trust**

**(N) Term loans from bank and financial institutions**

The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) negative lien on immovable assets, movable assets, current assets and cash flows of project SPVs to be provided upfront; (iii) First pari-passu charge on Escrow account of the India Grid Trust.

**Bhopal Dhule Transmission Company Limited**

**(O) Non- Convertible Debentures**

During the year, the Bhopal Dhule Transmission Company Limited ('BDTCL') has issued 7,350 Non Convertible Debentures ('NCDs') of Rs 1,000,000/- each on private placement basis which carries an interest at the rate of 7.85%. The interest is payable quarterly at the end of each quarter. 11% of the total debentures are redeemable in structured instalments in accordance with the redemption schedule. The balance 89% shall be repayable as a bullet repayment on 4th April 2022. All the NCDs together with interest, additional interest, liquidated damages, premium on prepayment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the debenture holders are secured by:

- 1) First and exclusive charge on all movable assets and immovable assets of issuers including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, intangible, goodwill, uncalled capital, right of way/land, civil structures, tower and cables, office buildings. present and future if any for the project.
- 2) First charge by way of:
  - a) Assignment/hypothecation or creation of security interest present and future of all rights, titles, interest, benefits, claims and demands whatsoever of BDTCL in the project, documents including but not limited to transmission supply agreements, transmission licenses, package/construction contracts, O&M related agreements if any, land lease agreements, service contracts etc. duly acknowledged, consented by relevant counter parties to such project documents all as amended, varied or supplemented from time to time;
  - b) All rights, title, interest, benefits, claims and demands whatsoever of the company in the permits, approvals and clearances pertaining to the projects, in the letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees provided by any party to the project document;
  - c) All insurances proceeds (debenture trustee to be the loss payee in the insurance policy).
- 3) A First charge on letter of credit, Escrow account, debt service reserve account and other reserve and any other bank account of the issuer wherever maintained, present and future.
- 4) First charge on all book debts, operating cash flow, receivables, commissions, revenues of whatsoever nature and wherever arising, of BDTCL, present and future.
- 5) Pledge of 51% of the equity share capital of the BDTCL.

**(P) Term loans from bank and financial institutions**

Foreign currency loan from financial institution carries interest at the rate of 6m LIBOR + 2.10% to 3.80% spread. BDTCL has taken currency and interest rate swap to hedge 6m LIBOR to fixed rate [refer note 26B]. Amount of USD 15.62 million being 35% of the total loan amount shall be repayable as a bullet repayment in accordance with the repayment schedule such that average tenor of the facility shall be more than 8.51 years. Remaining amount of USD 28.99 million shall be paid in quarterly instalments till December 2026. The foreign currency loan is secured by first charge on all the immovable assets pertaining to the project, tangible movable assets, current assets, all the accounts and intangible assets both present and future. Loans are also secured by assignment by way of security of all the right, title, interest benefits, claims and demands whatsoever of BDTCL in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time; all rights, title, interest and benefits of BDTCL into and under all clearances pertaining to the project (including transmission licence) to the extent same are assignable; all rights, title, interest, benefits, claims and demands whatsoever of BDTCL in any letter of credit, guarantee including contract guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project document; all rights, title, interest, benefits, claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the project. Loans are also secured by non disposable undertaking from India Grid Trust directly/indirectly to hold at least 51% of equity share capital till final settlement date. Upon occurrence of event of default the negative lien shall be converted in pledge of 51% of the equity share capital of BDTCL.

**Financial covenants**

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, total debt gearing, maintenance of specified security margin etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower annually. For the financial year ended 31 March 2018, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**Note 13: Short term borrowings (secured)**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Short term loan from bank	-	-	4,230.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,230.00</b>

**Jabalpur Transmission Company Limited ('JTCL')**

The Indian rupee term loan from bank carries interest at the rate of Kotak Bank MCLR + Spread, if any, as agreed between JTCL and bank, current interest rate being 8.5% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment in 9 months from the date of disbursement. The short term loan is secured by first and exclusive charge on all current and future movable and immovable fixed assets and current assets of JTCL.

**Note 14: Trade payables**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Trade payables</b>			
- total outstanding dues of micro enterprises and small enterprises (refer note 31)	105.32	54.10	29.65
- total outstanding dues of creditors other than micro enterprises and small enterprises	70.55	28.19	36.09
Trade payables to related party (refer note 27)	157.04	79.67	64.43
<b>Total</b>	<b>332.91</b>	<b>161.96</b>	<b>130.17</b>

Trade payables are not-interest bearing and are normally settled on 30-90 days terms.

For explanation on the Group's risk management policies, refer note 32.

**Note 15: Other financial liabilities**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-Current</b>			
Payable towards project acquired *	-	156.72	579.50
<b>Total</b>	<b>-</b>	<b>156.72</b>	<b>579.50</b>
<b>Current</b>			
<b>Derivative instruments</b>			
<b>Cash flow hedges</b>			
Foreign exchange forward contracts	20.42	157.58	164.42
Cross currency interest rate swap	2.58	12.13	39.29
	<b>23.00</b>	<b>169.71</b>	<b>203.71</b>
<b>Other financial liabilities at amortised cost</b>			
Current maturities of long-term borrowings (refer note 12)	1,241.04	216.65	619.58
Lease liability (refer note 12)	7.47	-	-
Interest accrued but not due on borrowings (refer note 12)	118.76	53.62	34.38
Payables for purchase of property, plant and equipment	186.33	-	-
Distribution payable	7.34	5.75	0.04
Other payable to related parties (refer note 27)	-	0.69	-
Payable towards project acquired #	1,925.09	-	221.70
Payable for expenses	108.57	16.56	9.10
	<b>3,594.60</b>	<b>293.27</b>	<b>884.80</b>
<b>Total</b>	<b>3,617.60</b>	<b>462.98</b>	<b>1,088.51</b>

Derivative instruments reflect the change in fair value of foreign exchange forward contracts and currency / interest rate swaps to hedge of interest rate and foreign exchange fluctuation risks on foreign currency loan in USD. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Refer note 28.

Other payables are non-interest bearing and have an average term of six months.

\*Includes Rs. Nil million (31 March 2019: Rs. 156.32 million, 31 March 2018: Rs. 579.50 million) payable to Sterlite Power Grid Ventures Limited pursuant to the Project Implementation and Management Agreement dated 10 November 2016 as amended ("PIMA") towards additional tariff on account of change in law received by Bhopal Dhule Transmission Company Limited, subsidiary of the Group, as approved by Central Electricity Regulatory Commission.

# Liability of Rs. 1,925.09 million (31 March 2019: Nil, 31 March 2018: Nil) is towards acquisition of equity shares of NRSS XXIX Transmission Limited, Odisha Generation Phase-II Transmission Limited and East-North Interconnection Company Limited pursuant to respective share purchase agreements.

**Note 16: Other current liabilities**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Withholding taxes (TDS) payable	22.43	11.61	11.57
Contract liability (including advances received)	167.03	-	-
Statutory dues payable	1.17	0.81	2.13
Others	49.64	-	-
<b>Total</b>	<b>240.27</b>	<b>12.42</b>	<b>13.70</b>

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**Note 17: Current tax liability**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Current tax liability (net)	4.10	0.07	-
<b>Total</b>	<b>4.10</b>	<b>0.07</b>	<b>-</b>

**Note 18: Deferred tax liability (net)**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Deferred tax liability</b>			
Property, plant and equipment : Impact of difference between tax depreciation and depreciation for financial reporting	8,680.02	5,212.59	4,468.02
<b>Gross deferred tax liability (A)</b>	<b>8,680.02</b>	<b>5,212.59</b>	<b>4,468.02</b>
<b>Deferred tax asset</b>			
Tax losses	8,077.96	5,212.59	4,468.02
<b>Gross deferred tax asset (B)</b>	<b>8,077.96</b>	<b>5,212.59</b>	<b>4,468.02</b>
<b>Net deferred tax liability</b>	<b>602.06</b>	<b>-</b>	<b>-</b>

As at 31 March 2020, based on the expected future profitability of the SPVs, the management has recognised deferred tax assets on the unabsorbed tax depreciation carried forward only to the extent of deferred tax liability.

The Group has Rs. 7,340.75 million (31 March 2019: Rs. 5,149.34 million, 31 March 2018: Rs. 2,853.22 million) of tax losses carried forward on which deferred tax asset has not been recognised. If the Group was able to recognise all unrecognised deferred tax assets, profit after tax would have increased and equity would have increased by Rs. 1,847.52 million (31 March 2019: Rs. 1,567.63 million, 31 March 2018: Rs. 987.50 million).

Further, for the calculation of deferred tax assets/liabilities, the Group has not considered tax holiday available under the Income Tax Act for some of the project SPVs for the computation of deferred tax assets/liabilities. The management based on estimated cash flow workings for these project, believes that since there will be losses in the initial years of these project, no benefit under the Income tax Act would accrue to these projects in respect of the tax holiday. Management will re-assess this position at each balance sheet date.

The subsidiary companies of the Group have opted for lower tax rate as per Section 115BAA of Income Tax Act, 1961. Accordingly, the Group has recognised provision for income tax for the year ended 31 March 2020 and remeasured deferred tax liabilities and assets at revised lower tax rate. The impact for the same has been recognised in the year ended 31 March 2020.

**The major components of income tax expense for the years ended 31 March 2020, 31 March 2019 and 31 March 2018 are:**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
- Current tax	56.96	6.08	-
- Deferred tax (refer note above)	(114.29)	-	-
- Income tax for earlier years*	-	0.28	(67.82)

\* For the year ended 31 March 2018, income tax for the earlier years relates to tax provisions made in the books of JTCL, in the year 2016-17 which had been reversed post acquisition by

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020, 31 March 2019 and 31 March 2018:**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Accounting profit before income tax</b>	<b>4,999.87</b>	<b>1,545.50</b>	<b>2,035.68</b>
At India's statutory income tax rate of 25.17% (31 March 2019: 34.61%; 31 March 2018: 34.61%)	1,258.37	534.90	704.55
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(1,201.41)	(528.82)	(704.55)
Charge/(reversal) of excess provision of tax created in previous year in subsidiary	-	0.28	(67.82)
Impact on deferred tax due to change in tax rates (refer note above)	(114.29)	-	-
At effective tax rate	(57.33)	6.36	(67.82)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(57.33)</b>	<b>6.36</b>	<b>(67.82)</b>

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**Note 19: Revenue from contracts with customers**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>19.1: Disaggregated revenue information</b>			
<b>Type of service</b>			
Power transmission services	12,427.13	6,655.70	4,475.69
<b>Total</b>	<b>12,427.13</b>	<b>6,655.70</b>	<b>4,475.69</b>
<b>Project wise break up of revenue from contracts with Customers</b>			
Bhopal Dhule Transmission Company Limited *	2,694.19	2,577.49	2,179.80
Jabalpur Transmission Company Limited ^	1,504.96	2,149.79	2,118.34
Maheshwaram Transmission Limited \$	585.18	572.33	72.06
RAPP Transmission Company Limited	460.14	456.80	40.72
Purulia & Kharagpur Transmission Company Limited	755.98	746.24	64.77
Patran Transmission Company Limited	301.48	153.05	-
NRSS XXIX Transmission Limited #	4,831.69	-	-
Odisha Generation Phase-II Transmission Limited @	1,260.29	-	-
East-North Interconnection Company Limited	33.22	-	-
<b>Total</b>	<b>12,427.13</b>	<b>6,655.70</b>	<b>4,475.69</b>

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCS) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCS. The TSAs are executed for a period of 35 / 25 years and have fixed tariff charges as approved by CERC (except some escalable portion and some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group's performance obligation is to provide power transmission services. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. The payment is generally due within 60 days upon receipt of monthly invoice by the customer.

The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCS are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

**19.2: Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price**

Revenue as per contracted price	11,977.54	6,477.26	4,315.35
<b>Adjustments:</b>			
Incentives earned for higher asset availabilities	355.17	195.92	176.01
Surcharges received for late payments	144.24	34.98	20.47
Rebates given for early payments	(49.82)	(52.46)	(36.14)
<b>Total revenue from contracts with customers</b>	<b>12,427.13</b>	<b>6,655.70</b>	<b>4,475.69</b>

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

During the year ended 31 March 2020, BDTCL received arrears of Rs. 50.20 million pertaining to period from the COD of the respective elements up to 31 March 2018 which is recognised as revenue from contracts with customers in the financial year ended 31 March 2020.

^On 8 June 2019, the Jabalpur-Bina transmission line ('JB Line') of Jabalpur Transmission Company Limited ('JTCL') was rendered inoperable due to a storm which damaged certain towers of the transmission line. JTCL has claimed this event as a force majeure event under the Transmission Services Agreement ('TSA'). As permitted by the TSA, JTCL has recognised tariff revenue from 8 June 2019 till 21 August 2019 pertaining to the JB Line as per the CERC approved tariff. Western Regional Power Committee has accepted the above event as force majeure from 08 June 2019 to 28 July 2019.

\$ The Central Electricity Regulatory Commission ('CERC') vide its order dated 11 March 2019 approved an increase in non escalable tariff revenue by 0.32% per annum on quoted non-escalable tariff of Maheshwaram Transmission Limited ('MTL') from the commercial operation date ('COD') of the project on account of change in law. MTL has started recognizing revised non-escalable charges prospectively during the current year from 01 July 2019.

# Central Electricity Regulatory Commission ('CERC') vide its order dated 17 December 2018 approved an increase in non escalable tariff revenue by 3.24% per annum on quoted non-escalable tariff of NRSS XXIX Transmission Limited ('NTL') from the commercial operation dates ('COD') of respective elements of NTL project on account increase in project cost due to changes in laws. During the current year, NTL received arrears of Rs. 108.87 million pertaining to period from the COD of the respective elements to 01 July 2019 which is recognised as revenue from contracts with customers for the financial year ended 31 March 2020.

@ Central Electricity Regulatory Commission ('CERC') vide its order dated 17 December 2018 approved an increase in non escalable tariff revenue by 0.46% per annum on quoted non-escalable tariff of Odisha Generation Phase-II Transmission Limited ('OGPTL') from the commercial operation dates ('COD') of respective elements of the OGPTL project on account increase in project cost due to changes in laws. OGPTL has started recognizing revised non-escalable charges prospectively during the current year from 01 January 2020.



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**Note 20: Other income**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Recovery of income tax balance written off	21.56	-	-
Sale of scrap	21.20	-	-
Reversal of provision for doubtful custom deposit *	12.79	-	-
Liabilities no long required written back #	-	2.37	63.85
Lease rental income	-	2.48	14.66
Profit on sale of property, plant and equipment	-	7.00	-
Miscellaneous income	9.96	0.23	-
<b>Total</b>	<b>65.51</b>	<b>12.08</b>	<b>78.51</b>

\* Indemnification of Rs. 12.79 million (31 March 2019: Nil, 31 March 2018: Nil) received from Sterlite Power Grid Ventures Limited.

# For the year ended 31 March 2018, other income pertains to reversal of liability made in books of Bhopal Dhule Transmission Company Limited and Jabalpur Transmission Company Limited in the previous financial year for prepayment charges payable on long term borrowings.

**Note 21: Finance Cost**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Interest on financial liabilities measured at amortised cost	4,039.42	2,275.25	954.24
Other bank and finance charges	113.96	20.58	58.33
<b>Total</b>	<b>4,153.38</b>	<b>2,295.83</b>	<b>1,012.57</b>

**Note 22: Earnings per unit (EPU)**

Basic EPU amounts are calculated by dividing the consolidated profit for the year attributable to unit holders by the weighted average number of units outstanding during the 3 years.

Diluted EPU amounts are calculated by dividing the consolidated profit attributable to unit holders by the weighted average number of units outstanding during the 3 years plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

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

	31 March 2020	31 March 2019	31 March 2018
Profit after tax for calculating basic and diluted EPU (Rs. In million)	5,057.20	1,539.14	2,103.50
Weighted average number of units in calculating basic and diluted EPU (No. in million)	554.01	283.80	283.80
Effect of dilution:			
Estimated units to be issued to sponsor/project manager* (No. in million)	-	5.40	6.14
Weighted average number of equity shares in calculating diluted EPS (No. in million)	554.01	289.20	289.94
<b>Earnings Per Unit</b>			
Basic (Rupees/unit)	9.13	5.42	7.41
Diluted (Rupees/unit)	9.13	5.32	7.25

\* units which were issuable pursuant to the Project Implementation and Management Agreement dated 10 November 2016 as amended, towards the additional transmission charges as approved by CERC for the change in tax rates which resulted in increase in non escalable tariff revenue for BDTCL.

**Note 23: Significant accounting judgements, estimates and assumptions**

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the reformatted financial information.

**i. Applicability of Appendix C - Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers (FY 2018-19 and FY 2019-20)**

The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. The subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 25-35 years. The management of the Company is of the view that the grantor as defined under Appendix C of Ind AS 115 ("Appendix C") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix C to Ind AS 115 is not applicable to the Group.

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**ii. Classification of Unitholders' funds (FY 2017-18, FY 2018-19 and FY 2019-20)**

Under the provisions of the InvIT Regulations, IndiGrid is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of IndiGrid for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20-Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

**iii. Acquisition of Transmission SPVs classified as asset acquisitions (FY 2017-18, FY 2018-19 and FY 2019-20)**

The Group acquires operational transmission SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties. There are no employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

During the year ended 31 March 2018, the Group entered into share purchase agreements and shareholders' agreements dated 14 February 2018 ("the Agreements") with Sterlite Grid 2 Limited and Sterlite Grid 3 Limited ("the Selling shareholders") for acquisition of equity stake in RAPP Transmission Company Limited and Maheshwaram Transmission Company Limited. (together referred as "the SPVs"). Pursuant to the Agreements, the Group has acquired 49% of equity in the SPVs and for acquisition of the remaining 51% equity stake, the Group has paid full consideration in advance on a non-refundable basis. The remaining stake will be acquired from the Selling Shareholders on expiry of the respective mandatory shareholding periods in the SPVs. Under the Agreements, the Group has the following rights:

- a. Right to nominate all directors on the Board of directors of the SPVs;
- b. Right to direct the Selling Shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPVs;
- c. Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPVs at later dates;
- d. Pledge on the remaining 51% equity stake in the SPVs;
- e. Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in the SPVs.

Basis the above rights and the fact that full non-refundable consideration has been paid in advance by the Group to the Selling Shareholders, the Group has consolidated the SPVs assuming 100% equity ownership and accordingly no non-controlling interest (NCI) has been recognised in the consolidated financial statements.

**iv. Consolidation of East North Connection Company Limited ('ENICL') as a subsidiary, for the year ended 31 March 2020.**

The Group entered into share purchase agreement dated 23 March 2020 ("the Agreement") with Sterlite Power Transmission Limited and Sterlite Power Grid Ventures Limited ("the Selling shareholders") for acquisition of equity stake in East North Interconnection Company Limited. ("ENICL"). Pursuant to the agreement, the Group has finalized purchase consideration for entire equity stake of the selling shareholders and has paid purchase consideration for acquisition of 49% paid up equity capital in the ENICL.

Based on the contractual terms of the agreement, the Group has following rights:

- Right to nominate all directors on the board of directors of the ENICL;
- Right to direct the selling shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of ENICL;
- Non-disposal undertaking from the selling shareholders for the remaining 51% equity stake in ENICL;

Considering the requirements under Ind AS 110, the Group has assessed whether it controls ENICL on the basis the above rights under the agreement and the fact that the Group has entered into irrevocable binding agreement with the selling shareholders to acquire remaining 51% paid up equity capital in ENICL. Based on the assessment, management has concluded that the Group controls ENICL in spite of the fact that it has acquired only 49% of the paid up capital of ENICL. Further, based on the legal opinion ENICL is considered as Special Purpose Vehicle as per requirements of Securities Exchange Board of India's Invite Regulations

Accordingly, the Group has consolidated ENICL assuming 100% equity ownership and no non-controlling interest (NCI) has been recognised in the consolidated Ind AS financial statements. Remaining purchase consideration payable to the selling shareholders is recognized as financial liability in the consolidated Ind AS financial statements.

**Estimates and assumptions (FY 2017-18, FY 2018-19 and FY 2019-20)**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**i. Impairment of non-financial assets**

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment). Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the transmission assets are based on value in use of the projects. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/forecasts over the life of the projects. The key assumptions used to determine the recoverable amount for the assets are disclosed and further explained in Note 32.

The provision for impairment/(reversal) of impairment of property, plant and equipment is made based on the difference between carrying amounts and the recoverable amounts.

**ii. Payable towards projects acquired for the year ended 31 March 2018**

a. BDTCL had filed petition dated 15 October 2016 with CERC for grant of incremental tariff to compensate for additional expenditure incurred on BDTCL project. Pursuant to the Project Implementation and Management Agreement dated 10 November 2016 as amended ("PIMA"), the Trust will issue additional units to Sterlite Power Grid Ventures Limited ("SPGVL") in case any additional tariff is approved by CERC. The units that will be issued would be to the extent of 80% of the additional capital expenditure as approved by CERC in respect of the pending petition. Accordingly, the Group has estimated and recorded an amount of Rs. 579.50 million towards the units issuable to SPGVL in accordance with PIMA. The consideration would be discharged in the form of units of the Trust. The number of units that will be issued is variable since the pricing of the units will be based on Regulation 76 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, hence the same has been classified as financial liability.

b. In respect of RTCL, CERC vide its order dated 21 September 2016 ("Order") confirmed that the RTCL was eligible to receive certain transmission charges from the scheduled commercial operation date i.e. 01 March 2016 ("SCOD"). The aggrieved party filed an appeal with Appellate Tribunal for Electricity against the Order. The amount of transmission charges involved is Rs. 221.70 million which were recognised as receivable in the financial statement of RTCL. Under the share purchase agreement dated 14 February 2018, in case there is any recovery on account of the above receivable on disposal of the appeal, the same shall be paid as additional consideration to Sterlite Grid 2 Limited (subsidiary of SPGVL)+D700. The management has recognised a liability of Rs 221.70 million payable in respect of the above arrangement.

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**iii. Fair valuation and disclosures**

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer Statement of net assets at fair value and Statement of total returns at fair value). In estimating the fair value of transmission projects (which constitutes substantial portion of the total assets), the Group engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value. (refer Note 26A for details)

**iv. Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

In the year ended 31 March 2018, the Group had Rs. 2,853.22 million of tax losses carried forward on which deferred tax asset has not been recognised. If the Group was able to recognise all unrecognised deferred tax assets, profit after tax would have increased and equity would have increased by Rs. 987.50 million.

Further, the Group has not considered tax holiday available under the Income Tax Act for some of the project SPVs for the computation of deferred tax assets/liabilities. The management based on estimated cash flow workings for these project, believes that since there will be losses in the initial years of these project, no benefit under the Income tax Act would accrue to these projects in respect of the tax holiday. Management will re-assess this position at each balance sheet date.

**Note 24: List of subsidiaries which are included in consolidation and IndiGrid's effective holding therein are as under:**

Name of the Company	Country of Incorporation	Effective Ownership as at 31 March 2020	Effective Ownership as at 31 March 2019	Effective Ownership as at 31 March 2018
<b>Directly held by the Trust</b>				
Sterlite Grid 1 Limited	India	100%	100%	100%
Sterlite Grid 2 Limited#	India	100%	-	-
Sterlite Grid 3 Limited *	India	100%	-	-
Patran Transmission Company Limited**	India	74%	74%	-
East-North Interconnection Company Limited^	India	49%	-	-
<b>Indirectly held by the Trust (through subsidiaries):</b>				
Bhopal Dhule Transmission Company Limited^^	India	100%	100%	100%
Jabalpur Transmission Company Limited^^	India	100%	100%	100%
Purulia & Kharagpur Transmission Company Limited##	India	100%	100%	100%
RAPP Transmission Company Limited##	India	100%	74%	49%
Maheshwaram Transmission Limited##	India	100%	49%	49%
NRSS XXIX Transmission Limited #	India	100%	-	-
Odisha Generation Phase-II Transmission Limited *	India	100%	-	-

^^ Acquired on 30 May 2017.

\*\* Pursuant to Share Purchase agreement/Shareholders' Agreement ('SPA') dated 19 February 2018 executed for the acquisition of Patran Transmission Company Limited, the Group holds 74% equity stake in the SPV and on the remaining 26%, the Group has beneficial interest based on the rights available to it under the SPA. Further during the year ended 31 March 2019, pursuant to Share Purchase agreement/Shareholders Agreement (SPA) dated 19 February 2018, the group acquired Patran Transmission Company Limited (PTCL) from Techno Power Grid Company Limited and Techno Electric and Engineering Company Limited. The group holds 74% equity stake in PTCL. and on the remaining 26%. the group has beneficial interest based on the rights available to it under the Share Purchase agreement/Shareholder's agreement.

## Acquired on 15 February 2018.

Pursuant to the share purchase agreements and shareholders' agreements dated 14 February 2018 executed for the acquisition of RTCL and MTL, the Trust (through SGL1) has acquired 49% of equity stake in these entities and it has rights under the above agreements which gives it beneficial interest in the remaining 51% stake in these entities. Hence the effective ownership as at 31 March 2018 is considered as 100%.

The Group entered into share purchase agreements and shareholders agreements dated 14 February 2018 with Sterlite Grid 2 Limited and Sterlite Grid 3 Limited for acquisition of equity stake in RAPP Transmission Company Limited and Maheshwaram Transmission Limited. Pursuant to the Agreements, the Group acquired 49% of equity in the above SPVs and for acquisition of the remaining 51% equity stake, the Group has paid full consideration in advance on a non-refundable basis. The remaining stake will be acquired from the Selling Shareholders on expiry of the respective mandatory shareholding periods the SPVs. Subsequent to the acquisition. the group has increased its stake in RTCL to 74%.

# The Group has acquired Sterlite Grid 2 Limited (SGL2), which is the holding company of NRSS XXIX Transmission Limited ('NTL') from Sterlite Power Grid Ventures Limited ('SPGVL') pursuant to share purchase agreements dated 30 April 2019 on 04 June 2019. 100% equity share capital of SGL2 is acquired by the Group as per the share purchase agreement dated 30 April 2019.

\* The Group has acquired Sterlite Grid 3 Limited which is the holding company of Odisha Generation Phase-II Transmission Limited ('OGPTL') from Sterlite Power Grid Ventures Limited ('SPGVL') pursuant to share purchase agreements dated 30 April 2019 on 28 June 2019 respectively. 100% equity share capital of SGL3 is acquired by the Group as per the share purchase agreement dated 30 April 2019.

^ The Group has acquired East-North Interconnection Company Limited ('ENICL') from Sterlite Power Grid Ventures Limited ('SPGVL') pursuant to share purchase agreements on 23 March 2020. 49% equity share capital of ENICL is acquired by the Group as per the share purchase agreement. The Group has acquired remaining 51% equity stake in ENICL on 26 May 2020.

(FY 2018-19) Under the above agreements, the Group has the following rights on the above SPVs'

- Right to nominate all directors on the Board of directors of the SPV;
- Right to direct the Selling Shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPV;
- Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPVs at later dates;
- Pledge on the remaining equity stake in the SPVs.
- Non disposal undertaking from the Selling Shareholders for the remaining equity stake in the SPVs.

Basis the above rights and the fact that full non-refundable consideration has been paid in advance by the Group to the Selling Shareholders, the Group has consolidated the SPVs assuming 100% equity ownership and accordingly no non-controlling interest (NCI) has been recognised in the consolidated financial statements

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**Note 25: Capital and other Commitments**

(a) The Group has entered into a Framework agreement on 30 April 2019 with Sterlite Grid Ventures Limited ('SPGVL') for acquisition of Gurgaon-Palwal Transmission Limited ('GPTL'), NER II Transmission Limited ('NER') and Khargone Transmission Limited ('KTL'). The board of directors of Sterlite Investment Managers Limited and unitholders of India Grid Trust have approved acquisition of GPTL on 08 April 2020 and 09 May 2020 respectively.

(b) The Group has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group has to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for disincentives and penalties in case of certain defaults.

(c) Refer note 33 of consolidated financial statements for lease related commitments.

**As at 31 March 2018:**

The Group has entered into Share Purchase Agreement on 19 February 2018 with Techno Power Grid Company Limited, Techno Electric and Engineering Company Limited and Patran Transmission Company Limited ('PTCL') pursuant to which the Group has agreed to purchase entire share capital of PTCL at cost of approx. INR 2,320 million based on the valuation report obtained by the management. The transaction is expected to complete in the first quarter of financial year 2018-19.

**Note 26A : Fair value measurements**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value			Fair value		
	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Financial assets</b>						
Investments	-	75.72	-	-	75.72	-
<b>Total</b>	<b>-</b>	<b>75.72</b>	<b>-</b>	<b>-</b>	<b>75.72</b>	<b>-</b>
<b>Financial liabilities</b>						
Derivative instruments	23.00	169.71	203.71	23.00	169.71	203.71
<b>Total</b>	<b>23.00</b>	<b>169.71</b>	<b>203.71</b>	<b>23.00</b>	<b>169.71</b>	<b>203.71</b>

The management has assessed that the financial assets and financial liabilities as at year end other than above are reasonable approximations of their fair values.

The fair value of the quoted mutual fund is based on the price quotations at reporting date.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value through profit and loss.

The Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 as a part of these consolidated financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of transmission assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures as above categorised within Level 3 of the fair value hierarchy as above together with a quantitative sensitivity analysis as at 31 March 2020, 31 March 2019 and 31 March 2018 are as shown below :

Significant unobservable inputs	Range for 31 March 2020*	Range for 31 March 2019	Range for 31 March 2018	Sensitivity of input to the fair value	Rs in million		
					Increase/ (decrease) in fair value		
					31 March 2020	31 March 2019	31 March 2018
WACC	8.44% to 9.09%	8.12% to 8.40%	7.86% to 8.08%	+ 0.5% - 0.5%	(4,769.00) 5,655.00	(2,445.95) 2,726.84	(2,479.63) 2,768.61
Tax rate (normal tax and MAT)	Normal Tax - 25.168%	Normal Tax - 29.12%	Normal Tax - 29.12%	+ 2% - 2%	(1,277.63) 1,311.93	(306.91) 260.35	(325.90) 296.36
Inflation rate	Revenue: 5.00% Expenses: 2.72% to	Revenue: 5.73% Expenses: 3.20% to	Revenue: 5.95% Expenses: 3.67% to	+ 1% - 1%	(788.38) 529.45	(432.64) 360.78	(444.44) 366.13
Additional tariff (applicable only for	NA	2.39%	2.58%	+ 1% - 1%	NA	210.48 (210.48)	154.00 (154.00)

\* The independent valuer has considered effect of COVID-19 on the significant unobservable inputs used in fair valuation as referred above.

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**Note 26B: Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020, 31 March 2019 and 31 March 2018:**

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020, 31 March 2019 and 31 March 2018.				
(Rs. in million)				
	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets for which fair values are disclosed:</b>				
Property, plant and equipment*	31 March 2020	-	-	1,17,343.54
	31 March 2019	-	-	50,184.48
	31 March 2018	-	-	50,542.47
<b>Assets measured at fair value through profit and loss</b>				
Investments in mutual funds (Asset)	31 March 2020	-	-	-
	31 March 2019	75.72	-	-
	31 March 2018	-	-	-
<b>Liabilities measured at fair value through profit and loss</b>				
Derivative instruments (Liability)	31 March 2020	-	23.00	-
	31 March 2019	-	169.71	-
	31 March 2018	-	203.71	-

There have been no transfers among Level 1, Level 2 and Level 3.

\* Statement of net assets at fair value and Statement of total returns at fair value require disclosures regarding fair value of assets (liabilities are considered at book values). Since the fair value of assets other than PP&E approximate their book values, hence only PP&E has been disclosed above.

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**Note 27: Related party disclosures**

**(A) Name of related party and nature of its relationship:**

**I. List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures**

**(a) Entity with significant influence over the Trust**

Sterlite Power Grid Ventures Limited (SPGVL)  
Esoteric II Pte. Ltd. (from 04 May 2019)

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

**(a) Parties to IndiGrid**

Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project Manager of IndiGrid (refer note 1 below)  
Sterlite Investment Managers Limited (SIML) - Investment Manager of IndiGrid (refer note 2 below)  
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

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

Sterlite Power Transmission Limited- Promoter of SIML (refer note 2 below)  
Sterlite Power Transmission Limited- Promoter of SPGVL  
Axis Trustee Limited- Promoter of ATSL  
Electron IM Pte. Ltd.- Promoter of SIML

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

**(i) Directors of SPGVL:**

Pravin Agarwal  
Pratik Agarwal  
A. R. Narayanaswamy  
Avaantika Kakkar  
Ved Mani Tiwari  
Arun Todarwal Lalchand (from 22 July 2019)  
Zhao Haixia (from 11 September 2019)  
Anand Agarwal (till 10 October 2017)  
Udai Dhawan (till 22 January 2018)

**(ii) Directors of SIML:**

Pratik Agarwal  
Kuldip Kumar Kaura (till 07 June 2019)  
Tarun Kataria  
Shashikant Bhojani  
Rahul Asthana  
Harsh Shah (whole time director) (from 15 January 2018)  
Sanjay Omprakash Nayar (from 07 June 2019)

**(iii) Directors of ATSL:**

Srinivasan Varadarajan (till 20 December 2018)  
Ram Bharoseylal Vaish (till 08 November 2019)  
Sidharth Rath (till 01 June 2018)  
Rajaraman Viswanathan (till 10 October 2018)  
Raghuraman Mahalingam (till 30 September 2018)  
Rajesh Kumar Dahiya (from 11 July 2018)  
Sajnay Sinha (from 10 October 2018)  
Ganesh Sankaran (from 18 April 2019)

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

Sonakshi Agarwal  
Jyoti Agarwal  
Sujata Asthana

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

Cyril Amarchand Mangaldas

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**(B) The transactions with related parties during the year are as follows:-**

**(Rs. in millions)**

Particulars	Relation	2019-20	2018-19	2017-18
<b>1. Purchase of non convertible debentures of SGL1</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	-	5,880.36
<b>2. Purchase of equity shares of SGL2</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	12,626.66	-	-
<b>3. Purchase of equity shares of SGL3</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	518.31	-	-
<b>4. Purchase of loan to SGL3</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	2,289.49	-	-
<b>5. Purchase of equity shares of ENICL</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	1,259.46	-	-
Sterlite Power Transmission Limited	Promoters of the parties to IndiGrid	29.09	-	-
<b>6. Purchase of loan to ENICL</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	587.00	-	-
<b>7. Received towards indemnification of liabilities</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	46.36	53.47	-
<b>8. Issue of unit capital</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	2,300.13	-	5,880.36
Pravin Agarwal	Director of Sponsor	-	-	91.34
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	11,412.04	-	-
<b>9. Purchase of equity shares of RAPP Transmission</b>				
Sterlite Grid 2 Limited #	Subsidiary of Sponsor	-	-	2,870.52
<b>10. Purchase of equity shares of Maheshwaram</b>				
Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	-	961.84
<b>11. Repayment of existing NCDs / loans in the SPVs</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	-	7,121.03
Sterlite Grid 2 Limited #	Subsidiary of Sponsor	-	-	732.09
Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	-	849.02
<b>12. Repayment of dues paid</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	-	397.80
Sterlite Investment Managers Limited	Investment Manager	-	-	15.56
Sterlite Grid 3 Limited #	Subsidiary of Sponsor	-	-	18.32
<b>13. Reimbursement of expenses received</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	-	17.01
<b>14. Purchase of projected assets in earlier years</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	-	252.80	-
<b>15. Project Manager Fees</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	63.66	39.54	26.44
<b>16. Investment Manager Fees</b>				
Sterlite Investment Managers Limited	Investment Manager	238.79	130.53	87.54
<b>17. Distribution to unit holders</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	968.32	709.20	373.47
Esoteric II Pte. Ltd	Entity with significant influence over the Trust	1,224.32	-	-
Pravin Agarwal	Director of Sponsor	3.06	11.60	5.99
Pratik Agarwal	Director of Sponsor and Investment Manager	4.41	1.22	-
Harsh Shah	Whole time director of Investment Manager	0.12	0.06	-
Sonakshi Agarwal	Relative of director	0.18	-	-
Jyoti Agarwal	Relative of director	0.24	-	-
Sujata Asthana	Relative of director	0.67	-	-
Arun Tadarwal	Director of Sponsor	0.06	-	-
A. R. Narayanaswamy	Director of Sponsor	0.15	-	-
<b>18. Purchase of project stores</b>				
Sterlite Power Transmission Limited	Promoter of project manager and investment manager	5.67	7.91	-
<b>19. Sale of plant and machinery</b>				
Sterlite Power Transmission Limited	Promoter of project manager and investment manager	-	9.44	-
<b>20. Trustee Fee</b>				
Axis Trustee Services Limited (ATSL)	Trustee	2.36	2.16	2.94
<b>21. Rent</b>				
Sterlite Power Transmission Limited	Promoter of project manager and investment manager	1.18	-	-
<b>22. Legal and professional services taken</b>				
Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	26.62	-	-

(C) The outstanding balances of related parties are as follows:-

(Rs in Million)				
Particulars	Relation	31 March 2020	31 March 2019	31 March 2018
<b>1. Project Manager fees payable</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	29.39	18.25	14.92
<b>2. Investment Manager fees payable</b> Sterlite Investment Managers Limited	Investment Manager	125.13	61.42	49.51
<b>3. Purchase of project stores</b> Sterlite Power Transmission Limited	Promoter of project manager and investment manager	-	0.69	-
<b>4. Sale of plant and machinery</b> Sterlite Power Transmission Limited	Promoter of project manager and investment manager	-	7.44	-
<b>5. Payable towards project acquired</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	1,925.09	-	-
<b>6. Management fees payable</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager	2.52	-	-
<b>7. Payable for purchase of property, plant and</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	23.83	-	-
<b>8. Legal and professional services taken</b> Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	5.18	-	-
<b>9. Trustee fee</b> Axis Trustee Services Limited (ATSL)	Trustee	-	-	0.54

Note 1: Sterlite Power Grid Ventures Limited ('SPGVL') has entered into "Inter-se sponsor agreement" dated 30 April 2019 ("the Agreement") with Esoteric II Pte. Ltd. to designate Esoteric II Pte. Ltd. as a "Sponsor" of the Trust subject to approval from SEBI in terms of SEBI InvIT Regulations.

Note 2: Pursuant to "Share Subscription and Purchase Agreement" ('the agreement') executed between Electron IM Pte. Ltd. and Sterlite Power Transmission Limited ['SPTL', the holding company of Sterlite Investment Managers Limited ('SIML'), the Investment Managers of the Trust] on 30 April 2019, SPTL shall sell 74% of its stake in SIML as specified in the agreement.

Note 3: During the year ended 31 March 2018, Indigrid had acquired NCDs and equity shares of SGL1 in exchange of its units amounting to Rs. 5,880.36 million. Since the nominal value of NCDs was Rs. 6,658.24 million. Hence the entire consideration was allocated to NCDs.

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

**For the financial year ended 31 March 2020:** Refer disclosure below:

**For the financial year ended 31 March 2019:** No acquisition of InvIT assets from related parties during the year.

**For the financial year ended 31 March 2018:** Refer disclosures below:

(A) Summary of the valuation reports for the year ended 31 March 2020 (issued by the independent valuer appointed under the InvIT Regulations):

(Rs in million)			
Particulars	NTL	OGPTL	ENICL
Enterprise value	41,626	12,840	11,355
Method of valuation	Discounted Cash Flow		
Discounting rate (WACC):	8.12%	8.42%	8.77%

Summary of the valuation reports for the year ended 31 March 2018 (issued by the independent valuer appointed under the InvIT Regulations):

Particulars	BDTCL	JTCL	PKTCL	RTCL	MTL
<b>Enterprise value</b>					
- Base case (based on tariff as per TSA)	20,406	14,949	6,512	3,935	5,218
- Incremental revenue (based on additional tariff claimed)	1,135	1,176	-	-	-
<b>Total Enterprise value</b>	<b>21,541</b>	<b>16,125</b>	<b>6,512</b>	<b>3,935</b>	<b>5,218</b>
<b>Method of valuation</b>	Discounted Cash Flow				
Discounting rate (WACC):					
- Base case (based on tariff as per TSA)	8.19%	8.14%	7.98%	8.05%	7.54%
- Incremental revenue (based on additional tariff claimed)	8.69%	8.64%	-	-	-



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

**Acquisition of NRSS XXIX Transmission Limited (NTL) (through acquisition of Sterlite Grid 2 Limited):**

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

The acquisition of NTL and SG2L was financed by money raised through Qualified Institutional Placement (QIP) at India Grid of Rs. 25,140 million and from issue of Non-Convertible Debentures at IndiGrid Level of Rs. 21,000 million (rate of interest- 8.60% to 9.10%). No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of Odisha Generation Phase-II Transmission Limited (OGPTL) (through acquisition of Sterlite Grid 3 Limited):**

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

The acquisition of OGPTL and SG3L were financed by issue of Non-Convertible Debentures at IndiGrid Level of Rs. 21,000 million (rate of interest- 8.60% to 9.10%). No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

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

Pursuant to the share purchase agreements dated 23 March 2020 ("SPA") executed among Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited, Sterlite Investment Managers Limited, Sterlite Power Transmission Limited and East-North Interconnection Limited ("ENICL") for acquisition of equity stake in ENICL. The Group has acquired 49% of equity in ENICL.

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

**Acquisition of BDTCL and JTCL (through acquisition of SGL1):**

Pursuant to the Project Implementation and Management Agreement dated 10 November 2016 as amended on 25 April 2017 ("PIMA") executed among SIML, ATSL, SPGVL, SGL1, BDTCL and JTCL, IndiGrid would issue additional units to SPGVL in the event CERC approves additional tariff for BDTCL and/or JTCL in respect of cost escalations in those projects for which petitions were filed with CERC. The units to be issued to SPGVL shall be equivalent to 80% of the Cost Escalation for each of BDTCL and JTCL as approved by CERC.

SPGVL will be entitled to additional units only if the cost escalation and the resultant revision in levelised transmission charges is received during the period commencing from the date of the PIMA and until the date which is 18 months of listing of units of IndiGrid (being the date of receipt of final listing and trading approvals for the units).

CERC vide Order dated 08 May 2017 approved cost escalation of Rs. 1,699.90 million for JTCL. Accordingly, IndiGrid issued additional units of Rs. 1,359.92 million (being 80% of the cost escalation approved by CERC) to SPGVL. The petition for cost escalation for BDTCL is currently pending with CERC.

No external financing has been obtained for the acquisition of BDTCL and JTCL and no fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of RTCL and MTL:**

The acquisition of RTCL, PKTCL and MTL was financed by long term debt raised at IndiGrid Level of Rs. 10,000 million (rate of interest - 8.25%) and short term debt at JTCL level of Rs. 4,230 million (rate of interest - 8.50%). No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Note 28: Derivative instruments**

The Group has entered into the following derivative instruments:

(a) The following are the outstanding Forward Exchange Contracts entered into by the Group, for hedge purpose.

Year ended	Currency type	Foreign currency (In million)	Amount (Rs. million)	Buy/Sell	No. of contracts (Quantity)
<b>Hedge of foreign currency loan from financial institution</b>					
31 March 2020	US \$	33.40	2,498.20	Buy	4
31 March 2019	US \$	36.39	2,453.19	Buy	4
31 March 2018	US \$	37.95	2,440.62	Buy	4

(b) Cross currency interest rate swap contracts outstanding as at year end to hedge against exposure to variable interest outflow on loans/foreign currency

Particulars	31 March 2020	31 March 2019	31 March 2018
Currency type	US \$	US \$	US \$
No. of contracts	1.00	1.00	1.00
Amount (USD 'million)	7.28	7.28	7.28
Period of Contract	31 Dec 2015 to 31 Mar 2021	31 Dec 2015 to 31 Mar 2021	31 Dec 2015 to 31 Mar 2021
Floating rate	USD 6 Month Libor + 2.10% to 3.80%	USD 6 Month Libor + 2.10% to 3.80%	USD 6 Month Libor + 2.10% to 3.80%
Fixed rate	6.71% on INR principal	6.71% on INR principal	6.71% on INR principal

The Group has entered into cross currency interest rate swap contract on the foreign currency loan, whereby the foreign exchange rate for principal and interest payments has been fixed at INR 65.05 / USD and the interest rate fixed at 6.71% on the loan amount converted in INR at the fixed USD rate. As a result of the contract, the Company would pay interest in INR at 6.71% on the foreign currency loan converted to INR at INR 65.05/USD and receive interest at USD 6m LIBOR + 2.10% to 3.80% on the foreign currency loan amount.

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**Note 29: Contingent liability**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Entry tax demand*	411.24	410.20	369.35
Sales tax demand*	24.66	104.34	104.34
<b>Total</b>	<b>435.90</b>	<b>514.54</b>	<b>473.69</b>

\* The total contingent liability is recoverable from SPGVL as per the share purchase agreements.

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. Out of the total demand Rs. 138.75 million (31 March 2019: Rs. 138.70 million, 31 March 2018: Rs. 138.70 million) pertains to Jabalpur Transmission Company Limited ('JTCL'), Rs. 165.81 million (31 March 2019: Rs. 165.80 million, 31 March 2018: Rs. 165.80 million) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') and Rs. 13.30 million (31 March 2019: Rs. 13.30 million, 31 March 2018: Rs. 13.30 million) pertains to RAPP Transmission Company Limited ('RTCL') which is pending with High Court, Jabalpur.

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Madhya Pradesh. The total demand Rs. 1.33 million (31 March 2019: Rs. Nil, 31 March 2018: Rs. Nil) pertains to Bhopal Dhule Transmission Company Limited ('BDTCL') which is pending with Commissioner (Appeals).

Entry tax cases includes disputes pertaining to demand of entry tax on movement of capital goods in the state of Chhattisgarh. The total demand Rs. 92.05 million (31 March 2019: Rs. 92.04 million, 31 March 2018: Rs. 92.04 million) pertains to Jabalpur Transmission Company Limited ('JTCL') out of which Rs. 51.55 is pending with the Chhattisgarh High Court and Rs. 40.50 is pending with Chairman Chhattisgarh Commercial tax Tribunal, Raipur (C.G.).

Sales tax demand of Rs 24.66 million (31 March 2019: Rs. Nil) for Sterlite Grid 1 Limited (SG1L) pertains to demand under Delhi VAT Act, 2004 for non-submission of C Forms for the year 2014-15. The Group has filed an objection against the order with Assistant Commissioner of Delhi VAT Authorities.

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

**Others:**

During the year ended 31 March 2020, one of the vendor involved in construction of power transmission infrastructure has filed arbitration proceedings against East-North Interconnection Company Limited ('ENICL') in relation to turnkey construction contract executed by it earlier years which is pending before Arbitral Tribunal. Pursuant to share purchase agreement dated 23 March 2020, the Group has obtained corporate guarantee of INR 500 million from SPGVL in respect of said arbitration. Further, all cost, expenses, liabilities and taxes with respect to the arbitration will be to the sole account of SPGVL. The Group management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the consolidated financial statements.

**Note 30: Segment reporting**

The Group's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given.

Under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of trade receivables pertaining to transmission charges is receivable from PGCIL.

**Note 31: Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006**

Particulars	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.			
Principal amount due to micro and small enterprises	105.32	54.10	29.65
Interest due on above	-	-	-
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil (31 March 2019: Rs. Nil, 31 March 2018: Rs. Nil). Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimations received from the "suppliers" / information available with the Company regarding their status under the Micro, Small and Medium Enterprises Act, 2006.

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**Note 32: Financial risk management objectives and policies**

The Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Investment Manager of the IndiGrid oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The management reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Management has overall responsibility for the establishment and oversight of the Group's risk management framework.

**(A) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Group through its subsidiaries is engaged in transmission business under BOOM (Build, Own, Operate and Maintain) model and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). Being transmission licensee, the Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the Group has not considered any expected credit loss on the financial assets in the nature of trade receivables. During the various periods presented, there has been no change in the credit risk of trade receivables. However, this assessment may need a review if there is any change in the Pooling Regulations.

Credit risk from balances deposited/invested with banks and financial institutions as well as investments made in mutual funds, is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Based on this policy, the Group does not foresee any risk on account of credit losses, either in the bank deposits which are made with AAA rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the balance sheet as at 31 March 2020 is the carrying amounts of trade and other receivables, cash and cash equivalents and other assets as disclosed in Note 5, 6, 7, 8 and 9 respectively. However, the credit risk is low due to reasons mentioned above.

**(B) Liquidity risk**

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2020</b>						
Borrowings*	-	-	-	39,891.20	22,699.93	62,591.13
Trade payables	-	332.91	-	-	-	332.91
Other financial liabilities* (excluding derivative instruments)	-	943.92	2,643.21	-	-	3,587.13
Derivatives #	-	73.45	155.39	833.44	1,458.93	2,521.21
<b>Total</b>	<b>-</b>	<b>1,350.28</b>	<b>2,798.60</b>	<b>40,724.64</b>	<b>24,158.86</b>	<b>69,032.38</b>

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2019</b>						
Borrowings*	-	-	-	7,651.68	18,250.32	25,902.00
Trade payables	-	161.96	-	-	-	161.96
Other financial liabilities* (excluding derivative instruments)	-	271.05	178.94	-	-	449.99
Derivatives #	-	209.82	126.53	831.70	1,454.84	2,622.89
<b>Total</b>	<b>-</b>	<b>642.83</b>	<b>305.47</b>	<b>8,483.38</b>	<b>19,705.16</b>	<b>29,136.84</b>

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Total
<b>31 March 2018</b>						
Borrowings*	-	-	4,230.00	7,742.54	11,369.96	23,342.50
Trade payables	-	-	130.17	-	-	130.17
Other financial liabilities* (excluding derivative instruments)	-	-	1,464.30	-	-	1,464.30
Derivatives #	-	-	301.82	2,622.71	-	2,924.53
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,126.29</b>	<b>10,365.25</b>	<b>11,369.96</b>	<b>27,861.50</b>

\* Excludes lease liability of Rs. 53.34 million (31 March 2019: Rs. Nil). Refer note 33 for maturity analysis of lease liability included in borrowings and financial liabilities. For the financial year ended 31 March 2019, includes amount of Rs. 156.73 million (31 March 2018: Rs 579.50 million) being payable towards project acquired which will be settled by issue of units.

# Based on gross undiscounted cash flows. The MTM as on 31 March 2020 recognised in the books of accounts is Rs 23.00 million (31 March 2019: Rs. 169.71 million, 31 March 2018: Rs. 203.71 million)

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, bank deposits, Investments in short-term mutual funds, and derivative financial instruments.

**Interest rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate primarily relates to the Group's long term debt obligations with floating interest rates. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2020, 3.66% (31 March 2019: 9.39%, 31 March 2018: 10.18%) of total borrowings of the Group are at floating interest rates.

**Interest rate sensitivity**

The Group has taken cross currency interest rate swap to hedge its borrowings at floating interest rates. The swap contract is valid till 31 March 2021 (refer note 28 for details). Hence the disclosures regarding interest rate sensitivity have not been given.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency borrowings and payables in foreign currency (if any).

The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps and forwards.

At 31 March 2020, 31 March 2019 and 31 March 2018, the Group hedged 100% of its foreign currency borrowings. This foreign currency risk is hedged by using foreign currency forward contracts and cross currency interest rate swap.

**Note 33: Leases**

The Group has lease contract for office building used in its operations which have lease term of 5 years with lock-in-period of 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The cash outflows relating to leases have not yet commenced. The lease liability has been measured by using the incremental borrowing rate.

**Maturity analysis of lease liabilities:**

Particulars	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	(Rs. in million) Total
<b>31 March 2020</b>					
Lease liability	0.95	6.52	45.87	-	53.34
<b>Total</b>	<b>0.95</b>	<b>6.52</b>	<b>45.87</b>	<b>-</b>	<b>53.34</b>
<b>31 March 2019</b>					
Lease liability	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 March 2018</b>					
Lease liability	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**INDIA GRID TRUST**  
**Notes to Reformatted Consolidated Financial Statements**

**Note 34: Corporate social responsibility**

The Group management is evaluating the best possible alternative for CSR activities related to one of its subsidiaries hence the amount has not been spent till 31 March 2020.

**Note 35: Impact of COVID-19, for the year ended 31 March 2020**

The management has evaluated the impact of COVID 19 pandemic & lock down imposed by the Government of India on the Group. The subsidiaries of the Group which are engaged in construction and operation & maintenance of power transmission lines and substations ('power transmission infrastructure') are governed by Section 63 of The Electricity Act 2003 where in as per the Transmission Service Agreements ('TSAs') tariff revenue is accrued based on availability of power transmission infrastructure. Further, the Government of India has declared power transmission as an essential service therefore the Group is able to ensure availability of power transmission infrastructure and carry out maintenance activities during the lock down period.

The management believes that as the tariff revenues are linked to availability, irrespective of the quantum of power transmitted through the power transmission infrastructure and considering the Point of Connection ('PoC') mechanism the risk of non-collection of transmission charges receivables as of 31 March 2020 is minimum, however there could be delays in collection of trade receivables and unbilled revenue.

Further, in assessing the recoverability of receivables including unbilled receivables, the Group has considered internal and external information up to the date of approval of these consolidated financial statements including communication from regulatory agencies and LTTCs. Central Electricity Regulatory Commission ('CERC') has reduced Late Payment Charges (LPS) to 1.0% per month from 1.5% earlier or any delay in payment by the LTTCs between 24 March 2020 and 30 June 2020 which is not expected to have material impact on the financial statements of the Group. Further, the management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

The management will continue to monitor and assess impact of economic conditions arising due to COVID 19. The impact of COVID 19 may differ from that expected at the date of approval of these consolidated financial statements.

**Note 36: Capital management**

For the purpose of the Group's capital management, capital includes issued Unit capital and all other reserves attributable to the unit holders of the Trust. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to unitholders, return capital to unitholders or issue new units (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders). The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio optimum. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents, other bank balances and short term investments.

Particulars	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Borrowings	62,637.00	25,902.00	23,342.50
Trade payables	332.91	161.96	130.17
Other financial liabilities	3,617.60	619.70	1,668.01
Less: Cash and cash equivalents, other bank balances and short term investments	(5,388.15)	(1,699.04)	(1,683.42)
<b>Net debt (A)</b>	<b>61,199.36</b>	<b>24,984.62</b>	<b>23,457.26</b>
Unit capital	53,145.69	28,380.00	28,380.00
Other equity	(2,659.44)	(1,613.89)	252.56
<b>Total capital (B)</b>	<b>50,486.25</b>	<b>26,766.11</b>	<b>28,632.56</b>
<b>Capital and net debt (C= A+B)</b>	<b>1,11,685.61</b>	<b>51,750.73</b>	<b>52,089.82</b>
<b>Gearing ratio (C/A)</b>	<b>182.49%</b>	<b>207.13%</b>	<b>222.06%</b>

**Financial Covenants**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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**Note 37: Details of Project Manager and Investment Manager Fees**

Details of fees paid to Project Manager and Investment Manager as required pursuant to SEBI Circular No. CIR/IMD/DF/127/2016, dated 29 November 2016:

**(i) Project management fees**

Pursuant to the Project Implementation and Management Agreement dated 10 November 2016 as amended, Project Manager is entitled to fees @ 10% of gross expenditure incurred by each SPV in relation to operation and maintenance costs, per annum. Consolidated Statement of Profit and Loss for the period ended 31 March 2020 includes amount of Rs. 63.66 million (31 March 2019: Rs 39.54 million, 31 March 2018: Rs 26.44 million) towards Project Manager fees. There are no changes during the three years period in the methodology for computation of fees paid to Project Manager.

**(ii) Investment management fees**

Pursuant to the Investment Management Agreement dated 10 November 2016 as amended, Investment Manager is entitled to fees @ 1.75% of difference between revenue from operations and operating expenses (other than fees of the Investment Manager) of each SPV, per annum. For this purpose, operating expenses would not include depreciation, finance costs and income tax expense. Consolidated statement of Profit and Loss for the period ended 31 March 2020 includes amount of Rs. 238.79 million (31 March 2019: Rs 130.53 million, 31 March 2018: Rs 87.54 million) towards Investment Manager Fees. There are no changes during the three years period in the methodology for computation of fees paid to Investment Manager.

**Note 38: Acquisition of Transmission Assets and IPO**

During the year ended 31 March 2018, IndiGrid acquired 100% of the equity share capital of SGL-1, which in turn holds 100% of the equity share capital of BDTCL and JTCL pursuant to the Securities Purchase Agreement dated 08 May 2017, including 665,824,156 non-convertible debentures of face value INR 10 each of SGL-1 from SPGVL in exchange of 45,203,627 units issued by IndiGrid to SPGVL. IndiGrid raised funds of INR 22,500 million through Initial Public Offering. These funds were utilised to provide loans to BDTCL and JTCL pursuant to the facility agreements dated 05 May 2017, entered into between the Trustee (on behalf of IndiGrid), the Investment Manager, and each of BDTCL and JTCL, respectively. IndiGrid further issued 13,599,200 units to SPGVL pursuant to Project Implementation and Management Agreement dated 10 November 2016 as amended ("PIMA") towards the additional transmission charges for JTCL as approved by CERC vide its order dated 08 May 2017 for the additional expenditure incurred by JTCL. The additional units were issued at INR 100 per unit to the extent of 80% of the additional capital expenditure approved by CERC which is INR 1,359.92 million.

**Note 39: Subsequent event**

On 24 April 2018, the Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period 1 January 2018 to 31 March 2018 to be paid on or before 15 days from the date of declaration.

On 24 April 2019, the Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period 1 January 2019 to 31 March 2019 to be paid on or before 15 days from the date of declaration.

On 27 May 2020, the Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period 1 January 2020 to 31 March 2020 to be paid on or before 15 days from the date of declaration.

**As per our report of even date****For S R B C & Co LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003

**For and on behalf of the Board of Directors of**

**Indigrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)**

**(as Investment Manager of India Grid Trust)**

**per Huzefa Ginwala**

Partner

Membership Number : 111757

Place : Pune

Date : 05 April 2021

**Harsh Shah**

CEO & Whole Time Director

DIN: 02496122

Place : Mumbai

Date : 05 April 2021

**Jyoti Kumar Agarwal**

CFO

Place : Mumbai

Date : 05 April 2021

**Swapnil Patil**

Company Secretary

Membership Number : ACS-24861

Place : Mumbai

Date : 05 April 2021

**Auditors' Report on the reformatted standalone assets and liabilities of the Trust as at March 31, 2020, March 31, 2019 and March 31, 2018 and the related statements of reformatted standalone profit and loss including other comprehensive income, the reformatted standalone cash flow statement and the reformatted standalone statement of change in unit holders' equity for the years then ended, the reformatted standalone statement of net assets at fair value as at March 31, 2020, March 31, 2019 and March 31, 2018 and the reformatted standalone statement of total returns at fair value, the reformatted standalone statement of net distributable cash flows ('NDCFs') of the Trust for the years then ended (collectively, the "Reformatted Ind AS Standalone Financial Information of the Trust")**

The Board of Directors of  
Indigrid Investment Managers Limited (as Investment Manager of India Grid Trust)  
(Previously known as Sterlite Investment Managers Limited)  
Unit No 101, First Floor,  
Windsor Village, Kole Kalyan Off CST Road,  
Vidyanagari Marg, Santacruz (East)  
Mumbai - 400098, Maharashtra

Dear Sirs / Madams,

1. We have examined the attached Reformatted Standalone Financial Information of the Trust of India Grid Trust (the "Trust") comprising of reformatted standalone assets and liabilities of the Trust as at March 31, 2020, March 31, 2019 and March 31, 2018 and the related statements of reformatted standalone profit and loss including other comprehensive income, the reformatted standalone cash flow statement and the reformatted standalone statement of change in unit holders' equity for the years then ended, the reformatted standalone statement of net assets at fair value as at March 31, 2020, March 31, 2019 and March 31, 2018 and the reformatted standalone statement of total returns at fair value, the reformatted standalone statement of net distributable cash flows ('NDCFs') of the Trust for the years then ended (collectively referred to as the "Reformatted Ind AS Standalone Financial Information of the Trust") annexed to this report and prepared by the Investment Manager of the Trust for the purpose of inclusion in the Draft Shelf Prospectus and/or Shelf Prospectus and/or Tranche prospectus(es) and/or any amendments and supplements thereto ("Offering Document") in connection with the proposed issue of Secured Redeemable Non-Convertible Debt Securities - Debentures of face value of Rs. 1,000 each ("NCD") through one or more tranches ("Issue") by the Trust. The Reformatted Standalone Financial Information of the Trust, which have been approved by the Board of Directors of the Investment Manager on behalf of the Trust, and have been prepared by the Investment Manager in accordance the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder, along with the requirements of the relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act").

**Management's Responsibility for the Reformatted Standalone Financial Information of the Trust**

2. The preparation of Reformatted Standalone Financial Information of the Trust is based on the audited standalone financial statements of the Trust prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which are to be included in the Offering Document as specified in paragraph 1 above, is the responsibility of the Management of the Investment Manager for the purpose set out in paragraph 4 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Reformatted Standalone Financial Information of the Trust. The Management of the Investment Manager is also responsible for identifying and ensuring that the Trust complies with the Regulations.

### **Auditors' Responsibilities**

3. We have examined such Reformatted Standalone Financial Information of the Trust taking into consideration:
  - a) the terms of reference and our engagement agreed with you vide our engagement letter dated April 5, 2021, requesting us to carry out work on such Reformatted Standalone Financial Information of the Trust in connection with the Trust's Issue of NCDs; and
  - b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "Guidance Note").
4. The Trust proposes to make an offer which comprises an issue of Secured Redeemable Non-Convertible Debentures of Face Value Rs. 1,000 each by the Trust, as may be decided by the Board of Directors of the Investment Manager.

### **Reformatted Standalone Financial Information of the Trust**

5. The Reformatted Standalone Financial Information of the Trust have been compiled by the management of the Investment Manager from:
  - a) the audited Standalone Ind AS financial statements of the Trust as at and for the year ended March 31, 2020 which were prepared in accordance Ind AS, which have been approved by the Board of Directors of the Investment Manager at their meeting held on May 27, 2020 (the "2020 Audited Standalone Ind AS Financial Statement").
  - b) the audited Standalone Ind AS financial statements of the Trust as at and for each of the year ended March 31, 2019 which were prepared in accordance Ind AS, which have been approved by the Board of Directors of the Investment Manager at their meeting held on April 24, 2019 (the "2019 Audited Standalone Ind AS Financial Statement").
  - c) the audited Standalone Ind AS financial statements of the Trust as at and for each of the year ended March 31, 2018 which were prepared in accordance Ind AS, which have been approved by the Board of Directors of the Investment Manager at their meeting held on April 24, 2018 (the "2018 Audited Standalone Ind AS Financial Statement").

The 2020 Audited Standalone Ind AS Financial Statement, 2019 Audited Standalone Ind AS Financial Statement and 2018 Audited Standalone Ind AS Financial Statement together referred as "Audited Standalone Ind AS Financial Statements).

6. For the purpose of our examination, we have relied on Auditors' reports issued by us, dated May 27, 2020, April 24, 2019 and April 24, 2018 on the standalone Ind AS financial statements of the Trust as at and for each the years ended March 31, 2020, March 31, 2019 and March 31, 2018 as referred in Paragraph 5 above.
7. Taking into consideration the Regulations and the terms of our engagement agreed with you, we further report that:
  - a) the Reformatted Standalone Financial Information of the Trust have been examined by us and are accurately extracted from the Audited Standalone Ind AS Financial Statements of the Trust. These Reformatted Standalone Financial Information of the Trust have been prepared after regrouping as in management's opinion were appropriate and more fully described in Significant Accounting policies and notes to the financial information.
    - i) the Reformatted Standalone Financial Information of the Trust have to be read in conjunction with the notes; and



- ii) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Standalone Ind AS Statements as at and for the year ended March 31, 2020.

### **Opinion**

- 8. In our opinion, the Reformatted Standalone Financial Information of the Trust, read with respective significant accounting policies, notes, adjustments / regroupings as considered appropriate, has been prepared by the Investment Manager as per the regulations.

### **Other matters**

- 9. In the preparation and presentation of Reformatted Standalone Financial Information of the Trust based on audited Standalone Ind AS financial statements as referred to in paragraph 5 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 6 above.
- 10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 12. This report is intended solely for use of the management for inclusion in the Offering Document as specified in paragraph 1 above to be filed with SEBI, NSE and BSE Limited in connection with the proposed Issue of NCD of the Trust and is not to be used, referred to or distributed for any other purpose.

Yours faithfully,  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per Huzefa Ginwala  
Partner  
Membership No. 111757

UDIN: 21111757AAAABR9517

Place: Mumbai  
Date: April 5, 2021

**INDIA GRID TRUST**  
**REFORMATTED STATEMENT OF ASSETS AND LIABILITIES**  
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in subsidiaries	3	15,169.05	735.53	1,628.53
Financial assets				
i. Investments	4	3,314.99	5,338.62	5,811.09
ii. Loans	5	70,713.80	37,064.04	31,046.35
		<b>89,197.84</b>	<b>43,138.19</b>	<b>38,485.97</b>
<b>Current assets</b>				
Financial assets				
i. Cash and cash equivalents	7	2,128.83	1,290.23	1,184.25
ii. Bank balances other than (i) above	8	798.90	-	-
iii. Loans	5	560.61	-	-
iv. Other current financial assets	6	331.49	462.06	12.69
Other current assets		-	-	0.02
		<b>3,819.83</b>	<b>1,752.29</b>	<b>1,196.96</b>
<b>Total Assets</b>		<b>93,017.67</b>	<b>44,890.48</b>	<b>39,682.93</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Unit capital	9	53,145.69	28,380.00	28,380.00
Other equity	10			
Retained earnings / (accumulated deficit)		(1,713.72)	(519.17)	774.00
<b>Total Unit holders' equity</b>		<b>51,431.97</b>	<b>27,860.83</b>	<b>29,154.00</b>
<b>Non-current liabilities</b>				
Financial liabilities				
i. Borrowings	11	39,482.21	16,795.46	9,941.47
ii. Other financial liabilities	12	-	156.72	579.50
		<b>39,482.21</b>	<b>16,952.18</b>	<b>10,520.97</b>
<b>Current liabilities</b>				
Financial liabilities				
i. Other financial liabilities	12	2,090.33	74.96	5.61
Other current liabilities	13	9.06	2.44	2.35
Current tax liability	14	4.10	0.07	-
		<b>2,103.49</b>	<b>77.47</b>	<b>7.96</b>
<b>Total liabilities</b>		<b>41,585.70</b>	<b>17,029.65</b>	<b>10,528.93</b>
<b>Total equity and liabilities</b>		<b>93,017.67</b>	<b>44,890.48</b>	<b>39,682.93</b>

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the reformatted financial information

As per our report of even date

For S R B C & Co LLP  
Chartered Accountants  
Firm Registration No. 324982E/E300003

For and on behalf of the Board of Directors of  
Indgrid Investment Managers Limited (formerly Sterlite Investment Managers Limited)  
(as Investment Manager of India Grid Trust)

per Huzefa Ginwala  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

Harsh Shah  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

Jyoti Kumar Agarwal  
CFO  
Place : Mumbai  
Date : 05 April 2021

Swapnil Patil  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021

**INDIA GRID TRUST**  
**REFORMATTED STATEMENT OF PROFIT AND LOSS**  
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>INCOME</b>				
Revenue from operations	15	10,554.10	5,525.07	3,239.50
Income from investment in mutual funds		97.44	10.52	12.02
Interest income on investment in fixed deposits		80.22	16.72	0.52
Other income		-	0.23	-
<b>Total income (I)</b>		<b>10,731.76</b>	<b>5,552.54</b>	<b>3,252.04</b>
<b>EXPENSES</b>				
Legal and professional fees		97.90	74.99	20.28
Annual listing fee		6.30	3.80	-
Rating fee		34.74	6.15	-
Valuation expenses		4.89	3.70	4.06
Trustee fee		3.46	2.16	2.94
Payment to auditors		2.60	5.62	1.42
Other expenses		8.50	5.17	0.19
Finance costs	16	2,980.99	1,015.45	102.18
Impairment of investments in subsidiary	18	2,627.22	2,316.84	496.03
<b>Total expenses (II)</b>		<b>5,766.60</b>	<b>3,433.88</b>	<b>627.10</b>
<b>Profit before tax (I) - (II)</b>		<b>4,965.16</b>	<b>2,118.66</b>	<b>2,624.94</b>
<b>Tax expense</b>				
Current tax		56.96	6.08	-
Income tax for earlier years		-	0.16	-
<b>Profit for the year</b>		<b>4,908.20</b>	<b>2,112.42</b>	<b>2,624.94</b>
<b>Other comprehensive income</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-	-
<b>Total comprehensive income for the year</b>		<b>4,908.20</b>	<b>2,112.42</b>	<b>2,624.94</b>
<b>Earnings per unit (Computed on the basis of profit for the year (Rs.))</b>				
Basic	17	8.86	7.44	9.25
Diluted		8.86	7.30	9.05

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the reformatted financial information

**As per our report of even date**

**For S R B C & Co LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 05 April 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021

**INDIA GRID TRUST**  
**REFORMATTED STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY**  
(All amounts in Rs. million unless otherwise stated)

**A. Unit capital**

	<b>Nos. in million</b>	<b>Rs. in million</b>
<b>Balance as at 1 April 2017</b>	-	-
Units issued during the year	283.80	28,380.00
<b>Balance as at 31 March 2018</b>	<b>283.80</b>	<b>28,380.00</b>
Units issued during the year	-	-
<b>Balance as at 31 March 2019</b>	<b>283.80</b>	<b>28,380.00</b>
Units issued during the year (refer note 9)	299.69	25,140.48
Issue expenses (refer note 9)	-	(374.79)
<b>Balance as at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>

**B. Other equity**

	<b>(Rs. in million)</b>	
	<b>Retained earnings / (accumulated deficit)</b>	<b>Total other equity</b>
<b>As at 1 April 2017</b>		
Profit for the year	2,624.94	2,624.94
Other comprehensive income	-	-
Less: Distribution during the year (refer note below)	(1,850.94)	(1,850.94)
<b>As at 31 March 2018</b>	<b>774.00</b>	<b>774.00</b>
Profit for the year	2,112.42	2,112.42
Other comprehensive income	-	-
Less: Distribution during the year (refer note below)	(3,405.59)	(3,405.59)
<b>As at 31 March 2019</b>	<b>(519.17)</b>	<b>(519.17)</b>
Profit for the year	4,908.20	4,908.20
Other comprehensive income	-	-
Less: Distribution during the year (refer note below)	(6,102.75)	(6,102.75)
<b>As at 31 March 2020</b>	<b>(1,713.72)</b>	<b>(1,713.72)</b>

**Note:**

The distribution for the financial year 2017-18, relates to the distributions made during the financial year and does not include the distribution relating to last quarter of FY 2017-18 which was paid after 31 March 2018.

The distribution for the financial year 2018-19, relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2017-18 and does not include the distribution relating to last quarter of FY 2018-19 which was paid after 31 March 2019.

For the financial year 2019-20, the distribution relates to the distributions made during the financial year along with the distribution related to the last quarter of FY 2018-19 and does not include the distribution relating to the last quarter of FY 2019-20 which will be paid after 31 March 2020.

The distributions made by IndiGrid to its unitholders are based on the Net Distributable Cash Flows (NDCF) of IndiGrid under the InvIT Regulations and hence part of the same includes repayment of capital as well.

**As per our report of even date**

**For S R B C & Co LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 05 April 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021

**INDIA GRID TRUST**  
**REFORMATTED STATEMENT OF CASH FLOWS**  
(All amounts in Rs. million unless otherwise stated)

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>A. Cash flow from operating activities</b>			
<b>Net profit as per statement of profit and loss</b>	<b>4,908.20</b>	<b>2,112.42</b>	<b>2,624.94</b>
Adjustment for taxation	56.96	6.24	-
<b>Profit before tax</b>	<b>4,965.16</b>	<b>2,118.66</b>	<b>2,624.94</b>
Non-cash adjustment to reconcile profit before tax to net cash flows			
Interest income on non convertible debentures	(603.59)	(638.62)	(473.82)
Impairment of investment in subsidiary	2,627.22	2,316.84	496.03
Finance costs	2,980.99	1,015.45	102.18
Interest income on loans given to subsidiaries	(9,950.51)	(4,886.45)	(2,765.68)
Income from investment in mutual fund	(97.44)	(10.52)	(12.02)
Interest income on investment in fixed deposits	(80.22)	(16.72)	(0.52)
<b>Operating loss before working capital changes</b>	<b>(158.39)</b>	<b>(101.36)</b>	<b>(28.88)</b>
<b>Movements in working capital :</b>			
Increase/(decrease) in other current financial liabilities	80.20	13.78	3.35
Increase/(decrease) in other current liabilities	6.62	0.09	2.35
Decrease/(increase) in other current financial asset	13.39	(7.96)	(6.03)
Decrease/(increase) in other current assets	-	0.02	(0.02)
<b>Change in working capital</b>	<b>100.21</b>	<b>5.93</b>	<b>(0.35)</b>
<b>Cash generated used in operations</b>	<b>(58.18)</b>	<b>(95.43)</b>	<b>(29.23)</b>
Direct taxes paid (net of refunds)	(52.93)	(6.17)	-
<b>Net cash flow used in operating activities (A)</b>	<b>(111.11)</b>	<b>(101.60)</b>	<b>(29.23)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of optionally convertible preference shares of subsidiary	-	-	(1,001.96)
Purchase of equity shares of subsidiaries	(13,280.25)	(735.53)	-
Loans given to subsidiaries	(40,375.65)	(6,321.06)	(32,777.63)
Loans repaid by subsidiaries	6,752.28	303.37	1,731.27
Interest income on loans given to subsidiaries	10,114.90	4,447.45	2,758.65
Interest income on investment in fixed deposits	33.01	14.28	0.52
Income from investment in mutual funds	97.44	10.52	12.02
Investment in mutual funds	(32,913.12)	-	-
Proceeds from mutual funds	32,913.12	-	-
Investment in fixed deposits (net)	(798.90)	-	-
<b>Net cash flow used in investing activities (B)</b>	<b>(37,457.17)</b>	<b>(2,280.97)</b>	<b>(29,277.13)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of unit capital	25,140.48	-	22,500.00
Unit issue expenses incurred	(374.79)	-	-
Proceeds of long term borrowings	22,748.58	6,850.00	10,000.00
Payment of upfront fees of long term borrowings	(259.93)	-	(58.53)
Finance costs	(2,746.30)	(961.57)	(99.92)
Payment of distributions to unit holders	(6,101.16)	(3,399.88)	(1,850.94)
<b>Net cash flow from financing activities (C)</b>	<b>38,406.88</b>	<b>2,488.55</b>	<b>30,490.61</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>838.60</b>	<b>105.98</b>	<b>1,184.25</b>
Cash and cash equivalents as at beginning of year	1,290.23	1,184.25	-
<b>Cash and cash equivalents as at year end</b>	<b>2,128.83</b>	<b>1,290.23</b>	<b>1,184.25</b>

**INDIA GRID TRUST**  
**REFORMATTED STATEMENT OF CASH FLOWS**  
(All amounts in Rs. million unless otherwise stated)  
**Components of Cash and cash equivalents:**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Balances with banks:</b>			
- On current accounts <sup>^</sup>	2,079.93	6.78	758.24
- Cheques on hand	-	199.00	426.01
- Deposits with original maturity of less than 3 months*	48.90	1,084.45	-
<b>Total cash and cash equivalents (refer note 7)</b>	<b>2,128.83</b>	<b>1,290.23</b>	<b>1,184.25</b>

<sup>^</sup> Out of total amount, Rs. 7.34 million (31 March 2019: Rs. 5.75 million, 31 March 2018: Rs. 0.04 million) pertains to unclaimed distribution to unitholders.

\* Includes amount of Rs. Nil (31 March 2019: Rs. 429.67 million, 31 March 2018: 270.17 million) is kept in Interest Service Reserve Account ('ISRA')/Debt Service Reserve Account ('DSRA') as per borrowing agreements with lenders.

**Reconciliation between opening and closing balances for liabilities arising from financing activities:-**

Particulars	Long term borrowings
<b>01 April 2017</b>	-
Cash flow	
- Interest	(158.45)
- Proceeds/(repayments)	10,000.00
Accrual	102.18
<b>31 March 2018</b>	<b>9,943.73</b>
Cash flow	
- Interest	(961.57)
- Proceeds/(repayments)	6,850.00
Accrual	1,015.45
<b>31 March 2019</b>	<b>16,847.61</b>
Cash flow	
- Interest	(2,746.30)
- Proceeds/(repayments)	22,488.65
Accrual	2,980.99
<b>31 March 2020</b>	<b>39,570.95</b>

Summary of significant accounting policies  
As per our report of even date

2.2

**For S R B C & Co LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 05 April 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021

**INDIA GRID TRUST**
**REFORMATTED DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

**A. STATEMENT OF NET ASSETS AT FAIR VALUE AS AT**

Particulars	(Rs. in millions)					
	31 March 2020		31 March 2019		31 March 2018	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
A. Assets	93,017.67	1,01,624.29	44,890.48	45,008.33	39,682.94	39,682.94
B. Liabilities (at book value)	41,585.70	41,585.70	17,029.65	17,029.65	10,528.92	10,528.92
C. Net Assets (A-B)	51,431.97	60,038.59	27,860.83	27,978.68	29,154.02	29,154.02
D. Number of units	583.49	583.49	283.80	283.80	283.80	283.80
E. NAV (C/D)	88.15	102.90	98.17	98.59	102.73	102.73

Total assets after provision for impairment on investment in subsidiary determined based on fair valuation.

**Project wise breakup of fair value of assets as at**

Project	(Rs. in millions)		
	31 March 2020	31 March 2019	31 March 2018
Sterlite Grid 1 Limited <sup>#</sup>	40,065.03	41,259.92	- **
Sterlite Grid 2 Limited <sup>^</sup>	44,604.81	-	-
Sterlite Grid 3 Limited <sup>^</sup>	8,967.44	-	-
Patran Transmission Company Limited*	2,377.46	2,442.23	-
East-North Interconnection Company Limited <sup>^</sup>	2,067.45	-	-
<b>Subtotal</b>	<b>98,082.19</b>	<b>43,702.15</b>	-
Assets (in IndiGrid)	3,542.10	1,306.18	-
<b>Total assets</b>	<b>1,01,624.29</b>	<b>45,008.33</b>	-

<sup>^</sup> The Trust has acquired Sterlite Grid 2 Limited (SGL2) which is the holding company of NRSS XXIX Transmission Limited ('NTL') and Sterlite Grid 3 Limited (SGL3) which is the holding company of Odisha Generation Phase-II Transmission Limited ('OGPTL') on 04 June 2019 and 28 June 2019 respectively. Also the Trust acquired East-North Interconnection Company Limited ('ENICL') with effect from 24 March 2020.

\* The Trust acquired Patran Transmission Company Limited (PTCL) with effect from 30 August 2018.

<sup>#</sup> The Trust does not directly hold investments in the project SPVs (Bhopal Dhule Transmission Company Limited 'BDTCL', Jabalpur Transmission Company Limited 'JTCL', Maheshwaram Transmission Limited 'MTL', RAPP Transmission Company Limited 'RTCL', Purulia & Kharagpur Transmission Company Limited 'PKTCL'). It holds investment in Sterlite Grid 1 Limited 'SGL1' (which is the intermediate holding company) which in turn holds investments in the project SPVs.

\*\* The Trust does not directly hold investments in the project SPVs. It holds investment in SGL-1 (which is the intermediate holding company) which in turn holds investments in the project SPVs. Hence the break-up of fair values of the assets project wise has been given in the Consolidated Financial Statements of the Trust.

**B. STATEMENT OF TOTAL RETURNS AT FAIR VALUE**

Particulars	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Total comprehensive income (as per the statement of profit and loss)	4,908.20	2,112.42	2,624.94
Add/(less): other changes in fair value (e.g. in investment property, property, plant & equipment (if cost model is followed))	8,488.77	117.85	-
not recognized in total comprehensive income			
<b>Total Return</b>	<b>13,396.97</b>	<b>2,230.27</b>	<b>2,624.94</b>

**Notes:**

1. During the year ended 31 March 2018, the Trust did not directly hold investments in the project SPVs. It held investment in SGL1 (which is the intermediate holding company) which in turn held investments in the project SPVs. Hence the break-up of fair values of the assets project wise has been given in the Consolidated Financial Statements of the Trust for 31 March 2018.

2. Fair value of assets as at 31 March 2020, 31 March 2019 and as at 31 March 2018 and other changes in fair value for the year then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.

3. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 19A.

**INDIA GRID TRUST**
**REFORMATTED DISCLOSURES PURSUANT TO SEBI CIRCULARS**

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT Regulations)

**STATEMENTS OF NET DISTRIBUTABLE CASH FLOWS (NDCF's)**
**A) Statement of Net Distributable Cash Flows (NDCF's) of India Grid Trust**

Description	(Rs in million)		
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows received from the Portfolio Assets in the form of interest	10,114.90	4,447.45	2,758.65
Cash flows received from the Portfolio Assets in the form of dividend	-	-	-
Any other income accruing at IndiGrid level and not captured above, including but not limited to interest/return on surplus cash invested by IndiGrid	177.66	27.47	12.54
Cash flows received from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by IndiGrid	6,752.28	303.37	335.88
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-	-
Proceeds from sale of assets of the Portfolio Asset not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-	-
<b>Total cash inflow at the IndiGrid level (A)</b>	<b>17,044.84</b>	<b>4,778.29</b>	<b>3,107.07</b>
Less: Any payment of fees, interest and expense incurred at IndiGrid level, including but not limited to the fees of the Investment Manager and Trustee (refer note i)	(2,943.87)	(1,158.18)	(313.90)
Less: Costs/retention associated with sale of assets of the Portfolio Assets:	-	-	-
-related debts settled or due to be settled from sale proceeds of Portfolio Assets;	-	-	-
-transaction costs paid on sale of the assets of the Portfolio Assets; and	-	-	-
-capital gains taxes on sale of assets/ shares in Portfolio Assets/ other investments.	-	-	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the InvIT Regulations	-	-	-
Less: Repayment of external debt at the IndiGrid level and at the level of any of the underlying portfolio assets/special purpose vehicles (Excluding refinancing)	-	-	-
Less: Income tax (if applicable) at the standalone IndiGrid level	(56.96)	(6.24)	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	(6,843.29)	(261.80)	-
Less: Repair work in relation to the projects undertaken by any of the Portfolio Assets	-	-	-
<b>Total cash outflows / retention at IndiGrid level (B)</b>	<b>(9,844.12)</b>	<b>(1,426.22)</b>	<b>(313.90)</b>
<b>Net Distributable Cash Flows (C) = (A+B) (refer note iii)</b>	<b>7,200.72</b>	<b>3,352.07</b>	<b>2,793.17</b>

**Notes to the Statement of Net Distributable Cash Flows of IndiGrid**

- FY 17-18, excludes Rs. 1,395.39 million of debt repayment by JTCL to IndiGrid out of the proceeds of total external debt of Rs 4,230 million raised by JTCL during financial year 17-18
- Does not include interest accrued but not due of Rs. 150.51 million related to market linked non convertible debentures ('MLDs') which is payable on maturity of these MLDs in FY 2022-2024.



## **India Grid Trust**

### **Notes to Reformatted standalone financial information**

#### **1. Trust information (FY 2017-18, FY 2018-2019 and FY 2019-2020)**

The reformatted standalone financial information comprise of the standalone financial information of India Grid Trust for the year ended March 31, 2020, March 31, 2019 and March 31, 2018. India Grid Trust ("the Trust" or "IndiGrid") is an irrevocable trust settled by Sterlite Power Grid Ventures Limited (the "Sponsor") on October 21, 2016 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on November 28, 2016 having registration number IN/InvIT/16-17/0005. The Trustee of IndiGrid is Axis Trustee Services Limited (the "Trustee"). The Investment manager for IndiGrid is IndiGrid Investment Managers Limited (formerly Sterlite Investment Managers Limited (the "Investment Manager" or the "Management").

The objectives of IndiGrid are to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of IndiGrid is to own and invest in power transmission assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at March 31, 2020, IndiGrid have following project entities which are transmission infrastructure projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

1. Bhopal Dhule Transmission Company Limited ('BDTCL')
2. Jabalpur Transmission Company Limited ('JTCL')
3. RAPP Transmission Company Limited ('RTCL')
4. Purulia & Kharagpur Transmission Company Limited ('PKTCL')
5. Maheshwaram Transmission Limited ('MTL')
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')

These SPVs have executed Transmission Services Agreements ("TSAs") with Long term transmission customers under which the SPVs have to maintain the transmission infrastructure for 35-25 years post commissioning.

The address of the registered office of the Investment Manager is Maker Maxity, 5 North Avenue, Level 5, Bandra Kurla Complex, Bandra East Mumbai Maharashtra, India 400 051. The reformatted standalone financial information were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 05 April 2021.

#### **2. Significant Accounting Policies**

##### **2.1 Basis of preparation (FY 2017-18, FY 2018-2019 and FY 2019-2020)**

These reformatted standalone financial information is prepared from the separate financial statements of the Trust and comprise of the Reformatted standalone statement of Assets and Liabilities of the Trust as at March 31, 2020, March 31, 2019 and March 31, 2018, the Reformatted standalone statement of Profit and Loss including the Statement of Other Comprehensive Income, the Reformatted standalone statement of Cash Flows and the Reformatted standalone statement of Changes in Unit Holders' Equity for the years then ended and the Reformatted standalone statement of Net Assets at fair value as at March 31, 2020, March 31, 2019 and March 31, 2018 and the Reformatted standalone statement of Total Returns at fair value and the Reformatted standalone statement of Net Distributable Cash Flows ('NDCF's') of the Trust, and a summary of significant accounting policies and other explanatory notes (together referred as "Reformatted Standalone Financial information") have been extracted by the Management of the Investment Manager, from the Consolidated Ind AS Audited Financial Statements of the Trust for the years ended March 31, 2020, March 31, 2019 and 31 March 2018 ("Audited Ind AS Financial Statements").

The Reformatted Standalone Financial information have been prepared by the management of the Investment Manager in connection with the proposed listing of secured redeemable non-convertible debentures of the Trust with the BSE Limited and the NSE Limited ('the stock exchanges'), in accordance with the requirements of:

- a) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time read along with the SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013 (together referred to as the "SEBI Regulations")

The Reformatted Standalone Financial information of the Trust have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015(as amended), prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations").

## India Grid Trust

### Notes to Reformatted standalone financial information

The reformatted financial information have been prepared on a historical cost basis, except for the following assets which have been measured at fair value:

- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

The reformatted financial information are presented in Indian Rupees Millions, except when otherwise indicated.

#### 2.2 Summary of significant accounting policies (FY 2017-18, FY 2018-2019 and FY 2019-2020, unless stated otherwise)

The following is the summary of significant accounting policies applied by the Trust in preparing its reformatted financial information:

##### a) Current versus non-current classification

The Trust presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Trust classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle of the Trust is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Trust has identified twelve months as its operating cycle.

##### b) Foreign currencies

The Trust's reformatted financial information are presented in INR, which is its functional currency. The Trust does not have any foreign operation.

##### Transactions and balances

Transactions in foreign currencies are initially recorded by the Trust at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

##### c) Fair value measurement

The Trust measures financial instruments such as mutual funds at fair value at each balance sheet date.

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 measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

## **India Grid Trust**

### **Notes to Reformatted standalone financial information**

The principal or the most advantageous market must be accessible by the Trust.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the reformatted standalone financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the reformatted standalone financial information on a recurring basis, the Trust determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In estimating the fair value of investments in subsidiaries, the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the external valuers to establish the appropriate valuation techniques and inputs to the model. The management in conjunction with the external valuers also compares the change in fair value with relevant external sources to determine whether the change is reasonable. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects.

At each reporting date, the management analyses the movement in the values of assets and liabilities which are required to be remeasured or reassessed as per the Trust's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Trust has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (Note 19B)
- Disclosures for valuation methods, significant estimates and assumptions (Note 18 and 19A)
- Financial instruments (including those carried at amortised cost) (Note 3, 4,5,6,7,8)

#### **d) Revenue Recognition (FY 2018-19 and FY 2019-2020)**

The specific recognition criteria for the recognition of revenue i.e. Interest income stream and the dividend income are described below. These must be met before the revenue is recognised.

##### **Interest income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Trust estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### **Dividends**

Income from dividend on investments is accrued in the year in which it is declared, whereby the Trust's right to receive is established.

#### **Revenue Recognition (FY 2017-18)**

## **India Grid Trust**

### **Notes to Reformatted standalone financial information**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria for the recognition of revenue i.e. Interest income stream and the dividend income stream are described below. These must be met before the revenue is recognised.

#### **Interest income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Trust estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### **Dividends**

Income from dividend on investments is accrued in the year in which it is declared, whereby the Trust's right to receive is established.

#### **e) Taxation**

##### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## India Grid Trust

### Notes to Reformatted standalone financial information

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **Sales/value added/goods and service taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of sales/value added/goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

#### **f) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Trust incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **g) Leases (FY 2019-20 and FY 2018-19)**

The Trust assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Trust as lessee*

The Trust applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Trust recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **Right-of-use assets**

The Trust recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the accumulated amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

##### **Lease Liabilities**

At the commencement date of the lease, the Trust recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the payments of penalties for terminating the lease, if the lease term reflects the Trust exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Trust uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Trust applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**h) Impairment of non-financial assets**

The Trust assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Trust bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Trust estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**i) Provisions**

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**j) Investments in subsidiaries**

The Trust accounts for its investments in subsidiaries at cost less accumulated impairment losses (if any) in its separate financial statements. When the investments are classified as held for sale, they are accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations,

**k) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

## India Grid Trust

### Notes to Reformatted standalone financial information

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Trust commits to purchase or sell the asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient, the Trust initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Trust. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to interest receivable and loans given to subsidiaries (Refer Note 5 and 6)

#### Debt instrument at FVTOCI

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Trust does not have financial assets which are subsequently measured at FVTOCI.

#### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Trust may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Trust has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Trust may make an irrevocable election to present in other

## India Grid Trust

### Notes to Reformatted standalone financial information

comprehensive income subsequent changes in the fair value. The Trust makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Trust decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Trust may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Trust's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Trust has transferred substantially all the risks and rewards of the asset, or (b) the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Trust continues to recognise the transferred asset to the extent of the Trust's continuing involvement. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Trust could be required to repay.

#### **Impairment of financial assets**

Majority of the financial assets of the Trust which are not reflected at fair value pertain to loans to subsidiaries and other receivables. Considering the nature of business, the Trust does not foresee any credit risk on its loans and other receivables which may cause an impairment. Majority of the other receivable pertain to receivable from subsidiary companies only. Also, the Trust does not have any history of impairment of other receivables.

For the financial assets which are reflected at fair value, no further impairment allowance is necessary as they reflect the fair value of the relevant financial asset itself.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Trust's financial liabilities include borrowings and related costs, trade and other payables and derivative financial instrument.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Trust that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.



## India Grid Trust

### Notes to Reformatted standalone financial information

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Trust may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings. For more information refer Note 11.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Trust does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### Reclassification of financial assets

The Trust determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Trust's senior management determines change in the business model as a result of external or internal changes which are significant to the Trust's operations. Such changes are evident to external parties. A change in the business model occurs when the Trust either begins or ceases to perform an activity that is significant to its operations. If the Trust reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Trust does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair

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		value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit or loss at the reclassification date.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**l) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Trust's cash management.

**m) Cash distribution to unit holders**

The Trust recognises a liability to make cash distributions to unit holders when the distribution is authorised, and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

**n) Earnings per unit**

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unit holders of the Trust and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

**Changes in accounting policies and disclosures (FY 2019-20)**

**Ind AS 116 Leases**

The Trust applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below:

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor. The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

**Other Amendments to Standards, which are either not applicable to the Group or the impact is not expected to be material**

**FY 2019 - 20**

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

- Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- Amendments to Ind AS 109: Prepayment Features with Negative Compensation
- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Annual Improvements to Ind AS 2018: -

-Amendments to Ind AS 103 Business Combinations

- Amendments to Ind AS 111 Joint Arrangements

- Amendments to Ind AS 12 Income Taxes

- Amendments to Ind AS 23 Borrowing Costs

**FY 2018 – 19**

**Standards issued but not yet effective**

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from the current accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. The Trust intends to adopt this standard, if applicable, when it becomes effective. As the Trust does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Financial Statements.

**FY 2017 – 18**

**Standards issued but not yet effective:**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Trust's financial statements are disclosed below. The Trust intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Ind AS 115 is effective for the Trust from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Trust has income primarily from interest/dividends from subsidiaries, interest on bank deposits and dividends from liquid mutual funds. The management believes that application of Ind AS 115 is not expected to have material impact on the financial statements, however a reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation has been completed.

**Other Amendments to standards, issued but not effective, which are not applicable to the Trust:**

- a) Amendments to Ind 112 Disclosure of Interests in Other Entities:

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10– B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

b) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

c) Transfers of Investment Property - Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use

d) Ind AS 28 Investments in Associates and Joint Ventures

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

e) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

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**Note 3: Investments in subsidiaries**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Equity investments, at cost (unquoted)</b>			
Sterlite Grid 1 Limited ("SGL1") # [17.67 million (31 March 2019: 17.67 million, 31 March 2018: 17.67 million) equity shares of Rs 10 each fully paid-up] Less: Provision for impairment (refer note 18)	1,929.22 (1,929.22) -	699.82 (699.82) -	1,122.60 (496.03) <b>626.57</b>
Patran Transmission Company Limited ("PTCL") [50 million (31 March 2019: 50 million, 31 March 2018: Nil) equity shares of Rs 10 each fully paid-up]	735.53	735.53	-
Sterlite Grid 2 Limited ("SGL2") [87.30 million equity shares (31 March 2019: Nil, 31 March 2018: Nil) of Rs. 10 each fully paid up]	12,626.66	-	-
Sterlite Grid 3 Limited ("SGL3") [26.05 million equity shares (31 March 2019: Nil, 31 March 2018: Nil) of Rs. 10 each fully paid up]	518.31	-	-
East-North Interconnection Company Limited ("ENICL") [0.05 million equity shares (31 March 2019: Nil, 31 March 2018: Nil) of Rs. 10 each fully paid up]	1,288.55	-	-
	<b>15,169.05</b>	<b>735.53</b>	<b>626.57</b>
<b>Preference shares, at cost (unquoted)</b>			
Sterlite Grid 1 Limited ("SGL1") [665.82 million (31 March 2019: 665.82 million, 31 March 2018: 665.82 million) 0.01% Optionally convertible redeemable non cumulative preference shares ("OCRPS") of Rs. 10 each fully paid-up*] Less: Provision for impairment (refer note 18)	1,001.96 (1,001.96) -	1,001.96 (1,001.96) -	1,001.96 <b>1,001.96</b>
<b>Total non-current investments</b>	<b>15,169.05</b>	<b>735.53</b>	<b>1,628.53</b>

# Includes amount of Rs. 1,754.50 million (31 March 2019: Rs. 525.10 million, 31 March 2018: Rs. 525.10 million) towards equity component of Non- Convertible Debentures issued by Sterlite Grid 1 Limited. Refer note 4 for details.

\* The OCRPS are either convertible into equity shares of SGL1 in the ratio of 1:1 or redeemable solely at the option of SGL1 within a period of 7 years from the date of issue.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest %		
		31 March 2020	31 March 2019	31 March 2018
<b>Directly held by the Trust:</b>				
Sterlite Grid 1 Limited ("SGL1")	India	100%	100%	100%
Sterlite Grid 2 Limited ("SGL2")#	India	100%	-	-
Sterlite Grid 3 Limited ("SGL3")*	India	100%	-	-
Patran Transmission Company Limited ("PTCL")**	India	74%	74%	-
East-North Interconnection Company Limited@	India	49%	-	-
<b>Indirectly held by the Trust (through subsidiaries):</b>				
Bhopal Dhule Transmission Company Limited ("BDTCL")	India	100%	100%	100%
Jabalpur Transmission Company Limited ("JTCL")	India	100%	100%	100%
Purulia & Kharagpur Transmission Company Limited ("PKTCL")	India	100%	100%	100%
RAPP Transmission Company Limited ("RTCL")	India	100%	74%	49%
Maheshwaram Transmission Limited ("MTL")***	India	100%	49%	49%
NRSS XXIX Transmission Limited ("NTL")#	India	100%	-	-
Odisha Generation Phase-II Transmission Limited ("OGPTL")*	India	100%	-	-

\*\*\* Pursuant to the share purchase agreement and shareholders' agreement dated February 14, 2018 executed for the acquisition of MTL, the Trust (through SGL1) owns voting and certain other rights in the remaining stake in these entities which effectively gives it the beneficial interest over the entire 100% stake.

\*\* Pursuant to Share Purchase agreement/Shareholders' Agreement ('SPA') dated 19 February 2018, the Trust acquired Patran Transmission Company Limited (PTCL) (referred as "the SPV"), from Techno Power Grid Company Limited and Techno Electric and Engineering Company Limited with effect from 30 August 2018. The Trust holds 74% equity stake in the SPV and on the remaining 26%, the Trust has beneficial interest based on the rights available to it under the SPA.

# The Trust has acquired Sterlite Grid 2 Limited (SGL2), which is the holding company of NRSS XXIX Transmission Limited ('NTL') from Sterlite Power Grid Ventures Limited ('SPGVL') pursuant to share purchase agreements dated 30 April 2019 on 04 June 2019. 100% equity share capital of SGL2 is acquired by the Trust as per the share purchase agreement dated 30 April 2019.

\* The Trust has acquired Sterlite Grid 3 Limited which is the holding company of Odisha Generation Phase-II Transmission Limited ('OGPTL') from Sterlite Power Grid Ventures Limited ('SPGVL') pursuant to share purchase agreements dated 30 April 2019 on 28 June 2019 respectively. 100% equity share capital of SGL3 is acquired by the Trust as per the share purchase agreement dated 30 April 2019.

@ The Trust acquired 49% of paid up equity capital of East-North Interconnection Company Limited ('ENICL') with effect from 24 March 2020 from Sterlite Power Grid Ventures Limited ('SPGVL') and Sterlite Power Transmission Limited ('SPTL') (together referred as "the Selling Shareholders") pursuant to Share Purchase Agreement dated 23 March 2020 ("SPA"). The Trust has finalised purchase consideration for acquisition of entire stake in ENICL and has entered into a binding agreement with the Selling Shareholders to acquire remaining 51% paid up equity capital in ENICL from the Selling Shareholders. The Trust has acquired remaining 51% equity stake in ENICL on 26 May 2020.

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**Note 4: Non-current Investments**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-convertible debentures (unquoted) (at amortised cost)</b>			
Sterlite Grid 1 Limited	5,823.90	6,449.71	5,811.09
665.82 million (31 March 2019: 665.82 million, 31 March 2018: 665.82 million)			
0.01% Non-convertible debentures of Rs 10 each)#			
Less: Provision for impairment (refer note 18)	(2,508.91)	(1,111.09)	-
<b>Total</b>	<b>3,314.99</b>	<b>5,338.62</b>	<b>5,811.09</b>

# Non Convertible debenture (NCD) of Face value of Rs.10 each are issued by Sterlite Grid 1 Limited. The NCD were redeemable at the option of the NCD holder anytime after 22 July 2019 but the NCD holders did not exercise their right of redeeming the NCDs, hence the NCDs are due for repayment at the end of July 2021. Since the interest rate for the NCD is below market rate, an amount of Rs. 1,754.50 million (31 March 2019: Rs 525.10 million, 31 March 2018: Rs 525.10 million) has been re-classified as equity contribution in subsidiary disclosed under investment in subsidiary.

**Note 5: Loans (unsecured, considered good)**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-current</b>			
Loan to subsidiaries (refer note 20)*	70,713.80	37,064.04	31,046.35
<b>Current</b>			
Loan to subsidiaries (refer note 20)#	560.61	-	-
<b>Total</b>	<b>71,274.41</b>	<b>37,064.04</b>	<b>31,046.35</b>

\* Loans are non-derivative financial assets which are repayable by subsidiaries upon expiry of period of their respective Transmission Services Agreement. Further, the subsidiaries are entitled to prepay all or any portion of the outstanding principal with a prior notice. The loans to subsidiaries carry interest @ 15% - 15.75% p.a.

# Loan given to wholly owned subsidiaries is repayable on demand. The loans to subsidiaries carry interest @ 15% - 15.75% p.a.

**Note 6: Other current financial assets**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Interest receivable from subsidiaries (refer note 20)	281.64	446.03	7.03
Advances receivable in cash	0.21	-	5.66
Interest accrued on deposits	49.64	2.43	-
Receivable from subsidiaries (refer note 20)	-	13.60	-
<b>Total</b>	<b>331.49</b>	<b>462.06</b>	<b>12.69</b>

**Note 7: Cash and cash equivalents**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Balance with banks			
- on current accounts ^	2,079.93	6.78	758.24
- cheques on hand *	-	199.00	426.01
Deposits with original maturity of less than 3 months #	48.90	1,084.45	-
<b>Total</b>	<b>2,128.83</b>	<b>1,290.23</b>	<b>1,184.25</b>

Balances with banks on current accounts does not earn interest. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash-requirement of the Group and earn interest at the respective short-term deposit rates.

\* Pertains to remittances received from subsidiaries in respect of interest/principal repayments of loans.

# Includes amount of Rs. Nil (31 March 2019: Rs. 357.17 million, 31 March 2018: Rs. 206.25 million) is kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

^ Out of total amount, Rs. 7.34 million (31 March 2019: Rs. 5.75 million, 31 March 2018: Rs. 0.04 million) pertains to unclaimed distribution to unitholders.

**Note 8: Other bank balances**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Deposits with original maturity for more than 3 months but less than 12 months#	798.90	-	-
<b>Total</b>	<b>798.90</b>	<b>-</b>	<b>-</b>

# Includes amount of Rs. 798.40 million (31 March 2019: Rs. Nil, 31 March 2018: Rs. Nil) is kept in Interest Service Reserve Account ('ISRA') as per borrowing agreements with lenders.

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**Note 9: Unit capital**

	Number of units (In million)	Unit capital (Rs. in million)
<b>As at 1 April 2017</b>	-	-
Issued during the year	283.80	28,380.00
<b>As at 31 March 2018</b>	<b>283.80</b>	<b>28,380.00</b>
Issued during the year	-	-
<b>As at 31 March 2019</b>	<b>283.80</b>	<b>28,380.00</b>
Issued during the year (refer note below)	299.69	25,140.48
Issue expenses (refer note below)	-	(374.79)
<b>As at 31 March 2020</b>	<b>583.49</b>	<b>53,145.69</b>

**Note:**

During the year ended 31 March 2020, the Trust raised Rs. 25,140.48 million of primary capital through a qualified institutional placement of units. The Trust issued and allotted 299,683,881 units at a price of Rs. 83.89 per unit as per the placement agreement dated May 04, 2019. Issue expenses of Rs. 374.79 million incurred in connection with issue of units have been reduced from the Unitholders capital as at 31 March 2020 in accordance with Ind AS 32 Financial Instruments: Presentation.

**a. Terms/rights attached to units**

The Trust has only one class of units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the InvIT Regulations. The Investment Manager approves distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays distribution in Indian rupees.

A Unitholder has no equitable or proprietary interest in the projects of IndiGrid and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of IndiGrid. A Unitholder's right is limited to the right to require due administration of IndiGrid in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

**b. Unitholders holding more than 5 percent Units in the Trust**

	31 March 2020		31 March 2019		31 March 2018	
	Nos. in million	% holding	No. in million	% holding	No. in million	% holding
Esoteric II Pte. Limited	136.03	23.31%	-	-	-	-
Government of Singapore	116.82	20.02%	-	-	-	-
Sterlite Power Grid Ventures Limited	87.55	15.00%	60.13	21.19%	58.80	20.72%
Schroder Asian Asset Income Fund	19.78	3.39%	14.33	5.05%	14.33	5.05%
Deutsche Global Infrastructure Fund	-	-	-	-	16.69	5.88%

c. The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further the Trust has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date.

**Note 10: Other Equity**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Retained earnings / (accumulated deficit)</b>			
Balance as per last financial statements	(519.17)	774.00	-
Add: Profit for the year	4,908.20	2,112.42	2,624.94
Less: Distribution during the year	(6,102.75)	(3,405.59)	(1,850.94)
<b>Total</b>	<b>(1,713.72)</b>	<b>(519.17)</b>	<b>774.00</b>

**Note 11: Long term borrowings**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-Current</b>			
<b>Debentures</b>			
8.9922% Non-convertible debentures (secured) (refer note A and E below)	4,350.00	4,350.00	-
8.60% Non-convertible debentures (secured) (refer note A and E below)	2,500.00	2,500.00	-
9.10% Non-convertible debentures (secured) (refer note A below)	2,956.96	-	-
8.40% Non-convertible market linked debentures (secured) (refer note C below)	1,725.66	-	-
9.00% Non-convertible market linked debentures (secured) (refer note B below)	2,100.12	-	-
8.85% Non-convertible debentures (secured) (refer note A below)	1,969.00	-	-
9.10% Non-convertible debentures (secured) (refer note A below)	13,930.42	-	-
<b>Term loans</b>			
Indian rupee term loan from bank (secured) (refer note D, F and G below)	9,950.05	9,945.46	9,941.47
<b>Total</b>	<b>39,482.21</b>	<b>16,795.46</b>	<b>9,941.47</b>
<b>The above amount includes</b>			
Secured borrowings	39,482.21	16,795.46	9,941.47
Unsecured borrowings	-	-	-
<b>Total non-current borrowings</b>	<b>39,482.21</b>	<b>16,795.46</b>	<b>9,941.47</b>
<b>Current maturities</b>			
Interest accrued but not due on borrowings	88.74	52.15	2.26
	<b>88.74</b>	<b>52.15</b>	<b>2.26</b>
Less :Amount disclosed under the head "Other current financial liabilities" (refer note 12)	88.74	52.15	2.26
<b>Net borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes as at 31 March 2020:

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**(A) Secured Non-convertible debentures referred above to the extent of:**

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

**(B) Secured market linked non-convertible debentures referred above to the extent of:**

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

**(C) Secured market linked non-convertible debentures referred above to the extent of:**

- (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs;
  - (ii) First pari-passu charge on Escrow account of the Trust
  - (iii) First pari-passu charge on the ISRA and DSRA accounts.
  - (iv) Pledge over 51% of the share capital of specified SPVs
- The Trust has created security charge on the above NCDs on 13 April 2020.

Rate of Interest	Frequency of repayment	Repayment Commencement Date	2022-2023	2023-2024	2024-2025	2028-2029
4,350 8.9922% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	14 February 2029	-	-	-	4,350
2,500 8.60% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	31 August 2028	-	-	-	2,500
3000 9.10% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	29 July 2024	-	-	3,000	-
1740 8.40% market linked non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	24 January 2024	-	1,740	-	-
2,000 9.00% market linked non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	04 January 2023	2,000	-	-	-
2,000 8.85% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	02 November 2022	2,000	-	-	-
14,000 9.10% Non-convertible debentures of Rs. 10,00,000 each	At the time of maturity	03 June 2022	14,000	-	-	-

**(D) Term loan from bank**

The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) First pari-passu charge on Escrow account of the Trust.

**Financial covenants**

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, Net Debt to AUM, Net Debt to EBITDA etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower periodically. For the financial year ended 31 March 2020 the Trust has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

**Notes as at 31 March 2019:**

**(E) Non convertible debentures**

**8.60% Non convertible debentures**

Non-convertible debentures (NCD) carry interest at the rate of 8.60% p.a. payable quarterly. Entire NCD amount shall be redeemable as a bullet repayment at the end of 10 years from the deemed date of allotment. The NCD is secured by:

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

The Trust is in the process of creation of security charge on the above NCDs.

**8.9922% Non convertible debentures**

Non-convertible debentures ("NCD") carry interest at the rate of 8.992% p.a. payable quarterly. Entire NCD amount shall be redeemable as a bullet repayment at the end of 10 years from the deemed date of allotment. The NCD is secured by:

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

The Trust is in the process of creation of security charge on the above NCDs.

**(F) Term loan from bank**

The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) negative lien on immovable assets, movable assets, current assets and cash flows of project SPVs to be provided upfront; (iii) First pari-passu charge on Escrow account of the Trust.

**Financial covenants**

Loans from bank, financial institution contain certain debt covenants relating to limitation on interest service coverage ratio, debt service coverage ratio, total debt gearing, maintenance of specified security margin etc. The financial covenants are reviewed on availability of audited accounts of the respective borrower annually. For the financial year ended 31 March 2019, the Group has satisfied all debt covenants prescribed in the terms of loan from bank and financial institutions, where applicable.

**Notes as at 31 March 2018:**

**(G) Term loan from bank**

The Indian rupee term loan from bank carries interest at the rate of 8.25% p.a. payable monthly. Entire loan amount shall be repayable as a bullet repayment at the end of 10 years from the date of disbursement. The term loan is secured by (i) first pari passu charge on entire current assets including loans and advances, any receivables accrued/realised from those loans and advances extended by the Trust to its subsidiaries (direct or indirect) including loans to all project SPVs and future SPVs; (ii) negative lien on immovable assets, movable assets, current assets and cash flows of project SPVs to be provided upfront; (iii) First pari-passu charge on Escrow account of the Trust.



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**Note 12: Other financial liabilities**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Non-Current</b>			
Payable towards project acquired *	-	156.72	579.50
<b>Total</b>	<b>-</b>	<b>156.72</b>	<b>579.50</b>
<b>Current</b>			
<b>Other financial liabilities at amortised cost</b>			
Interest accrued but not due on borrowings (refer note 11)	88.74	52.15	2.26
Distribution payable	7.34	5.75	0.04
Payable towards project acquired #	1,897.00	-	-
Others	97.25	17.06	3.31
	<b>2,090.33</b>	<b>74.96</b>	<b>5.61</b>
<b>Total</b>	<b>2,090.33</b>	<b>231.68</b>	<b>585.11</b>

Other payables are non-interest bearing and have an average term of six months.

\*Includes Rs. Nil (31 March 2019: Rs. 156.72 million, 31 March 2018: Rs. 579.50 million) payable to Sterlite Power Grid Ventures Limited pursuant to the Project Implementation and Management Agreement dated 10 November 2016 as amended ("PIMA") towards additional tariff on account of change in law received by Bhopal Dhule Transmission Company Limited, subsidiary of the Group, as approved by Central Electricity Regulatory Commission.

# Liability of Rs.1,897.00 million (31 March 2019: Nil, 31 March 2018: Nil) is towards acquisition of equity shares of NRSS XXIX Transmission Limited, Odisha Generation Phase-II Transmission Limited and East-North Interconnection Company Limited pursuant to respective share purchase agreements.

During the year ended 31 March 2019, CERC approved a part of the claim, for additional expenditure due to change in tax rates of INR 195.91 Million which resulted in increase in non-escalable tariff revenue by 0.69%. However certain portion of the claim is still pending with CERC. The period for such one time payment to SPGVL in respect of the claim which is still pending with CERC expired on December 6, 2018 (being 18 months from the date of listing of IndiGrid). Accordingly, the Trust has reversed the liability of INR 422.77 Million with corresponding effect to investment in SGL1.

**Note 13: Other current liabilities**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Withholding taxes (TDS) payable	9.06	2.01	2.35
GST payable	-	0.43	-
<b>Total</b>	<b>9.06</b>	<b>2.44</b>	<b>2.35</b>

**Note 14: Current tax liability**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Current tax liability	4.10	0.07	-
<b>Total</b>	<b>4.10</b>	<b>0.07</b>	<b>-</b>

**Note 14A: Deferred tax liability (net)**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Gross deferred tax liability (A)	-	-	-
Gross deferred tax asset (B)	-	-	-
<b>Net deferred tax liability (C=A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of deferred tax asset</b>			
	<b>31 March 2020 (Rs. in million)</b>	<b>31 March 2019 (Rs. in million)</b>	<b>31 March 2018 (Rs. in million)</b>
Opening deferred tax asset, net	-	-	-
Deferred tax credit / (charge) recorded in statement of profit and loss	-	-	-
Deferred tax (credit) / charge recorded in OCI	-	-	-
<b>Closing deferred tax asset, net</b>	<b>-</b>	<b>-</b>	<b>-</b>

The major components of income tax expense for the years ended 31 March 2020, 31 March 2019 and 31 March 2018 are:

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
- Current tax	56.96	6.08	-
- Deferred tax	-	-	-
- Income tax for earlier years	-	0.16	-

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**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020, 31 March 2019 and 31 March 2018:**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
<b>Accounting profit before income tax</b>	4,965.16	2,118.66	2,624.94
At India's statutory income tax rate of 42.74% (31 March 2019: 42.74%, 31 March 2018: 42.74%)	2,122.11	905.52	1,121.90
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(2,065.15)	(899.44)	(1,121.90)
Charge/(reversal) of excess provision of tax created in previous year	-	0.16	-
At effective tax rate	56.96	6.24	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>56.96</b>	<b>6.24</b>	<b>-</b>

**Note 15: Revenue from operations**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Interest income on loans given to subsidiaries (refer note 20)	9,950.51	4,886.45	2,765.68
Finance income on non-convertible debentures issued by subsidiary on EIR basis	603.59	638.62	473.82
<b>Total</b>	<b>10,554.10</b>	<b>5,525.07</b>	<b>3,239.50</b>

**Note 16: Finance costs**

	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Interest on financial liabilities measured at amortised cost	2,979.83	1,003.75	102.18
Other finance cost	1.16	11.70	-
<b>Total</b>	<b>2,980.99</b>	<b>1,015.45</b>	<b>102.18</b>

**Note 17: Earnings per unit (EPU)**

Basic EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the respective years'.

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

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

	31 March 2020	31 March 2019	31 March 2018
Profit after tax for calculating basic and diluted EPU (Rs. in million)	4,908.20	2,112.42	2,624.94
Weighted average number of units in calculating basic and diluted EPU (No. in million)	554.01	283.80	283.80
<b>Effect of dilution:</b>			
Estimated units to be issued to Sponsor/Project manager* (No. in million)	-	5.40	6.14
Weighted average number of units in calculating diluted EPU (No. in million)	554.01	289.20	289.94
<b>Earnings Per Unit</b>			
Basic (Rupees/unit)	8.86	7.44	9.25
Diluted (Rupees/unit)	8.86	7.30	9.05

\* units which were issuable pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended, towards the additional transmission charges as approved by CERC for the change in tax rates which resulted in increase in non escalable tariff revenue for BDTCCL.

**Note 18: Significant accounting judgements, estimates and assumptions**

The preparation of the Trust's Reformatted financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the reformatted financial information.

**Classification of Unitholders' funds**

Under the provisions of the InvIT Regulations, IndiGrid is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of IndiGrid for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20-Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the distribution payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or fair value disclosures within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

**Fair valuation and disclosures**

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer Note 19A and 19B). In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value. (refer Note 19A for details).

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**Impairment of non-financial assets**

Non-financial assets of the Trust primarily comprise of investments in subsidiaries. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the investments in subsidiaries are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/forecasts over the life of the projects.

As at 31 March 2020, an amount of Rs. 2,627.22 million (31 March 2019: Rs. 2,316.84 million, 31 March 2018: Rs. 496.03 million) has been provided as impairment on investment in subsidiary. The recoverable amount of the investment in subsidiary has been computed based on value in use calculation for the underlying projects. The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note 19A.

**Note 19A : Fair value**

The management has assessed that the financial assets and financial liabilities as at the respective year end are reasonable approximations of their fair values.

Description of significant unobservable inputs to valuation:					Rs in million		
Significant unobservable inputs	Input for 31 March 2020 *	Input for 31 March 2019	Input for 31 March 2018	Sensitivity of input to the fair value	31 March 2020	31 March 2019	31 March 2018
WACC	8.44% to 9.09%	8.12% to 8.40%	7.86% to 8.08%	+ 0.5%	(4,769.00)	(2,445.95)	(2,479.63)
				- 0.5%	5,655.00	2,726.84	2,768.61
Tax rate (normal tax and MAT)	Normal Tax - 25.168%	Normal Tax -	Normal Tax -	+ 2%	(1,277.63)	(306.91)	(325.90)
	MAT - Nil	29.12%	29.12%	- 2%	1,311.93	260.35	296.36
Inflation rate	Revenue: 5.00%	Revenue: 5.73%	Revenue: 5.95%	+ 1%	(788.38)	(432.64)	(444.44)
	Expenses: 2.72% to	Expenses: 3.20%	Expenses: 3.67%	- 1%	529.45	360.78	366.13
Additional tariff (applicable only for BDTCL)	NA	2.39%	2.58%	+ 1%	NA	210.48	154.00
				- 1%		(210.48)	(154.00)

\* The independent valuer has considered effect of COVID-19 on the significant unobservable inputs used in fair valuation as referred above.

**Note 19B: Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Trust's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2020, 31 March 2019 and 31 March 2018:

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2020, 31 March 2019 and 31 March 2018:				
	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets for which fair values are disclosed:</b>				
Investment in subsidiaries (including loan to subsidiaries)*	31 March 2020	-	-	98,365.08
	31 March 2019	-	-	43,702.15
	31 March 2018	-	-	38,498.69

There have been no transfers between Level 1, Level 2 during the year ended 31 March 2020, 31 March 2019 and 31 March 2018.

\* Statement of net assets at fair value and statement of total returns at fair value require disclosures regarding fair value of assets (liabilities are considered at book values). Since the fair value of assets other than investments in subsidiaries approximate their book values, hence only investment in subsidiaries including loans to subsidiaries has been disclosed above.

**Note 20: Related party disclosures**

**I. List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures**

**(A) Name of related party and nature of its relationship:**

**Subsidiaries**

Sterlite Grid 1 Limited (SGL1)  
Sterlite Grid 2 Limited (SGL2)  
Sterlite Grid 3 Limited (SGL3)  
Bhopal Dhule Transmission Company Limited (BDTCL)  
Jabalpur Transmission Company Limited (JTCL)  
RAPP Transmission Company Limited (RTCL)  
Purulia & Kharagpur Transmission Company Limited (PKTCL)  
Maheshwaram Transmission Limited (MTL)  
Patran Transmission Company Limited (PTCL)  
NRSS XXIX Transmission Limited ("NTL")  
Odisha Generation Phase II Transmission Limited ("OGPTL")  
East-North Interconnection Company Limited ("ENICL")

**(B) Other related parties under Ind AS-24 with whom transactions have taken place during the period**

**Entity with significant influence over the Trust**

Sterlite Power Grid Ventures Limited (SPGVL)  
Esoteric II Pte. Ltd. (from 04 May 2019)

**II. List of additional related parties as per Regulation 2(1)(zv) of the InvIT Regulations**

**(A) Parties to IndiGrid**

Sterlite Power Grid Ventures Limited (SPGVL) - Sponsor and Project Manager of IndiGrid (refer note 1 below)  
Sterlite Investment Managers Limited (SIML) - Investment Manager of IndiGrid (refer note 2 below)  
Axis Trustee Services Limited (ATSL) - Trustee of IndiGrid

**(B) Promoters of the parties to IndiGrid specified in (A) above**

Sterlite Power Transmission Limited- Promoter of SIML (refer note 2 below)  
Sterlite Power Transmission Limited- Promoter of SPGVL  
Axis Trustee Limited- Promoter of ATSL  
Electron IM Pte. Ltd.- Promoter of SIML

**INDIA GRID TRUST**  
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**(C) Directors of the parties to IndiGrid specified in (A) above**

**(i) Directors of SPGVL:**

Pravin Agarwal  
Pratik Agarwal  
A. R. Narayanaswamy  
Avaantika Kakkar  
Ved Mani Tiwari  
Arun Todarwal Lalchand (from 22 July 2019)  
Zhao Haixia (from 11 September 2019)  
Anand Agarwal (till 10 October 2017)  
Udai Dhawan (till 22 January 2018)

**(ii) Directors of SIML:**

Pratik Agarwal  
Kuldip Kumar Kaura (till 07 June 2019)  
Tarun Kataria  
Shashikant Bhojani  
Rahul Asthana  
Harsh Shah (whole time director) (from 15 January 2018)  
Sanjay Omprakash Nayar (from 07 June 2019)

**(iii) Directors of ATSL:**

Srinivasan Varadarajan (till 20 December 2018)  
Ram Bharoseylal Vaish (till 08 November 2019)  
Sidharth Rath (till 01 June 2018)  
Rajaraman Viswanathan (till 10 October 2018)  
Raghuraman Mahalingam (till 30 September 2018)  
Rajesh Kumar Dahiya (from 11 July 2018)  
Sajnay Sinha (from 10 October 2018)  
Ganesh Sankaran (from 18 April 2019)

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

Sonakshi Agarwal  
Jyoti Agarwal  
Sujata Asthana

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

Cyril Amarchand Mangaldas

**(D) The transactions with related parties during the period are as follows:-**

		(Rs. in millions)		
Particulars	Relation	2019-20	2018-19	2017-18
<b>1. Unsecured loans given to subsidiaries</b>				
Jabalpur Transmission Company Limited	Subsidiary	1,203.10	4,321.37	13,767.85
Bhopal Dhule Transmission Company Limited	Subsidiary	166.20	20.00	8,731.79
RAPP Transmission Company Limited	Subsidiary	-	-	2,550.18
Purulia & Kharagpur Transmission Company Limited	Subsidiary	-	-	3,987.65
Maheshwaram Transmission Limited	Subsidiary	-	40.00	3,740.15
Patran Transmission Company Limited	Subsidiary	-	1,686.89	-
Sterlite Grid 1 Limited	Subsidiary	-	252.80	-
Sterlite Grid 2 Limited	Subsidiary	1,089.93	-	-
Sterlite Grid 3 Limited	Subsidiary	-	-	-
NRSS XXIX Transmission Limited	Subsidiary	29,483.42	-	-
Odisha Generation Phase-II Transmission Limited	Subsidiary	6,143.52	-	-
<b>2. Interest income from subsidiaries</b>				
Jabalpur Transmission Company Limited	Subsidiary	2,541.68	1,905.14	1,561.34
Bhopal Dhule Transmission Company Limited	Subsidiary	1,305.15	1,298.27	1,014.26
RAPP Transmission Company Limited	Subsidiary	345.17	381.89	47.16
Purulia & Kharagpur Transmission Company Limited	Subsidiary	592.69	598.15	73.74
Maheshwaram Transmission Limited	Subsidiary	568.58	562.52	69.17
Patran Transmission Company Limited	Subsidiary	236.71	139.97	-
Sterlite Grid 1 Limited	Subsidiary	17.45	0.52	-
Sterlite Grid 2 Limited	Subsidiary	127.71	-	-
Sterlite Grid 3 Limited	Subsidiary	109.20	-	-
NRSS XXIX Transmission Limited	Subsidiary	3,484.61	-	-
Odisha Generation Phase-II Transmission Limited	Subsidiary	621.56	-	-
<b>3. Repayment of loan from subsidiaries</b>				
Jabalpur Transmission Company Limited	Subsidiary	109.19	-	1,638.52
Bhopal Dhule Transmission Company Limited	Subsidiary	90.11	-	91.81
RAPP Transmission Company Limited	Subsidiary	131.17	201.60	0.94
Purulia & Kharagpur Transmission Company Limited	Subsidiary	126.25	-	-
Maheshwaram Transmission Limited	Subsidiary	-	-	-
Patran Transmission Company Limited	Subsidiary	33.71	101.77	-
Sterlite Grid 1 Limited	Subsidiary	252.80	-	-
Sterlite Grid 2 Limited	Subsidiary	-	-	-
Sterlite Grid 3 Limited	Subsidiary	2,059.72	-	-
NRSS XXIX Transmission Limited	Subsidiary	3,778.81	-	-
Odisha Generation Phase-II Transmission Limited	Subsidiary	144.13	-	-
East-North Interconnection Company Limited	Subsidiary	26.39	-	-
<b>4. Purchase of non convertible debentures of SGL1</b>				
Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	-	-	5,880.36
<b>5. Subscription to optionally convertible redeemable</b>				
Sterlite Grid 1 Limited	Subsidiary	-	-	1,001.96
<b>6. Purchase of equity shares of SGL1</b>				
Sterlite Power Grid Ventures Limited**	Sponsor and Project Manager/Entity with significant influence	-	-	-

**INDIA GRID TRUST**  
**Notes to Reformatted Financial Information**

Particulars	Relation	(Rs. in millions)		
		2019-20	2018-19	2017-18
<b>7. Purchase of equity shares of SGL2</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	12,626.66	-	-
<b>8. Purchase of equity shares of SGL3</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	518.31	-	-
<b>9. Purchase of loan to SGL3</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	2,289.49	-	-
<b>10. Purchase of equity shares of ENICL</b> Sterlite Power Grid Ventures Limited Sterlite Power Transmission Limited	Sponsor and Project Manager/Entity with significant influence Promoters of the parties to IndiGrid	1,259.46 29.09	- -	- -
<b>11. Purchase of loan to ENICL</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	587.00	-	-
<b>12. Received towards indemnification of liabilities</b> Sterlite Power Grid Ventures Limited	Sponsor and Project Manager/Entity with significant influence	18.66	53.47	-
<b>13. Reimbursement of expenses paid</b> Sterlite Investment Managers Limited Jabalpur Transmission Company Limited Bhopal Dhule Transmission Company Limited	Investment Manager Subsidiary Subsidiary	- - -	- 0.32 0.15	15.56 - -
<b>14. Issue of unit capital</b> Esoteric II Pte. Ltd Pravin Agarwal Sterlite Power Grid Ventures Limited	Entity with significant influence over the Trust Director of Sponsor Sponsor and Project Manager/Entity with significant influence	11,412.04 - 2,300.13	- - -	- 91.34 5,880.36
<b>15. Distribution to unit holders</b> Esoteric II Pte. Ltd Sterlite Power Grid Ventures Limited Pravin Agarwal Pratik Agarwal Harsh Shah Sonakshi Agarwal Jyoti Agarwal Sujata Asthana Arun Todarwal A. R. Narayanaswamy	Entity with significant influence over the Trust Sponsor and Project Manager/Entity with significant influence Director of Sponsor Director of Sponsor and Investment Manager Whole time director of Investment Manager Relative of director Relative of director Relative of director Director of Sponsor Director of Sponsor	1,224.32 968.32 3.06 4.41 0.12 0.18 0.24 0.67 0.06 0.15	- 709.20 11.60 1.22 0.06 - - - - -	- 373.47 5.99 - - - - - - -
<b>16. Advance receivable in cash</b> Sterlite Grid 1 Limited	Subsidiary	-	9.00	4.60
<b>17. Trustee Fee</b> Axis Trustee Services Limited (ATSL)	Trustee	2.36	2.16	2.94
<b>18. Legal and professional services taken</b> Cyril Amarchand Mangaldas	Firm in which director of sponsor is partner	26.62	-	-
<b>19. Amount paid against indemnification of dues</b> Jabalpur Transmission Company Limited##	Subsidiary	-	50.41	-

**(D) The outstanding balances of related parties are as follows:-**

Particulars	Relation	(Rs in Million)		
		31 March 2020	31 March 2019	31 March 2018
1. Unsecured loan receivable	Subsidiary	71,274.41	37,064.04	31,046.35
2. Interest receivable from subsidiaries	Subsidiary	281.64	446.03	7.03
3. Advance receivable in cash	Subsidiary	-	13.60	4.60
4. Non-Convertible Debentures of subsidiary (including	Subsidiary	5,823.90	6,449.71	5,811.09
5. Investment in equity shares of subsidiary (excluding	Subsidiary	17,098.27	1,435.35	1,122.60
6. Optionally convertible redeemable preference shares	Subsidiary	1,001.96	1,001.96	1,001.96
7. Payable towards project acquired	Sponsor and Project Manager/Entity with significant influence	1,897.00	-	-
8. Payable towards legal and professional services	Firm in which director of sponsor is partner	5.18	-	-
9. Trustee fee Axis Trustee Services Limited (ATSL)	Trustee	-	-	0.54

\*\* IndiGrid acquired NCDs and Equity Shares of SGL1 in exchange of its units amounting to Rs. 5,880.36 million. Since the nominal value of NCDs was Rs. 6,658.24 million. Hence the entire consideration was allocated to NCDs.

# Includes amount of Rs. 525.10 million towards equity component of Non- Convertible Debentures issued by Sterlite Grid 1 Limited and Rs 597.50 million towards payable to SPGVL in respect of acquisition of BDTCL.

## During the year ended 31 March 2019, Sponsor has paid to IndiGrid towards deposits paid by IndiGrid's subsidiaries for tax litigations for which the Sponsor is liable.

Note 1: Sterlite Power Grid Ventures Limited ('SPGVL') has entered into "Inter-se sponsor agreement" dated 30 April 2019 ("the Agreement") with Esoteric II Pte. Ltd. to designate Esoteric II Pte. Ltd as a "Sponsor" of the Trust subject to approval from SEBI in terms of SEBI InvIT Regulations.

Note 2: Pursuant to "Share Subscription and Purchase Agreement" ("the agreement") executed between Electron IM Pte. Ltd. and Sterlite Power Transmission Limited ['SPTL', the holding company of Sterlite Investment Managers Limited ('SIML'), the Investment Managers of the Trust] on 30 April 2019, SPTL shall sell 74% of its stake in SIML as specified in the agreement.

**INDIA GRID TRUST**  
**Notes to Reformatted Financial Information**

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

For the financial year ended 31 March 2020: Refer disclosure below:

For the financial year ended 31 March 2019: No acquisition of InvIT assets from related parties during the year.

For the financial year ended 31 March 2018: Refer disclosure below:

**(A) Summary of the valuation reports for the year ended 31 March 2020 (issued by the independent valuer appointed under the InvIT Regulations):**

Particulars	NTL	OGPTL	(Rs in million)
			ENICL
Enterprise value	41,626	12,840	11,355
Method of valuation	Discounted Cash Flow		
Discounting rate (WACC):	8.12%	8.42%	8.77%

**(B) Summary of the valuation reports for the year ended 31 March 2018 (issued by the independent valuer appointed under the InvIT Regulations):**

Particulars	(Rs in Million)	
	BDTCL	JTCL
Enterprise value		
- Base case (based on tariff as per TSA)	20,406.00	14,949.00
- Incremental revenue (based on additional tariff claimed)	1,135.00	1,176.00
<b>Total Enterprise value</b>	<b>21,541.00</b>	<b>16,125.00</b>
Method of valuation	Discounted Cash Flow	
Discounting rate (WACC):		
- Base case (based on tariff as per TSA)	8.19%	8.14%
- Incremental revenue (based on additional tariff claimed)	8.69%	8.64%

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

**Acquisition of Bhopal Dhule Transmission Company Limited (BDTCL) and Jabalpur Transmission Company Limited (JTCL) (through acquisition of Sterlite Grid 1 Limited): (FY 2017-2018)**

Pursuant to the Project Implementation and Management Agreement dated November 10, 2016 as amended on April 25, 2017 ("PIMA") executed among SIML, ATSL, SPGVL, SGL1, BDTCL and JTCL, IndiGrid would issue additional units to SPGVL in the event CERC approves additional tariff for BDTCL and/or JTCL in respect of cost escalations in those projects for which petitions were filed with CERC. The units to be issued to SPGVL shall be equivalent to 80% of the Cost Escalation for each of BDTCL and JTCL as approved by CERC.

SPGVL will be entitled to additional units only if the cost escalation and the resultant revision in levelised transmission charges is received during the period commencing from the date of the PIMA and until the date which is 18 months of listing of units of IndiGrid (being the date of receipt of final listing and trading approvals for the units).

CERC vide Order dated May 8, 2017 approved cost escalation of INR 1,699.90 million for JTCL. Accordingly, IndiGrid issued additional units of INR 1,359.92 million (being 80% of the cost escalation approved by CERC) to SPGVL. The petition for cost escalation for BDTCL is currently pending with CERC.

No external financing has been obtained for the acquisition of BDTCL and JTCL and no fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of RAPP Transmission Company Limited (RTCL) and Maheshwaram Transmission Limited (MTL):**

Pursuant to the share purchase agreements and shareholders' agreements dated 14 February 2018 ("the Agreements") executed with Sterlite Grid 2 Limited and Sterlite Grid 3 Limited ("the Selling shareholders") for acquisition of equity stake in RTCL and MTL (together "the SPVs"), SGL1 has acquired 49% of equity in the SPVs and for acquisition of the remaining 51% equity stake, SGL1 has paid full consideration in advance on a non-refundable basis. The remaining stake will be acquired from the Selling Shareholders on expiry of the respective mandatory shareholding periods applicable for the SPVs. Under the Agreements, the SGL1 has the following rights:

- Right to nominate all directors on the Board of directors of the SPVs;
- Right to direct the Selling Shareholders to vote according to its instructions in the AGM/EGM or any other meeting of shareholders of the SPVs;
- Irrevocable and unconditional call option to acquire the remaining 51% equity stake in the SPVs at later dates (on expiry of the respective mandatory shareholding periods);
- Pledge on the remaining 51% equity stake in the SPVs;
- Non-disposal undertaking from the Selling Shareholders for the remaining 51% equity stake in the SPVs.

The acquisition of RTCL, PKTCL and MTL was financed by long term debt raised at IndiGrid Level of Rs. 10,000 million (rate of interest - 8.25%) and short term debt at JTCL level of Rs. 4,230 million (rate of interest - 8.50%). No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of NRSS XXIX Transmission Limited (NTL) (through acquisition of Sterlite Grid 2 Limited): (FY 2019-20)**

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

The acquisition of NTL and SG2L was financed by money raised through Qualified Institutional Placement (QIP) of Rs. 25,140 million and from issue of Non-Convertible Debentures of Rs. 21,000 million (rate of interest- 8.60% to 9.10%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of Odisha Generation Phase-II Transmission Limited (OGPTL) (through acquisition of Sterlite Grid 3 Limited):**

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

The acquisition of OGPTL and SG3L were financed by issue of Non-Convertible Debentures of Rs. 21,000 million (rate of interest- 8.60% to 9.10%) by IndiGrid. No fees or commission were received/to be received by any associate of the related party in relation to the transaction.

**Acquisition of East-North Interconnection Company Limited (ENICL): (FY 2019-20)**

Pursuant to the share purchase agreements dated March 23, 2020 ("SPA") executed among Sterlite Power Grid Ventures Limited, Axis Trustee Services Limited, Sterlite Investment Managers Limited, Sterlite Power Transmission Limited and East-North Interconnection Limited ("ENICL") for acquisition of equity stake in ENICL. IndiGrid has acquired 49% of equity in ENICL.

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

**Note 21: Segment reporting**

The Trust's activities comprise of owning and investing in transmission SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given

**INDIA GRID TRUST**  
**Notes to Reformatted Financial Information**

**Note 22: Financial risk management objectives and policies**

The Trust's principal financial liabilities comprise of borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Trust's operations. The Trust's principal financial assets include investments, loans, cash and bank balances and other financial assets that derive directly from its operations.

The Trust may be exposed to market risk, credit risk and liquidity risk. The Investment Manager oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Trust's policy that no trading in derivatives for speculative purposes may be undertaken. The management reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the Trust are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

Management has overall responsibility for the establishment and oversight of the Trust's risk management framework.

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings and investments.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's borrowings are at fixed rate, hence the Trust is not exposed to Interest rate risk.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Trust did not have any exposure in foreign currency as at 31 March 2020, 31 March 2019 and 31 March 2018.

**Equity price risk**

The Trust's investments in equity shares of subsidiaries are susceptible to market price risk arising from uncertainties about future values of those investments. Reports on the equity portfolio are submitted to the senior management on a regular basis. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions.

At the reporting date, the exposure to equity investments in subsidiary at carrying value was Rs. 15,169.05 million (31 March 2019: Rs. 735.53 million, 31 March 2018: Rs. 1,628.53 million). Sensitivity analyses of significant unobservable inputs used in the fair value measurement are disclosed in Note 19A.

**(B) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Trust is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at 31 March 2020, 31 March 2019 and 31 March 2018, the credit risk is considered low since substantial transactions of the Trust are with its subsidiaries.

**(C) Liquidity risk**

Liquidity risk is the risk that the Trust may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Trust's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Trust requires funds both for short term operational needs as well as for long term investment programs mainly in transmission projects. The Trust closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents and liquid investments will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The other financial liabilities are with short term durations. The table below summarises the maturity profile of the Trust's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 3 months	3 months to 12 months	1 to 5 years	More than 5 years	Rs in million Total
<b>31 March 2020</b>					
Borrowings	-	-	22,682.16	16,800.05	39,482.21
Other financial liabilities *	193.33	1,897.00	-	-	2,090.33
<b>Total</b>	<b>193.33</b>	<b>1,897.00</b>	<b>22,682.16</b>	<b>16,800.05</b>	<b>41,572.54</b>
<b>31 March 2019</b>					
Borrowings	-	-	-	16,795.46	16,795.46
Other financial liabilities *	231.68	-	-	-	231.68
<b>Total</b>	<b>231.68</b>	<b>-</b>	<b>-</b>	<b>16,795.46</b>	<b>17,027.14</b>
<b>31 March 2018</b>					
Borrowings	-	-	-	9,941.47	9,941.47
Other financial liabilities *	-	585.11	-	-	585.11
<b>Total</b>	<b>-</b>	<b>585.11</b>	<b>-</b>	<b>9,941.47</b>	<b>10,526.58</b>

\* Includes amount of Rs. Nil (31 March 2019: Rs. 156.72 million, 31 March 2018: Rs. 579.50 million,) being payable towards project acquired.

**Note 23: Impact of COVID-19 for the year ended 31 March 2020**

The management has evaluated the impact of COVID 19 pandemic & lockdown imposed by the Government of India on the Trust.

The Trust receives income mainly in the form of interest income on loans given to subsidiaries which are engaged in the construction and operation & maintenance of power transmission lines and substations ("power transmission infrastructure"). These subsidiaries are governed by section 63 of The Electricity Act 2003 where in as per the Transmission Service Agreements ("TSAs") tariff revenue is accrued based on availability of power transmission infrastructure. Further, the Government of India has declared power transmission as "an essential service" therefore the subsidiaries are able to ensure availability of power transmission infrastructure and carry out maintenance activities during the lockdown period.

As the tariff revenues of the subsidiaries are linked to availability, irrespective of the quantum of power transmitted through the power transmission infrastructure and considering the Point of Connection ("PoC") mechanism the risk of non-collection of transmission charges receivables as of 31 March 2020 is minimum, however there could be delays in collection of trade receivables and unbilled revenue of the subsidiaries.

Therefore, the management believes that the Trust will be able to receive interest income from the subsidiaries. In assessing the recoverability of receivables and investment in subsidiaries, the Trust has considered internal and external information up to the date of approval of these standalone financial statements including communication from regulatory agencies and LTTCs. Further, the management believes that there is no risk in the Trust's ability to continue as going concern and meeting its liabilities as and when they fall due.

The management will continue to monitor and assess impact of economic conditions arising due to COVID 19. The impact of COVID 19 may differ from that expected at the date of approval of this reformatting standalone financial information

**Note 24: Contingent liabilities**

The Trust has no contingent liability to be reported.

**Note 25: Capital management**

For the purpose of the Trust's capital management, capital includes issued unit capital and all other reserves attributable to the unit holders of the Trust. The primary objective of the Trust's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise unit holder value.

The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Trust may adjust the distribution to unitholders (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders), return capital to unitholders or issue new units. The Trust monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Trust's policy is to keep the gearing ratio optimum. The Trust includes within net debt, interest bearing loans and borrowings and other payables less cash and cash equivalents, other bank balances and short term investments.

Particulars	31 March 2020 (Rs. in million)	31 March 2019 (Rs. in million)	31 March 2018 (Rs. in million)
Borrowings	39,482.21	16,795.46	9,941.47
Other financial liabilities	2,090.33	231.68	585.11
Less: Cash and cash equivalents, other bank balances and short term investments	(2,927.73)	(1,290.23)	(1,184.25)
<b>Net debt (A)</b>	<b>38,644.81</b>	<b>15,736.91</b>	<b>9,342.33</b>
Unit capital	53,145.69	28,380.00	28,380.00
Other equity	(1,713.72)	(519.17)	774.00
<b>Total capital (B)</b>	<b>51,431.97</b>	<b>27,860.83</b>	<b>29,154.00</b>
<b>Capital and net debt [(C) = (A) + (B)]</b>	<b>90,076.78</b>	<b>43,597.74</b>	<b>38,496.33</b>
Gearing ratio (C) / (A)	233.09%	277.04%	412.06%

**Note 26: Capital and other Commitments**

As at 31 March 2020, The Trust has entered into a Framework agreement on 30 April 2019 with Sterlite Grid Ventures Limited ('SPGVL') for acquisition of Gurgaon-Palwal Transmission Limited ('GPTL'), NER II Transmission Limited ('NER') and Khargone Transmission Limited ('KTL'). The board of directors of Sterlite Investment Managers Limited and unitholders of India Grid Trust have approved acquisition of GPTL on April 08, 2020 and May 09, 2020 respectively.

As at 31 March 2018, The Trust had entered into Share Purchase Agreement on February 19, 2018 with Techno Power Grid Company Limited, Techno Electric and Engineering Company Limited and Patran Transmission Company Limited ('PTCL') pursuant to which the Trust has agreed to purchase entire share capital of PTCL at cost of approx. INR 2,320 million based on the valuation report obtained by the management. The transaction is expected to complete in the first quarter of financial year 2018-19.

**Note 27: Subsequent event****FY 2019-20**

On 24 April 2018, the Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period 1 January 2018 to 31 March 2018 to be paid on or before 15 days from the date of declaration.

**FY 2018-19**

On 24 April 2019, the Board of directors of the Investment Manager approved a dividend of Rs. 3 per unit for the period 1 January 2019 to 31 March 2019 to be paid on or before 15 days from the date of declaration.

**FY 2017-18**

On 27 May 2020, the Board of directors of the Investment Manager approved a distribution of Rs. 3 per unit for the period 1 January 2020 to 31 March 2020 to be paid on or before 15 days from the date of declaration.

**Note 28: Acquisition of Transmission Assets and IPO during the FY 2017-18**

During the year ended 31 March 2018, IndiGrid acquired 100% of the equity share capital of SGL-1, which in turn holds 100% of the equity share capital of BDTCL and JTCL pursuant to the Securities Purchase Agreement dated May 8, 2017, including 665,824,156 non-convertible debentures of face value INR 10 each of SGL-1 from SPGVL in exchange of 45,203,627 units issued by IndiGrid to SPGVL.

IndiGrid raised funds of INR 22,500 million through Initial Public Offering. These funds were utilised to provide loans to BDTCL and JTCL pursuant to the facility agreements dated May 5, 2017, entered into between the Trustee (on behalf of IndiGrid), the Investment Manager, and each of BDTCL and JTCL, respectively.

IndiGrid further issued 13,599,200 units to SPGVL pursuant to Project Implementation and Management Agreement dated November 10, 2016 as amended ("PIMA") towards the additional transmission charges for JTCL as approved by CERC vide its order dated May 8, 2017 for the additional expenditure incurred by JTCL. The additional units were issued at INR 100 per unit to the extent of 80% of the additional capital expenditure approved by CERC which is INR 1,359.92 million.

**As per our report of even date**

**For S R B C & Co LLP**  
Chartered Accountants  
Firm Registration No. 324982E/E300003

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

**per Huzefa Ginwala**  
Partner  
Membership Number : 111757  
Place : Pune  
Date : 05 April 2021

**Harsh Shah**  
CEO & Whole Time Director  
DIN: 02496122  
Place : Mumbai  
Date : 05 April 2021

**Jyoti Kumar Agarwal**  
CFO  
Place : Mumbai  
Date : 05 April 2021

**Swapnil Patil**  
Company Secretary  
Membership Number : ACS-24861  
Place : Mumbai  
Date : 05 April 2021



## **ANNEXURE B1**

### **CRISIL RATING LETTER AND RATIONALE**

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CONFIDENTIAL

 RL/INGRTR/265928/NCD/0321/03708/91579517/1  
 March 30, 2021
**Mr. Giriraj Ajmera**

Head - Treasury

**India Grid Trust**

Unit no 101, 1st floor, Windsor,

Village Kolkalyan, Off CST road,

Vidyanagari marg, Kalina, Santacruz (E)

Mumbai City - 400098

7666152507

Dear Mr. Giriraj Ajmera,

**Re: CRISIL Ratings on the Rs. 1000 Crore Non Convertible Debentures of India Grid Trust**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated March 03, 2021 bearing Ref. no: RL/INGRTR/265928/NCD/0321/03708/91579517

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures*	1000	CRISIL AAA/Stable

\*These NCDs would be placed through a public-issuance

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crisil.com](mailto:debtissue@crisil.com)

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Nipun Anand

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisil.com](http://www.crisil.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301.

**CRISIL Ratings Limited**  
 (A subsidiary of CRISIL Limited)  
 Corporate Identity Number: U87100MH2019PLC326247

# Ratings



Pursuant to SEBI notifications, CRISIL Limited (CRISIL) has transferred its Ratings business to its wholly owned subsidiary, CRISIL Ratings Limited (CRISIL Ratings), with effect from December 31st 2020. Any reference to CRISIL in the documents published by the Ratings division of CRISIL, such as Rating Rationales, Credit Rating Reports, Press Releases, Criteria, Methodology, FAQs, Policies and Disclosures, shall henceforth refer to CRISIL Ratings.

## Rating Rationale

March 15, 2021 | Mumbai

## India Grid Trust

Rating Reaffirmed

### Rating Action

Total Bank Loan Facilities Rated	Rs.1650 Crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)

Rs.175 Crore Long Term Principal Protected Market Linked Debentures <sup>&amp;</sup>	CRISIL PPMLD AAA r /Stable (Reaffirmed)
Rs.200 Crore Long Term Principal Protected Market Linked Debentures <sup>^</sup>	CRISIL PPMLD AAA r /Stable (Reaffirmed)
Rs.1000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.435 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.600 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.250 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.800 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.500 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.350 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.500 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.250 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Corporate Credit Rating	CCR AAA/Stable (Reaffirmed)

<sup>&</sup> The prefix 'PP-MLD' indicates that the principal amount of the debentures is protected, while returns remain market-linked. The suffix 'r' shows that the returns on the debentures have significant risks other than credit risk. Also, payments to investors are not fixed and are linked to external variables such as government yield, commodity prices, equity indices, foreign exchange rates, or equity valuation of the company.

<sup>^</sup> The prefix 'PP-MLD' indicates that the principal amount of the debentures is protected, while returns remain market-linked. The suffix 'r' shows that the returns on the debentures have significant risks other than credit risk. Also, payments to investors are not fixed and are linked to external variables such as government yield, commodity prices, equity indices, foreign exchange rates, or equity valuation of the company.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

### Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL AAA/CRISIL PP-MLD AAAr/CCR AAA/Stable' rating on the debt instruments and bank facilities of India Grid Trust (IndiGrid), an infrastructure investment trust (InvIT). The NCDs will be used to refinance some of the ongoing debt of IndiGrid or its special purpose vehicles (SPVs).

The ratings factor in IndiGrid's announcement to acquire NER II Transmission Ltd (NER) from Sterlite Power Transmission Ltd (SPTL; rated 'CRISIL A/Stable/CRISIL A1') at an enterprise value not exceeding Rs 4625 crore. NER is an interstate transmission asset with 11 elements including two substations of 1,260 MVA capacity and four transmission lines extending over 830 circuit kilometres across Assam, Arunachal Pradesh and Tripura. 10 out of its 11 elements have achieved commissioning as of Feb 28th, 2021. The remaining element is also expected to commission within March 2021. The acquisition will be funded through a combination of internal accrual, debt, equity proceeds from the preference issue done in May 2019 and the forthcoming rights issue.

Earlier this year, IndiGrid had announced the acquisition of two solar assets from Fotowatio Renewable Ventures (FRV), a Madrid-based developer. The solar assets are based in Andhra Pradesh and have an operating track record of about two years, with Solar Energy Corporation of India (SECI) as the counterparty. The enterprise value for the acquisition is estimated at Rs 660 crore. This would be funded by debt raised in IndiGrid.

While this acquisition would mark IndiGrid's foray into the renewable space, the trust will still largely specialise in the power transmission space. After this acquisition, the solar AUM would be less than 4% of IndiGrid's total AUM. The trust, in addition to expanding its portfolio in the transmission segment, will also look at acquiring more operational solar assets. As the renewable sector is inherently riskier than the highly stable power transmission sector, CRISIL Ratings will continue to closely monitor further diversification.

In November 2020, IndiGrid had announced the acquisition of Parbati Koldam Transmission Co Ltd (Parbati), a transmission asset held 74% by Reliance Infrastructure Ltd (RIL) and 26% by Power Grid Corporation of India (PGCIL; 'CRISIL AAA/Stable/CRISIL A1+'). The transaction got completed in January 2021 - IndiGrid has taken over RIL's share in the asset at an enterprise value of around Rs 900 crore, crore inclusive of cash & cash reserves and normalised tariff receivables. Debt raised to fund this acquisition along with the ongoing debt in Parbati has led to incremental debt of around Rs 760 crore for IndiGrid.

Post the acquisition of the solar assets, Parbati and NER, the ratio of net debt to assets under management (AUM) is expected to increase to around 65% from 52% as on December 31, 2020. The trust has also received board approval to raise capital of up to Rs 1500 crore through right issue. This is likely to be issued by April 2021, post which, the net debt to AUM would likely come down to ~57%.

As IndiGrid is in the power transmission sector, which is an essential service, its operations were unaffected by the nationwide lockdown imposed by the government to contain the spread of Covid-19 pandemic. However, there were some short-term delays in receipt of payments from PGCIL, which collects payments from power distribution companies (discoms). Monthly collection efficiency, which is usually over 95%, fell to around 50% in the first quarter of fiscal 2021. However, with the lifting of lockdown restrictions as well as the liquidity injection announced by the Ministry of Finance for discoms, collection efficiency increased to over 100% since July 2020 and averaged 95% for the nine months ended December 31, 2020.

Over the next few months, IndiGrid plans to acquire another asset, Khargone Transmission Ltd (KTL) from SPTL at an enterprise value of around Rs 1400 crore. With this acquisition, which will be funded entirely through debt, net debt to AUM ratio is expected to go up to around 61%, factoring in the rights issue of Rs 1200-1300 crore. However, the ratio will remain well within the cap of 70% defined by the Securities and Exchange Board of India (SEBI). Debt service coverage ratio (DSCR) following the acquisitions is likely to remain healthy at above 1.20 times, in line with the rating category.

The ratings continue to reflect the trust's stable revenue profile, with almost all underlying transmission special purpose vehicles (SPVs) operating under the point of connection (PoC) mechanism. This, along with the SPVs' healthy track record of maintaining line availability higher than normative levels and 35-year transmission service agreements (TSAs), ensures steady cash flow. The ratings also reflect IndiGrid's strong financial risk profile.

The ratings are supported by debt service reserve account (DSRA)<sup>[1]</sup> equivalent to three months of ensuing principal and interest payments for the debt of IndiGrid and its SPVs.

These strengths are partially offset by operations and maintenance (O&M) risks for the underlying transmission assets and refinancing risk for the debt.

<sup>[1]</sup>Interest service reserve account (ISRA) for debt raised in IndiGrid, which has a 100% bullet repayment on maturity. No DSRA/ISRA to be created for the MLDs as they do not have any obligation until the final maturity date

### **Analytical Approach**

CRISIL Ratings has combined the business and financial risk profiles of IndiGrid with its underlying SPVs, as IndiGrid has direct control over the SPVs and will support them in case of any exigency. Furthermore, the SPVs have to mandatorily disburse 90% of their net distributable cash flow (after meeting the debt obligation) to the InvIT, leading to a highly fungible cash flow. Also, as per extant regulations, the cap on borrowing of an InvIT has been defined at a consolidated level (equivalent to 70% of the value of the InvIT assets).

Please refer Annexure: List of entities consolidated, which highlights the entities considered and their analytical treatment.

### **Key Rating Drivers & Detailed Description**

#### **Strengths**

#### **\*Stable revenue of underlying operational assets**

All transmission SPVs have stable operations with a healthy track record of above-normative transmission line availability of over two years. Revenue stability of the SPVs is driven by their TSAs, which ensure payment of stipulated tariff subject to achievement of normative line availability of 98% annually.

Revenue of a transmission SPV is completely delinked from the power demand-supply situation and volatility in electricity prices. Moreover, factors affecting line availability, such as unchecked vegetation growth, lightning or high ambient temperature causing wear and tear of insulators leading to flashovers, are routine, do not involve significant cost and are easily rectifiable, thereby minimising outage time. Furthermore, any outage due to extreme weather conditions, cyclones or excessive lightning is usually classified as an 'act of God', does not impact line availability and is covered under the force majeure clause of the TSA.

The revenue from the solar SPVs will depend on the radiation levels, and the plant load factor is exposed to variability in climatic conditions and equipment- and evacuation-related risks.

However, since power transmission constitute around 95% of the trust's assets, revenue is likely to remain stable over the medium term.

#### **\*Cash flow stability with strong counterparties**

All SPVs (except Jhajjar KT Transco Pvt Ltd [Jhajjar]) under IndiGrid are interstate transmission system (ISTS) licensees and come under the PoC pool mechanism, where PGCIL, as the central transmission utility, collects monthly transmission charges from all designated ISTS customers on behalf of the licensees. All ISTS licensees are then paid their share of transmission charges from the centrally collected pool. This method diversifies counterparty risks, as the risk of default or delay by a particular customer is distributed among all ISTS licensees in proportion to their share. Despite weak counterparties, PGCIL has a track record of maintaining strong collection efficiency, signifying its high bargaining power. IndiGrid's SPVs will continue to benefit from the strong collection efficiency of PGCIL and diversification of the counterparty risk under the PoC pool mechanism.

Jhajjar is an intra-state transmission asset, with Haryana Vidyut Prasaran Nigam Ltd as its counterparty. However, the asset has a five-year track record of collecting payments within 15 days of billing.

The solar assets to be acquired have signed 25-year power purchase agreements with a strong counterparty, SECI, at a tariff of Rs 4.43 per kilo watt hour for the entire tenure. The assets have an operating track record of around two years.

#### **\*Strong financial risk profile**

Financial risk profile is robust, driven by stable cash accrual, healthy net debt-to-value ratio, strong DSCR and a three-month DSRA.

Consolidated debt in IndiGrid was around Rs 8,250 crore as on December 31, 2020. This includes:

- Bullet loans for 10 years of Rs 1,000 crore and Rs 685 crore maturing in fiscals 2028 and 2029, respectively
- Bullet non-convertible debentures (NCDs) of Rs 1,400 crore for three years raised for the acquisition of NRSS XXIX Transmission Ltd (NRSS), maturing in fiscal 2023
- Rs 500 crore NCDs raised for the acquisition of Odisha Generation Phase II Transmission Ltd (OGPTL), with bullet maturity in the next 3-5 years
- MLD worth Rs 200 crore with a 42-month tenure and 100% bullet repayment of interest and principal in fiscal 2023
- MLD of Rs 175 crore with a 48-month tenure and 100% bullet repayment of interest and principal in fiscal 2024
- Amortising term loan for 13 years of Rs 550 crore being raised in OGPTL, with 27% bullet repayment in fiscal 2032
- Rs 914 crore debt in Bhopal Dhule Transmission Co Ltd (BDTCL; 'CRISIL AAA/Stable'), with ongoing amortising repayment
- Rs 630 crore term loan in East North Interconnection Company Ltd (ENICL), with structured quarterly repayment and 80% bullet repayment in March 2025
- Rs 739 crore term loan in Gurgaon-Palwal Transmission Ltd (GPTL), with structured quarterly repayment and 51% bullet repayment in fiscal 2038
- NCDs of Rs 100 crore, Rs 750 crore, Rs 250 crore and Rs 250 crore maturing in fiscals 2022, 2024, 2025 and 2026, respectively.

After acquisition of Parbati, FRV's solar assets, NER and KTL, net debt to AUM ratio will increase to ~67%. With the rights issue, this is likely to come down to ~61%. However, ample and sustained cash accrual is expected to support a healthy DSCR. Furthermore, DSRA/ISRA equivalent to three months of ensuing principal and interest obligation is being maintained for the debt raised at IndiGrid and its SPVs.

The terms of debt also include a cash trap mechanism, wherein if the DSCR falls below 1.11 times, the excess cash generated is trapped until the DSCR is restored to 1.15 times. If the DSCR falls below 1.11 times for three consecutive years, cash in the trap account will stay there for the life of the instrument.

The financial risk profile is also supported by the expectation that distribution of cash flow from IndiGrid to its unitholders will take place only after servicing of the external debt.

Future acquisitions by IndiGrid and their impact on the financial risk profile will remain key monitorables.

#### **Weaknesses**

##### **\*Modest O&M risks for SPVs**

Maintenance of high line availability is critical to ensure stability of revenue in the power transmission sector. Although the O&M expense forms a small portion of the revenue, improper line maintenance may lead to revenue losses and weaken SPVs' loan repayment capability. However, these risks are mitigated by low technical complexity and routine O&M activity, coupled with appointment of an O&M contractor by the SPVs.

##### **\*Refinancing risk**

IndiGrid has large bullet repayments for its external debt, exposing the trust to refinancing risks.

Furthermore, most of the debt instruments carry a clause wherein the coupon can be reset on the coupon reset date with mutual consent of the issuer and the investor. If no consensus is reached, the issuer shall redeem the NCDs on the ensuing coupon reset date with prior notice.

While this amplifies the refinancing risk, it is partially offset by the debt structure, which stipulates that IndiGrid arrange for refinancing at least 30 days prior to the coupon reset date if no consensus is reached.

Furthermore, for all debt instruments, the trust would arrange for binding term sheets for bullet maturities six months in advance for bullet quantum above Rs 500 crore and three months in advance for any other quantum.

The 35-year concession period for underlying assets extending much beyond the current repayment tenure should enable IndiGrid to comfortably refinance the bullet repayment. IndiGrid will likely prudently refinance the maturing debt well in advance and maintain a healthy DSCR.

#### **Liquidity: Superior**

Stable revenue and strong cash accrual should amply cover the debt obligation over the medium term, leading to a healthy DSCR of above 1.2 times over the tenure of the debt. Moreover, the long life of the underlying assets, extending well beyond the debt tenure, should aid refinancing of the bullet repayment at favourable terms. Maintenance of a three-month DSRA/ISRA also supports liquidity.

#### **Outlook: Stable**

IndiGrid will generate stable cash flow, backed by the ability of its transmission assets to maintain stipulated line availability and implementation of the PoC pool mechanism for billing and collection.

#### **Rating Sensitivity Factors**

##### **Downward Factors**

- Line availability falling below 98% on a sustained basis, thereby weakening cash flow
- Delay in collection under PoC mechanism
- Lower-than-expected DSCR
- Inability to refinance debt in timely manner

#### **About the Trust**

IndiGrid was set up on October 21, 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 November 28, 2016, under Regulation 3(1) of the InvIT Regulations. IndiGrid's initial portfolio assets comprised BDTCL and Jabalpur Transmission Company Ltd. It has now acquired 10 more transmission assets: Purulia and Kharagpur Transmission Co Ltd, RAPP Transmission Co Ltd, Maheshwaram Transmission Ltd, Patran Transmission Co Ltd, NRSS, OGPTL, ENICL, GPTL, Jhajjar and Parbati. In December, 2020 the trust announced the acquisition of two solar assets of 100 megawatt. IndiGrid had AUM of Rs 14,200 crore as on December 31, 2020.

IndiGrid was originally sponsored by SPGVL. As of September 2020, KKR has been inducted as the co-sponsor of the trust.

SPGVL has experience of constructing and maintaining several transmission projects across India through 8,000 circuit kilometre and 15,000 megavolt ampere of transformation capacity.

KKR is a leading global investment firm with around 45 years of experience. It manages assets worth over USD 222 billion (as of June 2020) and has interests across asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners to manage hedge funds.

All decisions pertaining to acquisition, divestment or enhancement of IndiGrid's assets are taken by the investment manager, IndiGrid Investment Managers Ltd.

For the nine months ended December 31, 2020, IndiGrid reported profit after tax (PAT) of Rs 266 crore on a revenue of Rs 1,200 crore against Rs 406 crore and Rs 943 crore, respectively, for the same period of the previous fiscal.

#### **Key Financial Indicators**

Particulars	Unit	2020	2019
Revenue	Rs.Crore	1243	666
PAT	Rs.Crore	506	154
PAT Margin	%	40.7	23.1
Adjusted debt/adjusted networth	Times	1.32	0.98
Interest coverage	Times	2.8	2.5

**Any other information:** Not applicable

#### **Note on complexity levels of the rated instrument:**

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on

[www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity levels	Rating assigned with outlook
NA	Long-term loan	NA	NA	31-Mar-2028	500.0	NA	CRISIL AAA/Stable
NA	Long-term loan	NA	NA	15-May-2025	150.0	NA	CRISIL AAA/Stable
NA	Long-term loan	NA	NA	31-Mar-2036	1000.0	NA	CRISIL AAA/Stable
INE219X07017	Non-convertible debentures	30-Aug-2018	8.60%	31-Aug-2028	250.0	Complex	CRISIL AAA/Stable
INE219X07025	Non-convertible debentures	14-Feb-2019	7.11%	14-Feb-2029	435.0	Complex	CRISIL AAA/Stable
INE219X07033	Non-convertible debentures	4-Jun-19	9.10%	3-Jun-22	1400.0	Complex	CRISIL AAA/Stable
INE219X07058	Non-convertible debentures	29-Jul-19	9.10%	29-Jul-24	300.0	Complex	CRISIL AAA/Stable
INE219X07066	Non-convertible debentures	02-Aug-19	8.85%	02-Nov-2022	200.0	Complex	CRISIL AAA/Stable
INE219X07041	Long-term principal-protected MLD	05-Jul-19	9.0% (Linked to 7.17 GSEC 2028)	04-Jan-23	200.0	Highly complex	CRISIL PP-MLD AA/Stable
INE219X07074	Long-term principal-protected MLD	27-Jan-20	8.4% (Linked to 7.17 GSEC 2028)	24-Jan-24	175.0	Highly complex	CRISIL PP-MLD AA/Stable
INE219X07082	Non-convertible debentures	15-Jun-2020	8.1%	15-Mar-2022	100.0	Complex	CRISIL AAA/Stable
INE219X07090	Non-convertible debentures	15-Jun-2020	8.4%	14-Jun-2023	350.0	Complex	CRISIL AAA/Stable
INE219X07108	Non-convertible debentures	03-Sep-2020	8.5%	01-Mar-2024	400.0	Complex	CRISIL AAA/Stable
INE219X07116	Non-convertible debentures	12-Nov-2020	7.00%	28-Jun-2024	250.0	Complex	CRISIL AAA/Stable
NA	Non-convertible	NA	NA	NA	1000.0	Complex	CRISIL AAA/Stable

	debentures*#						
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\*Yet to be issued

#These NCDs would be placed through a public-issuance

#### Annexure – List of entities consolidated

Name of entities	Extent of consolidation	Rationale for consolidation
Bhopal Dhule Transmission Co Ltd	Full	Strong managerial, operational and financial linkages
Jabalpur Transmission Co Ltd	Full	Strong managerial, operational and financial linkages
Purulia & Kharagpur Transmission Co Ltd	Full	Strong managerial, operational and financial linkages
RAPP Transmission Co Ltd	Full	Strong managerial, operational and financial linkages
Maheshwaram Transmission Ltd	Full	Strong managerial, operational and financial linkages
Patran Transmission Co Ltd	Full	Strong managerial, operational and financial linkages
NRSS XXIX Transmission Co Ltd	Full	Strong managerial, operational and financial linkages
Odisha Generation Phase-II Transmission Ltd	Full	Strong managerial, operational and financial linkages
East North Interconnection Company Ltd	Full	Strong managerial, operational and financial linkages
Gurgaon-Palwal Transmission Ltd	Full	Strong managerial, operational and financial linkages
Jhajjar KT Transco Pvt Ltd	Full	Strong managerial, operational and financial linkages
Parbati Koldam Transmission Co Ltd	Full	Strong managerial, operational and financial linkages

#### Annexure - Rating History for last 3 Years

Instrument	Current			2021 (History)		2020		2019		2018		Start of 2018
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
<b>Fund Based Facilities</b>	LT	1650.0	CRISIL AAA/Stable	02-03-21	CRISIL AAA/Stable	30-12-20	CRISIL AAA/Stable	03-07-19	CRISIL AAA/Stable	28-08-18	CRISIL AAA/Stable	--
			--	29-01-21	CRISIL AAA/Stable	09-12-20	CRISIL AAA/Stable	01-07-19	CRISIL AAA/Stable	08-03-18	CRISIL AAA/Stable	--
			--		--	06-11-20	CRISIL AAA/Stable	29-05-19	CRISIL AAA/Stable		--	--
			--		--	17-06-20	CRISIL AAA/Stable	13-05-19	CRISIL AAA/Stable		--	--
			--		--	04-06-20	CRISIL AAA/Stable	30-04-19	CRISIL AAA/Stable		--	--
			--		--	15-04-20	CRISIL AAA/Stable	11-02-19	CRISIL AAA/Stable		--	--
			--		--	22-01-20	CRISIL AAA/Stable		--		--	--
<b>Corporate Credit Rating</b>	LT	0.0	CCR AAA/Stable	02-03-21	CCR AAA/Stable	30-12-20	CCR AAA/Stable	03-07-19	CCR AAA/Stable	28-08-18	CCR AAA/Stable	CCR AAA/Stable
			--	29-01-21	CCR AAA/Stable	09-12-20	CCR AAA/Stable	01-07-19	CCR AAA/Stable	08-03-18	CCR AAA/Stable	--
			--		--	06-11-20	CCR AAA/Stable	29-05-19	CCR AAA/Stable	28-02-18	CCR AAA/Stable	--
			--		--	17-06-20	CCR AAA/Stable	13-05-19	CCR AAA/Stable		--	--
			--		--	04-06-20	CCR AAA/Stable	30-04-19	CCR AAA/Stable		--	--
			--		--	15-04-20	CCR AAA/Stable	11-02-19	CCR AAA/Stable		--	--
			--		--	22-01-20	CCR AAA/Stable		--		--	--
<b>Non Convertible Debentures</b>	LT	4685.0	CRISIL AAA/Stable	02-03-21	CRISIL AAA/Stable	30-12-20	CRISIL AAA/Stable	03-07-19	CRISIL AAA/Stable		--	--
			--	29-01-21	CRISIL AAA/Stable	09-12-20	CRISIL AAA/Stable	01-07-19	CRISIL AAA/Stable		--	--
			--		--	06-11-20	CRISIL AAA/Stable	29-05-19	CRISIL AAA/Stable		--	--
			--		--	17-06-20	CRISIL AAA/Stable	13-05-19	CRISIL AAA/Stable		--	--



			--		--	04-06-20	CRISIL AAA/Stable	30-04-19	CRISIL AAA/Stable		--	--
			--		--	15-04-20	CRISIL AAA/Stable	11-02-19	CRISIL AAA/Stable		--	--
			--		--	22-01-20	CRISIL AAA/Stable		--		--	--
<b>Long Term Principal Protected Market Linked Debentures</b>	LT	375.0	CRISIL PPMLD AAA r /Stable	02-03-21	CRISIL PPMLD AAA r /Stable	30-12-20	CRISIL PPMLD AAA r /Stable	03-07-19	CRISIL PPMLD AAA r /Stable		--	--
			--	29-01-21	CRISIL PPMLD AAA r /Stable	09-12-20	CRISIL PPMLD AAA r /Stable		--		--	--
			--		--	06-11-20	CRISIL PPMLD AAA r /Stable		--		--	--
			--		--	17-06-20	CRISIL PPMLD AAA r /Stable		--		--	--
			--		--	04-06-20	CRISIL PPMLD AAA r /Stable		--		--	--
			--		--	15-04-20	CRISIL PPMLD AAA r /Stable		--		--	--
			--		--	22-01-20	CRISIL PPMLD AAA r /Stable		--		--	--

All amounts are in Rs.Cr.

**Annexure - Details of various bank facilities**

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Long Term Loan	1650	CRISIL AAA/Stable	Long Term Loan	1650	CRISIL AAA/Stable
<b>Total</b>	<b>1650</b>	<b>-</b>	<b>Total</b>	<b>1650</b>	<b>-</b>

**Links to related criteria**[CRISILs Approach to Financial Ratios](#)[Criteria for Rating power transmission projects](#)[CRISILs rating criteria for REITs and InVITs](#)[CRISILs Criteria for Consolidation](#)

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## **ANNEXURE B2**

### **INDIA RATINGS RATING LETTER AND RATIONALE**

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Mr. Harsh Shah  
CEO  
India Grid Trust  
12th Floor, B Wing,  
Embassy 247, Gandhi Nagar,  
LBS Road, Vikhroli West,  
Mumbai - 400079

March 26, 2021

*Dear Sir,*

***Re: Rating Letter for debentures of India Grid Trust***

India Ratings and Research (Ind-Ra) is pleased to communicate the ratings on India Grid Trust's (IndiGrid) debentures:

- INR 10bn Non-Convertible Debentures: IND AAA/ 'Stable'
- INR 1.75bn Market-linked debentures: IND AAA/ 'Stable'
- INR 23.85bn Non-Convertible Debentures: IND AAA/ 'Stable'

Details are in annexure

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

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commentary for the most accurate information on the basis of any given public rating.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

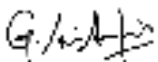
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In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91 22 4000 1700.

Sincerely,

India Ratings



**Siva Subramanian**  
**Director**



**Abhash Sharma**  
**Director**



**Annexure: Facilities Breakup**

Instrument Type	ISIN	Date of Issue	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs	INE219X07017	31 August 2018	8.60 (varying)	31 August 2028	INR2.5	IND AAA/Stable
NCDs	INE219X07025	14 February 2019	7.11	14 February 2029	INR4.35	IND AAA/Stable
NCDs	INE219X07033	4 June 2019	9.10 (fixed)	3 June 2022	INR14.0	IND AAA/Stable
MLDs	INE219X07074	27 January 2020	8.40 (indexed to yield of a government security)	24 January 2024	INR1.75	IND AAA/Stable
NCDs	INE219X07124	29 December 2020	7.25	27 June 2025	INR1.50	IND AAA/Stable
NCDs	INE219X07132	29 December 2020	7.4	26 December 2025	INR1.00	IND AAA/Stable
NCDs^	-	-	-	3-5 years	INR0.50	IND AAA/Stable
NCDs^@	-	-	-	3-10 years	INR10	IND AAA/Stable

*G. N. A. J.*

^NCDs are yet to be issued

@Proposed as a public issue

## India Ratings Assigns India Grid Trust's Additional NCDs 'IND AAA'/Stable; Affirms Existing Ratings

# 10

MAR 2021

By Divya Charen C

India Ratings and Research (Ind-Ra) has taken the following rating actions on India Grid Trust's (IndiGrid) instruments:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)*	-	-	-	INR10.0	IND AAA/Stable	Assigned
Commercial paper (CP)	-	-	Up to 365 days	INR2.5	IND A1+	Affirmed
Market-linked debentures* (MLDs)	-	-	-	INR1.75	IND AAA/Stable	Affirmed
Long-term senior debt	-	-	-	-	IND AAA/Stable	Affirmed
NCDs*	-	-	-	INR23.85	IND AAA/Stable	Affirmed
Bank loan	-	-	-	INR11.5	IND AAA/Stable	Affirmed

\*Details in annexure

The affirmation reflects the stable operations of IndiGrid's asset portfolio till December 2020 and the availability of adequate liquidity to address any temporary cash flow mismatches. The collection ratio over April-December 2020 was 95%.

On 5 March 2021, IndiGrid signed a share purchase agreement to acquire NER-II Transmission Limited (NERTL) for INR46.25 billion. NERTL is an operating interstate transmission asset with a tariff visibility for 35 years. The acquisition is in line with IndiGrid's plan to acquire NERTL and Khargone Transmission Limited (to be acquired by FY22) from Sterlite Power Transmission Limited (SPTL; IND BBB'/RWE).

IndiGrid has announced the acquisition of two solar assets of 50MW<sub>AC</sub> each - FRV Andhra Pradesh Solar Farm-I Private Limited and FRV India Solar Park II - Private Limited, subject to necessary approvals. Both the assets are located in Ananthapuramu solar park in Andhra Pradesh and have Solar Energy Corporation of India (SECI) as counterparty. SECI has been making tariff payments regularly. The assets are connected to the interstate transmission network. The enterprise value for the acquisition is estimated at INR6.6 billion and the entire consideration will be debt funded. Ind-Ra opines the presence of a strong counterparty for these solar projects, along with and their intrinsically low complexity and maintenance would not affect the overall profile of IndiGrid, given that transmission business remains dominant in the portfolio. IndiGrid's rating is significantly dependent on its transmission business, which is monopolistic in nature. Ind-Ra

relies on power purchase agreements (PPAs), which require the counterparties to offtake power from solar assets and does not assess the impact of competition in the generation business because of the presence of strong and favourable termination clauses in PPAs. Given the planned acquisition pipeline for transmission assets, the share of these solar assets will be 3.2%.

The ratings also reflect IndiGrid's strong ability to meet external senior financial obligations, including those of the entities under it and the combined credit quality of the underlying assets; although the ratings do not reflect the ratings of its units. The ratings should not be construed as any comment on the ability of the investment trust (InvIT) to pay the committed distribution to the unit holders.

IndiGrid's total debt on 28 February 2021 was INR86.9 billion. It has borrowed INR11.5 billion in bank loans and INR39.35 billion in NCDs and INR3.75 billion in MLDs directly, while external debt of INR323.3 billion (INR6.82 billion NCDs in Bhopal Dhule Transmission Company Limited (BDTCL, 'IND AAA/Stable'), INR5.40 billion term loan in Odisha Generation Phase II Transmission Limited, INR6.30 billion term loan in East North Interconnection Company Limited (ENICL, 'IND AAA/Stable'), INR7.39 billion in Gurgaon-Palwal Transmission Limited (GPTL, 'IND AAA/Stable') and INR4.1 in Parbati Koldam Transmission Company Limited (PKTCL, 'IND AA+/Stable')) and USD31.38 million (INR2.32 billion in BDTCL) are outstanding among the entities under it. The proceeds of INR10 billion planned NCDs will be used for financing the acquisitions. IndiGrid has received a sanction for INR15 billion bank loan with amortising repayment profile and tenor of 15 years, which will be used to refinance the bank loans of ENICL and GPTL, and partly finance the acquisitions.

## KEY RATING DRIVERS

**Stable Operating Performance:** In 9MFY21, IndiGrid's average availability was above the target availability. In 9MFY21, IndiGrid reported revenue and EBITDA of INR12,001 million (FY20: INR12,786 million, FY19: INR6,739 million) and INR10,590 million (INR11,797 million, INR6,108 million), respectively. IndiGrid had a collection ratio (revenue received/bill raised for the period) of 95% over April-December 2020. Apart from the easing of the COVID-19-related lockdown, the liquidity scheme of lending INR1,200 billion to distribution utilities may aid in improving collections in FY21. The receivable period stood at 72 days at FYE20.

**Diversified Ownership:** The major shareholders in IndiGrid are KKR & Co. Inc. and its affiliates (23%) and GIC and its affiliates (20%). The unitholders of IndiGrid granted approval for designating KKR as a sponsor in September 2020. SPTL, which was formed post the merger of Sterlite Power Grid Ventures Limited ('IND A/RWN') with SPTL, sold its 14.65% stake in 2QFY21, and now holds 0.35% stake. KKR, through its affiliate, acquired 60% stake in IndiGrid Investment Managers Limited (IIML), IndiGrid's investment manager. IndiGrid's ability to raise equity capital for acquiring new assets is a positive for the growth of the platform. IndiGrid benefits from the extensive experience of the sponsor and project manager, SPTL, in the transmission sector and KKR's experience in fund management. IndiGrid is planning to carry out rights issue for raising equity of INR15 billion.

Furthermore, IndiGrid is acquiring Khargone Transmission Limited in FY22 from SPTL. A framework agreement has been signed with SPTL for buying the asset, which are under construction, within 13 months of their respective commercial operations date, subject to the necessary approvals, including of unitholders and regulators.

**High-quality Underlying Assets:** The ratings are driven by the monopolistic nature of the underlying transmission assets, including potential transmission asset acquisitions. The track record of the assets indicates robust asset availability of over 99% since the project commissioning. The comfortable asset availability and stable revenue stream, bolstered by timely payments through the regulator-driven revenue pooling mechanism for interstate assets, have generated sufficient liquidity since the start of commercial operations. A change in the regulation for interstate assets affecting the pooling mechanism will be treated as an event-driven risk.

Revenue from transmission assets has a higher certainty and lower dependence on regulatory intervention than other power sector assets. The tariff recovery for transmission assets depends on their availability and is unaffected by the quantum of power flow. Given the concentration of conventional energy generation and renewable energy generation in specific regions of the country, transmission networks play an integral role in transferring power to demand centres and will remain critical in the power supply value chain. Transmission assets use standard technology and their lifecycle costs are the lowest than that for other infrastructure assets. Ind-Ra will monitor any significant damage in assets necessitating major restoration expenses.

**Moderate Debt Structure:** IndiGrid's debt features a cash flow waterfall mechanism, an interest service reserve and cash trap. The cash trap will be triggered in case the debt service coverage ratio (DSCR) falls below 1.11x and will be released only if it reaches 1.15x. According to InvIT regulations, the portfolio assets have to distribute at least 90% of the net distributable cash flows, while this will be subject to compliance of restricted payment conditions. IndiGrid's financing documents have a cross default with the external debt in any of its subsidiaries.

IndiGrid's net debt to asset value is about 52% according to valuation report for 31 December 2020. The ratio increased to 56% in January 2021, as IndiGrid completed the debt-funded acquisition of PKTCL. Eventually, IndiGrid will have to raise equity to fund acquisitions on reaching close to the net debt to asset value of 70%. The Securities and Exchange Board of India has increased the limit for the net debt to asset value for InvITs to 70% from 49%, subject to certain conditions including the credit rating of 'AAA'. Ind-Ra will monitor the prudence followed in debt structuring in the aspects of proportion of exposure to refinancing risk and amortisation schedule's suitability for maintaining

a robust project life coverage ratio (PLCR). According to Ind-Ra's estimates, the PLCR will be above 1.4x. While the rating sensitivity for PLCR is below 1.20x, Ind-Ra expects a PLCR higher than that as the share of solar increases in IndiGrid portfolio. Ind-Ra expects IndiGrid's DSCR is likely to be above 1.7x in FY21. The agency will also assess the liquidity buffer in comparison to the DSCR, as the debt to asset value increases.

**Liquidity Indicator - Adequate:** IndiGrid's cash flow stability is backed by the cash flow pooling mechanism that led to regular payments to transmission companies in the last seven years. On 18 February 2021, IndiGrid had cash of INR7.40 billion, including debt/interest service reserve of INR2.03 billion. Ind-Ra expects the average collection ratio to be above 90% over the next 12 months (over April-December 2020: 95%). IndiGrid raised a bill discounting facility during 1QFY21 and the same was entirely repaid in October 2020. The bill discounting facility led to the availability of sufficient liquidity in IndiGrid. IndiGrid does not have any refinancing requirement in FY21 and FY22.

IndiGrid plans to use the CP as a temporary liquidity facility. IndiGrid's dividend distribution depends on the calculation of net distributable cash flows, which includes the impact of working capital changes. Hence, any increase in receivable will also reduce the net distributable cash flows for the particular period. IndiGrid did not avail the Reserve Bank of India-prescribed moratorium.

**Refinancing Risk:** The debt structure of IndiGrid requires refinancing in FY23 and FY29. The new term loan of INR5 billion has been used to reduce the bullet maturity in FY28. Ind-Ra believes the refinancing risk is largely mitigated, given the stable asset profile, low operational complexity, predictable lifecycle maintenance cost, efficient collection mechanism and stable regulatory framework. Underlying assets are exposed to the interest rate risk. Given the increase in debt level and amortising structure envisaged by IndiGrid, the debt repayment will extend beyond the license period of 25 years from the licence award date of transmission assets. Ind-Ra believes there is a high possibility of extension in the licence to cover the term of 35 years from the scheduled commercial operations date, according to the transmission service agreement. Also, a private transmission licensee will undergo the licence renewal process by then, providing sufficient leeway to react even if there is any adverse development.

NCDs worth INR24.5 billion mature in FY23, requiring timely refinancing. Ind-Ra will monitor IndiGrid's performance for the visibility of timely refinancing and also for any deterioration in the overall credit profile that could lead to concerns regarding refinancing. Ind-Ra will monitor for visibility of refinancing six months ahead of any single maturity above INR5 billion.

**Acquisitions - Rating Monitorable:** Ind-Ra believes the trust's plan to acquire operating assets would not constrain its finances, given similar revenue certainty across transmission sector projects and low operating risks. The decision for acquisition would be based on yield accretion for unit holders. IndiGrid has the visibility of increasing its asset base from upcoming assets of SPTL. The agency expects the operating assets to exhibit similar solid characteristics, unless the assets are intrastate that could have an elongated working capital cycle, thereby altering the underlying asset pool's credit strength. Solar assets with a consistent operating track record and strong counterparties are planned to be added to IndiGrid portfolio. Ind-Ra believes the increase in share of solar operating assets with strong counterparties in IndiGrid's portfolio will gradually change its business profile to some extent over the near term. IndiGrid cannot increase the share of solar assets beyond 25% without an approval from debt investors. Ind-Ra will expect coverages and liquidity buffers in line with changing business profile. Additionally, the regulation allows holding under construction assets by InvIT, subject to a 10% ceiling of the total asset value. Therefore, the agency will monitor the plans and review the ratings as and when there are acquisitions and disposals.

## RATING SENSITIVITIES

**Negative:** Future developments that may, individually or collectively, result in a negative rating action are:

- a significant drop in the consolidated DSCR from the projected level,
- a drop in PLCR below 1.20x based on transmission service agreement tenor,
- an increased liquidity risk stemming from a spike in receivable days from the counterparties of the underlying assets,
- any systemic risk affecting the transmission sector, resulting in a significant decline in the Revenue, thus increasing the risk of non-payment of external debt and obligations,
- deterioration in the underlying asset quality and dominance of under construction assets and intrastate assets in the portfolio,
- any hindrance in acquiring 100% stake in any asset identified for acquisition
- an increase in the exposure to refinancing, leading to the net debt to asset value increasing to 70%.

## INVIT PROFILE

SPTL floated an InvIT called IndiGrid in October 2016. IndiGrid completed its initial public offering and listing in May 2017 and June 2017, respectively.

IndiGrid's portfolio includes BDTCL and Jabalpur Transmission Company Limited, RAPP Transmission Company Limited, Purulia Kharagpur Transmission Company Limited, Maheshwaram Transmission Limited - held through IndiGrid Limited (erstwhile Sterlite Grid1 Limited), a step-down subsidiary of IndiGrid, NTL - held through IndiGrid 1 Limited (erstwhile Sterlite Grid2 Limited), Odisha Generation Phase - II

Transmission Limited - held through IndiGrid 2 Limited (Sterlite Grid3 Limited), ENICL, GPTL, Jhajjar KT Transco Private Limited, Patran Transmission Company Limited and PKTCL. Except PKTCL, Patran Transmission Company and Jhajjar KT Transco, the remaining assets were bought from SPTL.

## INVIT OVERVIEW

IndiGrid was established under the Indian Trusts Act, 1882, by signing a deed of trust dated 21 October 2016 with the trustee (Axis Trustee Services Limited). The trustee monitors IndiGrid's operations in relation to its investment objectives and compliance to applicable regulations. IndiGrid was registered on 28 November 2016 under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations 2014 (InvIT regulations). As required by InvIT regulations, IndiGrid has appointed IIML and SPTL as investment manager and project manager, respectively. IIML, as investment manager, administers the operations of IndiGrid, including financial and operational aspects. IIML also assesses the potential acquisitions and proposes the same for the decision of the unit holders. As project manager for IndiGrid, SPTL is responsible for asset maintenance and carrying out of all operational tasks required as per the transmission service agreement.

IndiGrid receives interest on debt lent to the portfolio assets and dividend from the assets. The debt lent from IndiGrid to its assets would be subordinate to any external debt availed by those assets.

## FINANCIAL SUMMARY

Particulars (INR million)	FY20	FY19
Operating income	12,427	6,656
Total income	12,786	6,739
Operating EBITDA	11,797	6,108
Source: IndiGrid		

## RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook			
	Rating Type	Rated Limits (billion)	Rating	20 January 2021	31 October 2019	27 February 2019	14 March 2018
Long-term senior debt	Long-term	-	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Bank loan	Long-term	INR11.5	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
NCDs	Long-term	INR33.85	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	-
MLDs	Long-term	INR1.75	IND AAA/Stable	IND AAA/Stable	-	-	-
CPs	Short-term	INR2.50	IND A1+	IND A1+	-	-	-

## ANNEXURE

Instrument Type	ISIN	Date of Issue	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs	INE219X07017	31 August 2018	8.60 (variable)	31 August 2028	INR2.5	IND AAA/Stable
NCDs	INE219X07025	14 February 2019	7.11	14 February 2029	INR4.35	IND AAA/Stable
NCDs	INE219X07033	4 June 2019	9.10 (fixed)	3 June 2022	INR14.0	IND AAA/Stable
MLDs	INE219X07074	27 January 2020	8.40 (indexed to yield of a government security)	24 January 2024	INR1.75	IND AAA/Stable
NCDs	INE219X07124	29 December 2020	7.25	27 June 2025	INR1.50	IND AAA/Stable
NCDs	INE219X07132	29 December 2020	499 7.4	26 December 2025	INR1.00	IND AAA/Stable

NCDs^	-	-	-	3-5 years	INR0.50	IND AAA/Stable
NCDs^	-	-	-	3-10 years	INR10	IND AAA/Stable

^NCDs are yet to be issued

## COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## SOLICITATION DISCLOSURES

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

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## Applicable Criteria

[Rating Criteria for Infrastructure and Project Finance](#)  
[Rating Criteria for Availability-Based Projects](#)

## Analyst Names

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**Divya Charen C**

Senior Analyst

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**ANNEXURE C**

**VALUATION REPORT**

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

## **SPV: NER-II Transmission Limited (“NERTL”)**

**Valuation Date: 31<sup>st</sup> December 2020**

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

RV/SSR/R/2021/08

Date: 16<sup>th</sup> February 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, 1<sup>st</sup> Floor,  
Windsor Village, Kole Kalyan Off CST Road,  
Vidyanagari Marg, Santacruz (E),  
Mumbai - 400 098,  
Maharashtra, India.

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

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

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

Dear Sirs/Madams,

I, 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 18<sup>th</sup> December 2020, 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 Vehicle - **NER-II Transmission Limited** ("**NERTL**" or the "**SPV**") of Sterlite Power Grid Ventures Limited ("**SPGVL**") (now merged with Sterlite Power Transmission Limited ("**SPTL**")). IIML is acting as the investment manager to the Trust within the meaning of the SEBI InvIT Regulations.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPV or the Investment Manager except to the extent of my appointment as an independent valuer and the fee for this **Valuation Report** ("**Report**") and also for my appointment under Regulation 21(4) and 21(5) of the SEBI InvIT Regulations which is not contingent upon the values reported. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

I am enclosing the Report providing opinion on the fair enterprise value of the SPV on a going concern basis as at **31<sup>st</sup> December 2020** ("**Valuation Date**"). **Enterprise Value** ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

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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 SPV 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.

By nature, valuation is based on estimates and it includes the risks and uncertainties relating to the events occurring in the future. Accordingly, the actual figures in future may differ from these estimates and may have a significant impact on the valuation of the SPV.

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.

Further, I have been informed by the Investment Manager, that the forecasts / projections provided for the valuation exercises are prepared after reasonably evaluating and incorporating the impact of outbreak of COVID-19 pandemic as per prevalent conditions as on date.

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

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

RV draws your attention to the limitation of liability clauses in Section 10 of the Report.

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

Yours faithfully,

Swaminathan  
Sundaraman

Digitally signed by  
Swaminathan  
Sundaraman  
Date: 2021.02.16 18:30:50  
+05'30'

**S. Sundaraman**

Registered Valuer

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

UDIN: 21028423AAAACN1918

Place: Chennai

Encl: As above

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**Definition, abbreviation & glossary of terms**

Abbreviations	Meaning
BOOM	Build-Own-Operate-Maintain
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Ckms	Circuit Kilometres
COD	Commercial Operation Date
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest , Taxes , Depreciation and Amortization
Esoteric	Esoteric II Pte. Ltd
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FY	Financial Year Ended 31 <sup>st</sup> March
FYP	Five year Plan
IIML or Investment Manager	IndiGrid Investment Managers Limited (formerly known as Sterlite Investment Managers Limited)
INR	Indian Rupees
IVS	ICAI Valuation Standards, 2018
Kv	Kilo Volts
LTTC	Long Term Transmission Customer
Mn	Million
MVA	Mega Volt Ampere
MW	Mega Watts
NAV	Net Asset Value Method
NCA	Net Current Assets Excluding Cash and Bank Balances
NERTL or the SPV	NER-II Transmission Limited
O&M	Operation & Maintenance
PGCIL	Power Grid Corporation of India Limited
RV	Registered Valuer
SCOD	Scheduled Commercial Operation Date
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SIML	Sterlite Investment Managers Limited
SPGVL	Sterlite Power Grid Ventures Limited
SPTL	Sterlite Power Transmission Limited
SPV	Special Purpose Vehicle
T&D	Transmission & Distribution
the Trust or InvIT	India Grid Trust
the Trustee	Axis Trustee Services Limited
TAO	Tariff Adoption Order
TSA	Transmission Service Agreement
WACC	Weighted Average Cost of Capital

## 1. Executive Summary

### 1.1. Background

#### The Trust

- 1.1.1. India Grid Trust ("the **Trust**") was established on 21<sup>st</sup> October 2016 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882 by Sterlite Power Grid Ventures Limited ("**SPGVL**") (now merged with Sterlite Power Transmission Limited ("**SPTL**")) and is registered with the Securities and Exchange Board of India ("**SEBI**") as an InvIT on 28<sup>th</sup> November 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 power transmission assets in India. Pursuant to approval of unitholders obtained on 9<sup>th</sup> 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.
- 1.1.3. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6<sup>th</sup> June 2017.
- 1.1.4. In the Annual General Meeting of the Trust held on 28<sup>th</sup> September 2020, the unitholders of the Trust approved the induction of Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc ("**Esoteric**") as a Sponsor (as defined under the InvIT Regulations). Esoteric owns an approximately 23% stake in the Trust as on 31<sup>st</sup> December 2020.
- 1.1.5. Sterlite Power Grid Ventures Limited ("**SPGVL**") (now merged with Sterlite Power Transmission Limited ("**SPTL**")) is mainly engaged into the business of installation and operation of electricity transmission projects in India and Brazil. SPTL continues to be the Sponsor with approximately 0.35% stake in the Trust as on 31<sup>st</sup> December 2020.
- 1.1.6. SPTL and Esoteric are hereinafter together referred to as "the **Sponsors**".
- 1.1.7. Shareholding of the Trust as on 31<sup>st</sup> December 2020 is as under:

Sr. No.	Particulars	No. of Units	%
1	Sponsors	13,84,16,431	23.72%
2	Insurance Companies	4,90,46,634	8.41%
3	Mutual Fund	43,54,560	0.75%
4	Provident or pension funds	33,81,588	0.58%
5	Foreign Portfolio Investors	18,62,85,015	31.93%
6	Non-institutional investors	20,19,98,853	34.62%
<b>Total</b>		<b>58,34,83,081</b>	<b>100.0%</b>

Source: BSE

#### The Sponsors

- 1.1.8. SPGVL has been merged with SPTL; the holding company of SPGVL vide order issued by National Company Law Tribunal. Accordingly, SPTL has become one of the Sponsors of the Trust from the effective date of the merger, i.e. 15<sup>th</sup> November 2020.
- 1.1.9. SPGVL (now SPTL) is mainly engaged into the business of installation and operation of electricity transmission projects in India and Brazil. SPTL is a leading global developer of power transmission infrastructure with extensive experience in developing projects in India and Brazil. SPTL has successfully developed projects of about 13,700 circuit kilometers and 26,100 MVA in India and Brazil. Of the 15 power transmission projects in India executed by SPTL, 9 have been acquired by the Trust till date.
- 1.1.10. SPTL also serves as the Project Manager of the Trust. It entered into the Project Implementation and Management Agreement with the Trust on 10<sup>th</sup> November 2016.

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### 1.1.11. Shareholding of SPTL as on 31<sup>st</sup> March 2020:

Sr No.	Name of Shareholder	No of shares	% of Holding
1	<b>Total Promoter and Promoter Group</b>	<b>4,65,70,601</b>	<b>76.1%</b>
2	<b>Total Public Shareholders</b>	<b>1,46,11,301</b>	<b>23.9%</b>
	Institutional Investors	51,296	0.1%
	Non-institutional Investors	1,45,60,005	23.8%
	<b>Total</b>	<b>6,11,81,902</b>	<b>100.0%</b>

Source: Annual Report of SPTL

### 1.1.12. Esoteric II Pte. Ltd. (“**Esoteric**”) is an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”). Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with approximately US\$ 234 billion of assets under management as of 30<sup>th</sup> September 2020 that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds.

### 1.1.13. Shareholding of Esoteric as on 31<sup>st</sup> December 2020:

Sr. No.	Particulars	%
1	Esoteric I Pte. Limited	20.4%
2	KKR Ingrid Co-invest L.P.	76.7%
3	KKR PIP Investments L.P.	2.9%
	<b>Total</b>	<b>100.0%</b>

Source: Investment Manager

## **Investment Manager**

### 1.1.14. 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 will be responsible to carry out the duties of such a person as mentioned under SEBI InvIT Regulations.

### 1.1.15. Shareholding of the Investment Manager as on 31<sup>st</sup> December 2020 is as under:

Sr. No.	Particulars	%
1	Electron IM Pte. Ltd. (KKR affiliate entity)	60%
2	SPTL	40%
	<b>Total</b>	<b>100%</b>

Source: Investment Manager

### 1.1.16. **Target Asset to be Valued**

NER-II Transmission Limited (“**NERTL**” or “the **SPV**”) is engaged in the business of installation and operation of transmission lines and Substation on a Build-Own-Operate and Maintain (“**BOOM**”) basis.

NERTL was incorporated on 21<sup>st</sup> April 2015. It entered into a Transmission Service Agreement (“**TSA**”) on 27<sup>th</sup> December 2016. NERTL project was awarded to SPGVL by the Ministry of Power on 22<sup>nd</sup> February 2017 for a 35 year period from the scheduled commercial operation of the NERTL project on BOOM basis. The SPV has entered into a TSA to provide transmission services for 35 years.

The NERTL project is currently under development. The Scheduled Commercial Operation Date (“**SCOD**”) of the different elements of the project as per TSA is between 31<sup>st</sup> March 2020 and 30<sup>th</sup> November 2020. As per the letter from Ministry of Power letter dated 27<sup>th</sup> July 2020, the project

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has received an extension of 5 months and accordingly the revised SCOD will be between 31<sup>st</sup> August 2020 and 30<sup>th</sup> April 2021.

Based on discussions with Investment Manager, I understand that the project is expected to be fully commissioned by March 2021. Accordingly, for current valuation exercise, I have considered the Estimated Commercial Operation Date (“**ECOD**”) for each element between 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 as represented by the Investment Manager.

The NERTL project comprises of 4 number of 400kV (DC) / 132kV (DC) lines and substations as shown below:

Sr No	Element	Location	Line Specification (kVDC)	Line Length (kms)	ECOD	% Completion
1	Biswanath Chariyalli – Itanagar	Assam, Arunachal Pradesh	132kV D/C	68	31-Mar-21	81%
2	LILO of Biswanath Chariyalli (PG) – Itanagar	Arunachal Pradesh	132kV DC	9	31-Mar-21	92%
3	2 Nos of 132 kV line bays at Itanagar substation	Arunachal Pradesh	132kV		31-Mar-21	Mechanically completed
4	Silchar – Misa	Assam	400kV D/C	193	31-Mar-21	Mechanically completed
5	2*315 MVA substation at Surajmaninagar	Tripura	400/132 kV, 2x315 MVA		27-Jan-21	Commissioned
6	2 Nos of 132 kV line bays at PK Bari substation	Tripura	400/132 kV, 2x315 MVA		27-Jan-21	Commissioned
7	Surajmaninagar – P. K. Bari	Tripura	400kV D/C	96	27-Jan-21	Commissioned
8	2 Nos of 400 kV line bays at Palatana GBPP switchyard	Tripura	400 kV		27-Jan-21	Commissioned
9	AGTPP (NEEPCO) – P.K. Bari	Tripura	132kV D/C	83	01-Mar-21	Mechanically completed
10	2 Nos of 132 kV line bays at NEEPCO substation	Tripura	132kV		01-Mar-21	Mechanically completed
11	2*315 MVA substation at P.K. Bari	Tripura	132kV		01-Mar-21	Mechanically completed

Source: Investment Manager

\*As represented to me by the Investment Manager, NERTL shall be acquired by the Trust only after completion of the project and post the actual commercial operations date of the project.

The total Capital work in progress recorded in the books of NERTL as at 31<sup>st</sup> December 2020 is INR ~26,000 Mn. Further, NERTL is expected to incur an additional ~INR 2,000 Mn to complete the construction of the project. This amount will be incurred by NERTL only. The Trust shall acquire the equity stake in NERTL only once the project is completed and once the COD is achieved.

As at the Valuation Date, the SPV is owned 100% by Sterlite Grid Limited 4 (“**SGL4**”), the wholly owned subsidiary of SPGVL (now merged with SPTL) (one of the Sponsors).



**1.1.17. Proposed Transaction**

I understand that the Investment Manager is contemplating the acquisition of 100% equity stake / economic interest in NERTL from SPGVL (now merged SPTL) as per the extant terms of framework agreement between the Trust and the SPGVL (now merged SPTL). As represented to me by the Investment Manager, NERTL shall be acquired by the Trust only after completion of the project and post the actual commercial operations date of the project ("**Proposed Transaction**").

**1.2. Purpose and Scope of Valuation**

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**Purpose of Valuation**

- 1.2.1. As per regulation 21(8)(a) of the SEBI InvIT Regulations, for any transaction of purchase or sale of infrastructure projects whether directly or through SPV, for publicly offered InvITs, a full valuation of the specific project shall be undertaken.

In this regard, the Investment Manager and the Trustee have appointed S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake the fair valuation at enterprise level of NERTL as per the SEBI InvIT Regulations as at 31<sup>st</sup> December 2020. Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

Registered Valuer declares that:

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

This Report covers all the disclosures required as per the SEBI InvIT Regulations and the valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

**1.2.2. Scope of Valuation**

**Nature of the Asset to be Valued**

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value of NERTL. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

**Valuation Base**

Valuation Base means the indication of the type of value being used in an engagement. In the present case, RV has determined the fair value of NERTL at the enterprise level. Fair Value Bases defined as under:

**Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each

other except in certain circumstances where characteristics of an asset translate into a special asset value for the party (ies) involved.

**Valuation Date**

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of NERTL is 31<sup>st</sup> December 2020 (**"Valuation Date"**). The attached Report is drawn up by reference to accounting and financial information as on 31<sup>st</sup> December 2020 as provided by the Investment Manager. The RV is not aware of any other events having occurred since 31<sup>st</sup> December 2020 till date of this Report which he deems to be significant for his valuation analysis.

**Premise of Value**

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPV on a Going Concern Value defined as under:

**Going Concern Value**

Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place etc.

- 1.2.3. For the amount pertaining to the operating working capital, the Investment Manager has acknowledged to consider the same as per the extant terms of the framework agreement between the Trust and SPGVL (now merged with SPTL) to carry out the valuation of NERTL. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of trade payables related to operating expenses and trade receivables related to operating revenue.

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## 1.3. Summary of Valuation

I have assessed the fair value of NERTL using the discounted cash flow method under the income approach. Following table summarizes my explanation on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business.
Income Approach	Discounted Cash Flow	Yes	The revenue of the project is defined for 35 years under the TSA known as "Concession Period". Hence, the growth potential of the SPV and the true worth of its business would be reflected in its future earnings potential and therefore, DCF Method under the income approach has been considered as an appropriate method for the present valuation exercise.
Market Approach	Market Price	No	The equity shares of the SPV are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I have not considered CCM method in the present case.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm (FCFF) has been used for the purpose of valuation of NERTL. In order to arrive at the fair EV of NERTL under the Discounted Cash Flow (DCF) Method, I have relied on provisional financial statements as at 31<sup>st</sup> December 2020 as per management's best estimates prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of NERTL provided by the Investment Manager as at the Valuation Date based on their best judgement. The discount rate considered for NERTL for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital of NERTL. As NERTL is engaged in the business of installation and operation of transmission lines and substations on BOOM basis, the ownership of the underlying assets shall remain with the NERTL even after the expiry of 35 years. Accordingly, terminal period value i.e. value on account of cash flows to be generated even after the expiry of concession period of 35 years has been considered. Based on the methodology and assumptions discussed further, RV has arrived at the Fair Enterprise Value of the NERTL as on the Valuation Date:

Sr No.	SPV	WACC	Fair EV (INR Mn)
1	NERTL	7.40%	51,175

(Refer Appendix I & II for the detailed workings)

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

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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 following unobservable inputs:

1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.0%
2. Total Expenses considered during the projected period by increasing / decreasing it by 20%
3. Free Cash Flow in terminal period considered for the SPV increasing / decreasing it by 20%

Particulars	Lower Range	Base Range	Higher Range
	INR Mn	INR Mn	INR Mn
WACC	+1%	7.40%	-1%
	45,348	51,175	58,781
Total Expenses	+20%	190	-20%
	50,389	51,175	51,961
Terminal Period Cashflow	-20%	3,424	+20%
	50,400	51,175	51,950

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**2. Procedures adopted for current valuation exercise**

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- 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 NERTL;
- 2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;
- 2.2.3. Discussions with the Management on:
- Understanding of the businesses of NERTL – 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 NERTL.

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### 3. Overview of the InvIT and the SPV

#### The Trust

- 3.1. India Grid Trust was established on 21<sup>st</sup> October 2016 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882 by Sterlite Power Grid Ventures Limited (“**SPGVL**”) (now merged with Sterlite Power Transmission Limited (“**SPTL**”)) and is registered with the Securities and Exchange Board of India (“**SEBI**”) as an InvIT on 28<sup>th</sup> November 2016, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time (“the **SEBI InvIT Regulations**”).
- 3.2. It is established to own power transmission assets in India. Pursuant to approval of unitholders obtained on 9<sup>th</sup> 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.
- 3.3. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 6<sup>th</sup> June 2017. The unitholders of the Trust approved the induction of Esoteric II Pte. Ltd., an affiliate of KKR & Co. Inc (“**Esoteric**”) as a Sponsor (as defined under the InvIT Regulations) in the Annual General Meeting of the Trust held on 28<sup>th</sup> September 2020. SPTL and Esoteric are hereinafter together referred to as “the **Sponsors**”.
- 3.4. Shareholding of the Trust as on 31<sup>st</sup> December 2020 is as under:

Sr. No.	Particulars	No. of Units	%
1	Sponsors	13,80,76,231	23.66%
2	Insurance Companies	4,90,46,634	8.41%
3	Mutual Fund	43,54,560	0.75%
4	Provident or pension funds	33,81,588	0.58%
5	Foreign Portfolio Investors	18,62,85,015	31.93%
6	Non-institutional investors	20,23,39,053	34.68%
<b>Total</b>		<b>58,34,83,081</b>	<b>100.00%</b>

Source: BSE

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- 3.5. The Trust has acquired from SPGVL the SPVs, viz. BDTCL, JTCL, MTL, RTCL, PKTCL, NRSS, OGPTL, GPTL; PTCL from Techno Electric & Engineering Company Limited (“TEECL”); ENICL from SPTL & SPGVL and JKTPL from Kalpataru Power Transmission Ltd & TEECL. Further, the Trust also acquired Parbati Koldam Transmission Company Limited (“PrKTCL”) from Reliance Infra 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	JKTPL	PrKTCL
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	9 Jan 2021
Acquisition Value	37,020		4,697	3,542	5,861	2,320	40,465	11,980	10,200	10,850	3,100	8,150
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	-

**NER-II Transmission Limited ("NERTL" or "the SPV")**

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

Parameters	Details
Estimated Project Cost	INR 29,200 Mn
Total Length	449 kms / 832 Ckms
Total Capacity (MVA)	1,260
TSA Signing Date	27 <sup>th</sup> December 2016
SCOD as per TSA	31 <sup>st</sup> March 2020 to 30 <sup>th</sup> November 2020
Expiry Date of License	25 years from issue of Transmission License
ECOD	27 <sup>th</sup> January 2021 to 31 <sup>st</sup> March 2021

*Source: Investment Manager*

- 3.9. 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 COD of NERTL on a BOOM basis. NERTL was granted Transmission Licence by CERC on 23<sup>rd</sup> May 2017. The project consists of the following transmission lines and substations and they are being implemented on contract basis:
- 3.10. 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 27<sup>th</sup> July, the project has received an extension of 5 months and accordingly the revised SCOD will be between 31<sup>st</sup> August 2020 and 30<sup>th</sup> April 2021. Further, as per Investment Manager, the entire project is expected to commission by 31<sup>st</sup> March 2021. The element wise SCOD and Expected COD is given below:

Sr No	Element	Location	Line (kVDC)	Length (kms)	SCOD as per TSA	ECOD	% Completion
1	Biswanath Chariyalli – Itanagar	Assam, Arunachal Pradesh	132kV D/C	68	31-Mar-20	31-Mar-21	81%
2	LILO of Biswanath Chariyalli (PG) – Itanagar	Arunachal Pradesh	132kV DC	9	31-Mar-20	31-Mar-21	92%
3	2 Nos of 132 kV line bays at Itanagar substation	Arunachal Pradesh	132kV		31-Mar-20	31-Mar-21	Mechanically completed
4	Silchar – Misa	Assam	400kV D/C	193	30-Nov-20	31-Mar-21	Mechanically completed
5	2*315 MVA substation at Surajmaninagar	Tripura	400/132 kV, 2x315 MVA		31-Jul-20	27-Jan-21	Commissioned
6	2 Nos of 132 kV line bays at PK Bari substation	Tripura	400/132 kV, 2x315 MVA		31-Jul-20	27-Jan-21	Commissioned
7	Surajmaninagar – P. K. Bari	Tripura	400kV D/C	96	31-Jul-20	27-Jan-21	Commissioned
8	2 Nos of 400 kV line bays at Palatana GBPP switchyard	Tripura	400 kV		31-Jul-20	27-Jan-21	Commissioned
9	AGTPP (NEEPCO) – P.K. Bari	Tripura	132kV D/C	83	31-Mar-20	01-Mar-21	Mechanically completed
10	2 Nos of 132 kV line bays at NEEPCO substation	Tripura	132kV		31-Mar-20	01-Mar-21	Mechanically completed
11	2*315 MVA substation at P.K. Bari	Tripura	132kV		31-Mar-20	01-Mar-21	Mechanically completed

*Source: Investment Manager*



3.11. Following is the map showing area covered by NERTL:



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- 3.12. Due to the current scenario of Coronavirus ("Covid-19") pandemic, it was not possible to carry out plant visit and therefore the pictures of the SPV are taken from the website of SPTL:



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## 4. Overview of the Industry

### 4.1. Introduction:

- 4.1.1. India is the third largest producer and second largest consumer of electricity in the world, with the installed power capacity reaching 373.44 GW as of 31<sup>st</sup> October 2020. The country also has the fifth largest installed capacity in the world.
- 4.1.2. Over FY16-FY20, electricity production in India grew at a CAGR of 3%. Per capita electricity consumption in the country grew at a CAGR of 2.38% during FY16-19, reaching 1,181 Kilo-Watt hour ("KWh") in FY19.

### 4.2. Demand and Supply:

- 4.2.1 India continues to be a power deficient country even after an increasing trend in demand in the past. It is expected that energy requirement will continue to grow at healthy CAGR of 6.3% over FY19 to FY23. The primary growth drivers for rapid expansion in India's energy demand include green energy corridors for renewables, widening inter-regional demand-supply mismatch, rise in cross border trading in South Asian countries, rise in short term open access transactions, etc.
- 4.2.2 India has seen a robust growth in the installed power generation capacity in the past four years. With a generation of 1,558.7 Tera-Watt Hour ("TWh"), India is the third largest producer and the third largest consumer of electricity in the world.
- 4.2.3 Across India, energy requirement, peak demand and the supply of energy have all increased from an average year-on-year growth rate of ~5% in 2015-16 to 6% in 2018-19.
- 4.2.4 Details of Installed power capacity in India are as follows :-

Total installed capacity as at 31<sup>st</sup> October 2020

Sector	Total Capacity (GW)	% of Total
State sector	103.62	27.75%
Central sector	93.93	25.15%
Private sector	175.89	47.10%
<b>Total</b>	<b>373.44</b>	<b>100.00%</b>

Mode wise installed capacity as at 31<sup>st</sup> October 2020

Particulars	Total Capacity (GW)	% of Total
Thermal:		
- Coal	199.59	53.45%
- Lignite	6.26	1.68%
- Gas	24.96	6.68%
- Diesel	0.51	0.14%
Nuclear	6.78	1.82%
Hydro	45.70	12.24%
Renewable Energy Source	89.64	24.00%
<b>Total</b>	<b>373.44</b>	<b>100.00%</b>

- 4.2.5 As of 31<sup>st</sup> October 2020, India had installed 89.64 Gigawatts ("GW") of renewable energy capacity. Further, India has an ambitious target of 227 GW of variable renewable energy by 2022. The Government plans to double the share of installed electricity generation capacity of renewable energy to 40% till 2030.
- 4.2.6 New renewable energy infrastructure can now be built within two years from initial plans through to completion, years faster than any new coal or LNG fired plants. Unlike conventional thermal generation capacity which takes more than 5 years, renewable capacity addition takes less than 2 years to develop.

- 4.2.7 An additional 1.1 lakh ckms are required by financial year 2024 to manage the annual peak load demand of 225.7 GW, and to absorb the increasing share of variable renewable energy in the total electricity mix.
- 4.2.8 Further to support the power sector in the wake of ongoing COVID-19 pandemic, the government of India has announced an economic package amounting to INR 90,000 crores in the form of liquidity injection against receivables of power distribution companies.

**4.3. India's economic outlook**

- 4.3.1. The GDP of India has grown 6.8% during FY 2018-19. The GDP growth for the year 2019-20 was 4.2% which was affected due to the COVID-19 crisis.
- 4.3.2. India's power demand is likely to grow at 4-5% annually over the next decade and generation growth from renewable energy sources is likely to be faster.
- 4.3.3. Planned thermal capacity additions have slowed down significantly and the Government of India (GoI) has set massive renewable power capacity targets (450GW by 2030 – ambitious but signifies the policy marker's intentions)
- 4.3.4. Power is one of the key sectors attracting FDI inflows into India as 100 per cent FDI is allowed in this sector.
- 4.3.5. Cumulative FDI inflows into the sector from April 2000–June 2020 were US\$ 15.23 billion. Power sector accounted for 3 per cent of total inflows till December 2019.
- 4.3.6. From April 2000 to June 2020, India recorded FDI of US\$ 9.56 billion in non-conventional energy sector. New and renewable energy sector witnessed maximum power generation capacity addition, since 2000.
- 4.3.7. The country is also ranked sixth in list of countries to make most significant investments in clean energy by allotting US\$ 90 billion between 2010 and the second half of 2019.
- 4.3.8. As per Economic Survey 2018-19, additional investments in renewable plants up to year 2022 would be about US\$ 80 billion and an investment of around US\$ 250 billion for the period 2023-2030.
- 4.3.9. The ongoing liberalization of India's FDI regime has also led to a surge in investments, especially after the launch of the 'Make in India' campaign in October 2014.
- 4.3.10. Reduced macroeconomic vulnerability, coupled with improved government spending in infrastructure sectors, has enhanced India's Global Competitive Index (GCI) ranking to 68 in 2018-19 from 71 in 2014-15.

**4.4. Power transmission network in India:**

- 4.4.1. The transmission segment plays a key role in transmitting power continuously from the generation plants to various distribution entities. Transmission and sub-transmission systems supply power to the distribution system, which, in turn, supplies power to end consumers. In India, the Transmission and Distribution ("T&D") system is a three-tier structure comprising distribution networks, state grids and regional grids.
- 4.4.2. The distribution networks and state grids are primarily owned and operated by the respective State Transmission utilities or state governments (through state electricity departments). Most inter-state and inter-regional transmission links are owned and operated by Power Grid Corporation of India Limited ("PGCIL"), which facilitates the transfer of power from a surplus region to the ones with deficit.
- 4.4.3. The government's focus on providing electricity to rural areas has led to the T&D system being extended to remote villages. The total length of transmission lines in the country has grown at a slow rate of 6% CAGR during FY 11 and FY 17. The total transmission network has increased from 4,07,569 Ckms in FY 11 to around 425,071 Ckms in FY20.

- 4.4.4. As on January 2019 approx. 7.2% of total transmission network is owned by private players which showcase the need of more private sector participation in this space. India has been underinvested as far as transmission is concerned.
- 4.4.5. PGCIL has remained the single largest player in inter regional power transmission capacity addition contributing to 45%-50% of the total investment in the sector. With a planned expenditure outlay of INR 1.10 Trillion for the 12th five year plan, PGCIL has spent around INR 1.12 Trillion over 2013-17.
- 4.4.6. Of the total capacity-addition projects in transmission during the 12th FYP, about 42% can be attributed to the state sector. The share of private sector in transmission line and substation additions since the beginning of 12th FYP is 14% and 7%, respectively, as the majority of high-capacity, long-distance transmission projects were executed by PGCIL and state transmission utilities during this period.
- 4.4.7. In order to strengthen the power system and ensure free flow of power, significant investments would be required in the T&D segment. Moreover, commissioning of additional generation capacity, rising penetration of renewable energy, regional demand-supply mismatches, up gradation of existing lines, rising cross border power trading would necessitate huge investments in transmission sector in India.
- 4.4.8. Thus, going forward, the share of power sector investments are expected to veer towards the T&D segment. Moreover, strong government focus on the T&D segment will also support investments. CRISIL Research expects the transmission segment share in total power sector investments to rise sharply to 33% over 2017-21 from only 20% over 2012-16. Thus, it is expected that transmission segments investments will increase 1.5 times to INR 3.1 trillion over 2017-21 as compared to the previous 5 year period.

*(Source: CRISIL Opportunities in power transmission in India - March 2019 & August 2019, IBEF report on Power sector in India- December 2019, August 2019, August 2020 and November 2020, Central Electricity Authority Data as mentioned in PGCIL and Adani Transmission Limited Annual Reports, CEA Executive Summary on Power Sector October 2020, CEA website and the Hindu article dated 13<sup>th</sup> May 2020, Systematix Indian Power Sector dated 27<sup>th</sup> March 2020)*

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## 5. Valuation Methodology and Approach

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- 5.1. The present valuation exercise is being undertaken in order to derive the fair EV of NERTL.
- 5.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.
- 5.3. There are three generally accepted approaches to valuation:
  - (a) "Cost" approach
  - (b) "Market" approach
  - (c) "Income" approach

### 5.4. **Cost Approach**

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

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

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

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

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

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

### 5.5. **Market Approach**

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

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

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

#### Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("EBITDA") multiple and EV/Revenue multiple.



#### Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

#### 5.6. **Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

#### Discounted Cash Flow ("DCF") Method

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

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

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The Business/EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

#### **Conclusion on Valuation Approach**

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- 5.7. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my 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 SPV. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPV, and other factors which generally influence the valuation of companies and their assets.
- 5.8. The goal in selection of valuation approaches and methods for any financial instrument is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

### **Cost Approach**

The existing book EV of NERTL comprising of the value of its Net fixed assets, Capital work in progress and working capital based on the provisional financial statement as at 31<sup>st</sup> December 2020 as per Investment Manager's best estimates as per Indian Accounting Standards (Ind AS) are as under:

<i>INR Mn</i>		
<b>Sr No.</b>	<b>SPV</b>	<b>Book EV</b>
1	NERTL	26,450

The total Capital work in progress recorded in the books of NERTL as at 31<sup>st</sup> December 2020 is INR ~26,000 Mn. Further, NERTL is expected to incur an additional ~INR 2,000 Mn to complete the construction of the project. In the present case, since the SPV has entered into TSA, the revenue of SPV is pre-determined for the life of the projects. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, since the NAV does not capture the future earning potential of the businesses, I have not considered the cost approach for the current valuation exercise.

### **Market Approach**

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

### **Income Approach**

The SPV is operating as BOOM model based projects. The revenues of the projects are defined for 35 years under the TSA. Hence, the growth potential of the SPV and the true worth of its business would be reflected in its future earnings potential and therefore, DCF Method under the income approach has been considered as an appropriate method for the present valuation exercise.

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## 6. Valuation of the SPV

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

### Valuation

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

#### Key Assumptions

6.1.1. **Commercial Operations Date:** As per the terms of TSA, the SCOD for various elements of the SPV is between 31<sup>st</sup> March 2020 and 30<sup>th</sup> November 2020; which is extended for a period of 5 months. Accordingly, the revised overall SCOD will be between 31<sup>st</sup> August 2020 and 30<sup>th</sup> April 2021 for different elements. However, as stated above, the Investment Manager expects that the entire project is will be completed by 31<sup>st</sup> March 2021.

Since acquisition of NERTL by the Trust shall be undertaken post achievement of COD as specified in the framework agreement between the Trust and SPGL (now merged with SPTL), all responsibilities pertaining to the SPV up to the date of acquisition shall be undertaken by SPGVL (now merged with SPTL).

6.1.2. **Transmission Revenue:** The transmission revenue of NERTL comprises of non escalable transmission revenue and escalable transmission revenue as provided in the TSA read with Tariff Adoption Order (“TAO”).

- **Non Escalable Transmission Revenue:** The Non Escalable Transmission Revenue remains fixed for the entire life of the project. I have corroborated the revenue considered in the financial projections with the respective TSA read with TAO and documents provided to me by the Investment Manager.
- **Escalable Transmission Revenue:** Escalable Transmission Revenue is the revenue component where the revenue is duly escalated based on the rationale as provided in the respective TSA read with TAO and documents provided to me by the Investment Manager. The escalation is to mainly compensate for the inflation factor. In case of NERTL, no escalable revenue has been considered as provided in the TAO.

6.1.3. **Incentives:** As provided in the respective TSA, if the annual availability exceeds 98%, the SPV shall be entitled to an annual incentive as provided in TSA. Provided no incentives shall be payable above the availability of 99.75%. In the present case, COD has not been achieved as on the Valuation Date. However, based on the experience of Investment Manager of operating similar assets over a period of time, I have been represented that annual availability shall be above 98% and the SPV shall be entitled to the incentives as provided in the respective TSA. Accordingly, incentives have been considered in the financial projections.

6.1.4. **Penalty:** If the annual availability in a contract year falls below 95%, the SPV shall be liable for an annual penalty as provided in the TSA. Based on my analysis in Para 6.1.2, in the present case, it is assumed that the annual availability will not fall below 95% and hence, penalty is not considered in the financial projections.

6.1.5. **Expenses:** Expenses are estimated by the Investment Manager for the projected period based on the inflation rate as determined for the SPV. I have relied on the projections provided by the Investment Manager.

- **Operations & Maintenance (“O&M”):** O&M expenditure is estimated by the Investment Manager for the projected period based on the inflation rate as determined for the SPV. The Investment Manager has projected expenses to be incurred for the O&M of the SPV

including, but not limited to, transmission line maintenance expenses, rates and taxes, legal and professional fees and other general and administration expenses. I have relied on the projections provided by Investment Manager on the O&M expenses for the projected period.

- **Insurance Expenses:** I understand from the Investment Manager that the insurance expenses of the SPV are not reasonably expected to inflate for the projected period. I have relied on the projections provided by the Investment Manager on the insurance expenses for the projected period.
- 6.1.6. **Depreciation:** The book depreciation has been provided by the Investment Manager till the life of the SPV. For calculating depreciation as per Income Tax Act for the projected period, I have considered depreciation rate as specified in the Income Tax Act and WDV as provided by the Investment Manager.
- 6.1.7. **Capital Expenditure (“Capex”):** In the present case, the project is under construction and has not achieved COD as on the Valuation Date. However, as per the framework agreement between the Trust and SPGVL (now merged with SPTL), the liability on account of Capex shall be borne by SPGVL (now merged with SPTL) and not the Trust. Accordingly, Capex has not been considered for the projected period.
- 6.1.8. **Tax and Tax Incentive:** There have been changes in tax regime pursuant to introduction of Taxation Laws (Amendment) Ordinance 2019 made on 20<sup>th</sup> September 2019 which was enacted to make certain amendments in the Income Tax Act 1961 and the Finance (No 2) Act 2019.
- As per the discussions with the Investment Manager, the new provision of Income Tax Act has been considered for the projected period of the SPV for the current valuation exercise, which inter alia does not provide benefits of additional depreciation, section 115 JB and section 80IA. Accordingly, the base tax rate of 22% is considered.
- 6.1.9. **Working Capital:** The Investment Manager has represented the working capital requirement of the SPV for the projected period. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of trade receivables and trade payables.

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

As informed by the Investment Manager, the status of ongoing litigations is updated in Appendix IV and the status of Legal notices received is updated in Appendix V. Investment Manager has informed me that it expects majority of the cases to be settled in favour of NERTL and accordingly no outflow is expected against the litigations.

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6.3. **Calculation of Weighted Average Cost of Capital for the SPV**

6.3.1. **Cost of Equity:**

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

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

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

Wherein:

K(e) = cost of equity

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

ERP = Equity Risk Premium

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

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

For valuation exercise, I have arrived at adjusted cost of equity of the SPV based on the above calculation (Refer Appendix I).

6.3.2. **Risk Free Rate:**

I have applied a risk free rate of return of 6.25% on the basis of the relevant zero coupon yield curve as on 31<sup>st</sup> December 2020 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited (“CCIL”).

6.3.3. **Equity Risk Premium (“ERP”):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the above a 7% equity risk premium for India is considered appropriate.

6.3.4. **Beta:**

Beta is a measure of the sensitivity of a company’s stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPV for an appropriate period.

Based on my analysis of the listed InvITs and other companies in power and infrastructure sectors, I find it appropriate to consider the beta of Power Grid Corporation of India Limited (“PGCIL”) for the current valuation exercise.

I have further unlevered the beta of PGCIL based on market debt-equity of the respective company using the following formula:

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

However, for the current valuation exercise, I have adjusted the unlevered beta of PGCIL based on advantageous factors to the SPV like completion of projects, revenue certainty, and concentration in transmission business, lack of execution uncertainty etc. to arrive at the adjusted unlevered beta appropriate to the SPV.

Further I have re-levered it based on debt-equity at 70:30 based on the industry standard using the following formula:

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

Accordingly, as per above, I have arrived at re-levered betas of the SPV. (Refer Appendix I)

**6.3.5. Temporary Additional Risk Premium:**

In the present case, I have valued the SPV EV considering the DCF Method of valuation, which is based on the principle that the fair market value of an entity may be measured by the present value of its future cash flows. The present value is calculated through the use of a discount rate.

A discount rate is the way an investor reflects the risks of an investment. In simple terms, the higher the risk, the higher the rate of return required. One element of the discount rate that has been directly impacted by COVID-19 is the equity risk premium ("ERP"). An ERP reflects the additional return that investors demand for investing in equity securities, as a group, relative to risk-free investments. Accordingly, I found it appropriate to consider a Temporary Additional Risk Premium ("TARP") in the current valuation exercise. Given the current relatively improved market and situation after the initial uncertainty created due to the COVID-19 on the macro-economic factors, I have considered a TARP of 0.5% on the ERP which will be subject to frequent review.

**6.3.6. Company Specific Risk Premium:**

In the present case, NERTL project is currently under construction. The Trust is expected to acquire the equity stake or economic interest in the SPV only once NERTL achieves COD. Accordingly, I have not considered any company specific risk premium as the project completion risk shall not be borne by the Trust.

**6.3.7. Cost of Debt:**

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

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

Wherein:

$K(d)$  = Cost of debt

T = tax rate as applicable

The Trust shall acquire the SPV post completion of construction and achievement of COD and refinance the existing debt. Thus, as represented by the Investment Manager, going forward estimated average pre-tax cost of debt after refinancing is considered to be 7.80% p.a. for the SPV.

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

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

Formula for calculation of WACC:

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

In present valuation exercise, I have considered debt:equity at 70:30 based on industry standard. Accordingly, as per above, I have arrived the WACC of the SPV. (Refer Appendix I).

- 6.4. I understand from the representation of the Investment Manager that the SPV will generate cash flow even after the expiry of concession period of 35 years as the project is on BOOM model and the ownership will remain with the SPV even after the expiry of 35 years. The value of the SPV at the end of the concession period may be dependent on the expected renewal/extension of concession period with limited capital expenditure or the estimated salvage value the assets of the SPV can fetch.

Considering the estimation uncertainty involved in determining the salvage value and basis my discussion with the Investment Manager on the cash flow estimates for the period after the concession period, I found it appropriate to derive terminal period value, which represents the present value at the end of explicit forecast period/concession period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life, based

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on the perpetuity value derivation / Gordon growth model with 0% terminal growth rate. Accordingly, for the terminal period (i.e. after the expiry of 35 years), a terminal growth rate of 0% has been applied on EBITDA based on the projected industry outlook and Investment Manager's estimate.

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## 7. Valuation Conclusion

- 7.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.
- 7.2. 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 has been factored in to arrive at EV of NERTL.
- 7.3. Based on the above analysis the EV as on the Valuation Date of NERTL is INR 51,175 Mn (Refer Appendix II).
- 7.4. EV is described as the total value of the equity in a business plus the value of its debt and debt-related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 7.5. The fair EV of NERTL is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.
- 7.6. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 7.7. Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which are as indicated below:
1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.0%
  2. Total Expenses considered during the projected period by increasing / decreasing it by 20%
  3. Free Cash Flow in terminal period considered for the SPV increasing / decreasing it by 20%

Particulars	Lower Range	Base Range	Higher Range
	INR Mn	INR Mn	INR Mn
WACC	+1%	7.40%	-1%
	45,348	51,175	58,781
Total Expenses	+20%	190	-20%
	50,389	51,175	51,961
Terminal Period Cashflow	-20%	3,424	+20%
	50,400	51,175	51,950

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

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### **Scope of Work**

- 8.1. The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT. The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of NERTL are as follows:
- List of one-time sanctions/approvals which are obtained or pending;
  - List of up to date/overdue periodic clearances;
  - Statement of assets;
  - Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
  - Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
  - On-going material litigations including tax disputes in relation to the assets, if any;
  - Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

### **Limitations**

- 8.2. This Report is based on the information provided by the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to us. I have not verified the information independently with any other external source.
- 8.3. I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.
- 8.4. I have assumed that the documents submitted to me by the Investment Manager in connection with any particular issue are the only documents related to such issue.
- 8.5. I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

### **Analysis of Additional Set of Disclosures for NERTL**

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

As informed by the Investment Manager there are no applications for government sanctions/licenses obtained by NERTL related to CERC / Transmission line for which approval is pending as on 31<sup>st</sup> December 2020 except for Substation Approval (Building NOC and Fire Inspection Report and Fire NOC) and Stage II Forest Clearance (Silchar to Misa Transmission Line, Biswanath Chariali to Itanagar Transmission Line and Biswanath Chariali to Itanagar Transmission Line with Lilo). The list of sanctions/approvals obtained by NERTL till 31<sup>st</sup> December 2020 is provided in Appendix III

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

I have included the periodic clearances obtained by NERTL in Appendix III.

C. Statement of assets:

As at 31<sup>st</sup> December 2020, details of the asset of the SPV are as follows:-

				INR Million
Asset Type	Gross Block	Depreciation	Net Block	% of asset depreciated
Land	59.64	-	59.64	0%
Plant & Machinery	1.05	0.53	0.52	50%
<b>TOTAL</b>	<b>60.69</b>	<b>0.53</b>	<b>60.16</b>	

Source: Provisional Financials of 31st December 2020

NERTL has Capital Work In Progress of INR 26,011.62 million as at 31<sup>st</sup> December 2020.

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

I noted in the financial statements that NERTL has incurred INR 5.21 million during the period ended 31<sup>st</sup> December 2020 for the maintenance charges of Transmission Lines. I have relied on the operation and maintenance expenses as provided by the Investment Manager for the projected period.

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

Investment Manager has informed me that there are no dues including local authority taxes pending to be payable to the Government authorities with respect to InvIT assets.

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

As informed by the Investment Manager, the status of ongoing litigations is updated in Appendix IV and the status of Legal notices received is updated in Appendix V. Investment Manager has informed me that it expects majority of the cases to be settled in favour of NERTL and accordingly no outflow is expected against the litigations.

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

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

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## 9. Sources of Information

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

- 9.1. Audited financial statements of NERTL for the Financial Year ("FY") ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020;
- 9.2. Provisional Profit & Loss Account and Balance Sheet of NERTL for the period ended 31<sup>st</sup> December 2020;
- 9.3. Projected Profit & Loss Account and Working Capital requirements of the SPV from 1<sup>st</sup> January 2021 to 30<sup>th</sup> March 2056.
- 9.4. Details of brought forward losses (as per Income Tax Act) as at 31<sup>st</sup> March 2019;
- 9.5. Details of Written Down Value ("WDV") (as per Income Tax Act) of assets as at 31<sup>st</sup> March 2019;
- 9.6. Transmission Service Agreement of NERTL with Long Term Transmission Customers ("**LTTC**") dated 27<sup>th</sup> December 2016 and Tariff Adoption Order by Central Electricity Regulatory Commission ("**CERC**").
- 9.7. Management Representation Letter by Investment Manager dated 15<sup>th</sup> February 2021.

The information provided to me by the Investment Manager in relation to the SPV 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 occurred.

By nature, valuation is based on estimates, however, considering the outbreak of COVID-19 Pandemic and the consequent economic slowdown, the risks and uncertainties relating to the events occurring in the future, the actual figures in future may differ from these estimates and may have a significant impact on the valuation of the SPV.

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 ourselves that such information has been prepared on a reasonable basis.

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

Further, considering the current crisis in relation to COVID-19 in India and across the globe, I have been informed by the Investment Manager, that the forecasts / projections provided for the valuation exercises are prepared after reasonably evaluating and incorporating the impact of outbreak of COVID-19 pandemic as per prevalent conditions as on date.

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## **10. Exclusions and Limitations**

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- 10.1. The Valuation Report is based on the provisional financial statements as on 31<sup>st</sup> December 2020 as per the management's best estimates this is subject to change on receipt of financial statements as of that date. The Report is only for the consideration of Investment Committee and not for any regulatory filing.
- 10.2. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 10.3. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than valuation date of 31<sup>st</sup> December 2020 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 10.4. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of NERTL till 31<sup>st</sup> December 2020. The Investment Manager has represented that the business activities of NERTL have been carried out in normal and ordinary course between 31<sup>st</sup> December 2020 and the Report Date and that no material changes have occurred in the operations and financial position between 31<sup>st</sup> December 2020 and the Report date.
- 10.5. I have been informed by the management that there will be limited impact of the on-going Covid-19 pandemic outbreak on the operations of the SPV and the projections are after considering the same.
- 10.6. The scope of my assignment did not involve me 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 my 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 SPV or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPV in their regulatory filings or in submissions, oral or written, made to us.
- 10.7. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out herein which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 10.8. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to 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 SPV 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 my Report.
- 10.9. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 10.10. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 10.11. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report

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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.

- 10.12. This Report is based on the information received from the sources mentioned in para 9 and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.
- 10.13. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on 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 my engagement, others may place a different value on this business.
- 10.14. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 10.15. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 10.16. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 10.17. My conclusion assumes that the assets and liabilities of the SPV, reflected in their respective latest balance sheets remain intact as of the Report date.
- 10.18. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither ourselves, nor any of my partners, directors, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.
- 10.19. The scope of my work has been limited both in terms of the areas of the business and operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 10.20. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by us.
- 10.21. In the particular circumstances of this case, 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.
- 10.22. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.
- 10.23. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 10.24. I am not advisor with respect to legal tax and regulatory matters for the proposed transaction. No investigation of the SPV claim to title of assets has been made for the purpose of this Report and the SPV claim to such rights have been assumed to be valid. No consideration has

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been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

- 10.25. I have no present or planned future interest in the Trustee, Investment Manager or the SPV and the fee for this Report is not contingent upon the values reported herein. 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.
- 10.26. 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.

### 10.27. Limitation of Liabilities

- 10.27.1. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of the RV's personnel personally.
- 10.27.2. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise) even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable.
- 10.27.3. It is clarified that the IIML and Trustee will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
- 10.27.4. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by IIML or the Trustee.

### 10.28. Limitation on account of COVID-19 and Significant Valuation Uncertainty in Valuation

- 10.28.1. The global spread of COVID-19 has created significant volatility, uncertainty and economic disruption. The extent to which the coronavirus pandemic impacts businesses of the SPV, its operations and financial results will depend on numerous evolving factors that one may not be able to accurately predict as of now. The COVID-19 pandemic has already had several significant effects, direct and indirect, short/long term impact, on the SPV business, including the ability of its customers to pay for the SPV services, higher credit cost, higher operating cost, etc. as a result of the slowdown in the Indian economy driven by the responses to the pandemic.
- 10.28.2. The impact of the outbreak has been rapidly evolving in India and India have already reacted by instituting quarantine measures, mandating business and school closure and restricting travel, all of which have had an adverse effect on the India's economic performance. To cushion the economic and financial market impacts, the government of India has committed to fiscal stimulus, liquidity provisions and financial support. Accordingly, the COVID-19 pandemic might have a significant impact on the risk-free rate of India in the future.
- 10.28.3. In the present case, I have valued the SPV Enterprise Value considering the DCF Method of valuation, which is based on the principle that the fair market value of an entity may be measured by the present value of its future cash flows. The present value is calculated through the use of a discount rate. A discount rate is the way an

investor reflects the risks of an investment. In simple terms, the higher the risk, the higher the rate of return required. One element of the discount rate that has been directly impacted by COVID-19 is the equity risk premium ("ERP"). An ERP reflects the additional return that investors demand for investing in equity securities, as a group, relative to risk-free investments. Accordingly, I found it appropriate to consider a Temporary Additional Risk Premium ("TARP") in the current valuation exercise. Given the current relatively improved market and situation after the initial uncertainty created due to the COVID-19 on the macro-economic factors, I have considered a TARP of 0.5% on the ERP.

- 10.28.4. It is important to highlight that the current pandemic has created significant uncertainty in valuation and accordingly, I would recommend a degree of caution to the values arrived under current circumstances as the same may change rapidly depending on the changing market scenario. For avoidance of doubt, the existence of significant uncertainty does not mean that valuation cannot be undertaken but it means existence of significant assumptions within the valuation approach and methodology which are based on factors whose outcome are uncertain and hence, results in lower certainty of the value determined in the valuation, than would otherwise be in this case.
- 10.28.5. 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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Swaminathan Sundararaman  
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**S. Sundararaman**

Registered Valuer

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

UDIN: 21028423AAAACN1918

Place: Chennai

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

Particulars	NERTL	Remarks
Risk Free Rate (Rf)	6.25%	Risk free rate has been considered based on zero coupon yield curve as at 31st December 2020 of Government Securities having maturity period of 10 years, as quoted on CCIL's website
Equity Risk Premium (ERP)	7.00%	Based on historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds 7% equity risk premium for India is considered appropriate
Temporary Additional Risk Premium - COVID 19 (TARP)	0.50%	On account of COVID-19
Beta (relevered)	0.60	Beta has been considered based on beta of companies operating in similar kind of business in India
Cost of Equity	10.78%	$K_e = R_f + (ERP + TARP) * \beta$
Pre-tax Cost of Debt	7.80%	As represented by Investment Manager
Effective tax rate of SPV	23.73%	Average tax rate for life of the project has been considered
Post-tax Cost of Debt	5.95%	$K_d = \text{Pre-tax } K_d * (1 - \text{Effective Tax Rate})$
Debt / (Debt+Equity)	70.00%	The debt - equity ratio computed as $[D/(D+E)]$ is considered as 70% as per industry standards
<b>WACC</b>	<b>7.40%</b>	<b><math>WACC = [K_e * (1 - D/(D+E))] + [K_d * (1 - t) * (D/(D+E))]</math></b>

CCIL - Clearing Corporation of India Limited

## Appendix II – Valuation of NERTL as on 31<sup>st</sup> December 2020

WACC	7.40%
Terminal Growth Rate	0.00%

										INR Mn
FY	Revenue	EBITDA	EBITDA Margin	Capex	Changes in NCA	Taxation	FCFF	Cash Accrual Factor	Discounting Factor	PV of cashflows
FY21*	-	-	-	-	-	-	-	0.13	0.99	-
FY22	4,067	3,877	95%	-	-213	-	4,090	0.75	0.95	3,877
FY23	4,067	3,868	95%	-	-1	-	3,869	1.75	0.88	3,415
FY24	4,741	4,534	96%	-	165	255	4,114	2.75	0.82	3,381
FY25	4,644	4,430	95%	-	-25	438	4,017	3.75	0.77	3,074
FY26	4,547	4,326	95%	-	-25	513	3,837	4.75	0.71	2,734
FY27	4,547	4,317	95%	-	-1	597	3,721	5.75	0.66	2,468
FY28	4,451	4,206	95%	-	-26	643	3,589	6.75	0.62	2,217
FY29	4,354	4,100	94%	-	-25	678	3,446	7.75	0.58	1,982
FY30	4,257	3,993	94%	-	-25	705	3,314	8.75	0.54	1,774
FY31	4,160	3,880	93%	-	-26	721	3,185	9.75	0.50	1,588
FY32	4,067	3,775	93%	-	-24	733	3,067	10.75	0.46	1,424
FY33	5,151	4,848	94%	-	266	1,036	3,546	11.75	0.43	1,533
FY34	5,235	4,913	94%	-	18	1,080	3,815	12.75	0.40	1,535
FY35	5,316	4,980	94%	-	18	1,120	3,842	13.75	0.37	1,440
FY36	5,346	4,997	93%	-	6	1,144	3,847	14.75	0.35	1,342
FY37	5,463	5,092	93%	-	26	1,185	3,880	15.75	0.32	1,261
FY38	5,549	5,163	93%	-	19	1,217	3,926	16.75	0.30	1,188
FY39	5,545	5,141	93%	-	-3	1,224	3,920	17.75	0.28	1,104
FY40	5,539	5,111	92%	-	-5	1,227	3,888	18.75	0.26	1,020
FY41	5,532	5,086	92%	-	-4	1,230	3,860	19.75	0.24	943
FY42	5,525	5,059	92%	-	-4	1,230	3,832	20.75	0.23	871
FY43	5,607	5,112	91%	-	17	1,250	3,845	21.75	0.21	814
FY44	5,633	5,116	91%	-	4	1,257	3,856	22.75	0.20	760
FY45	5,621	5,081	90%	-	-6	1,253	3,834	23.75	0.18	704
FY46	5,608	5,034	90%	-	-8	1,245	3,797	24.75	0.17	649
FY47	5,592	4,993	89%	-	-7	1,238	3,762	25.75	0.16	599
FY48	5,575	4,948	89%	-	-8	1,229	3,727	26.75	0.15	552
FY49	5,555	4,889	88%	-	-10	1,217	3,682	27.75	0.14	508
FY50	5,514	4,817	87%	-	-14	1,201	3,630	28.75	0.13	466
FY51	5,514	4,785	87%	-	-4	1,194	3,595	29.75	0.12	430
FY52	5,514	4,740	86%	-	-6	1,184	3,561	30.75	0.11	397
FY53	5,514	4,704	85%	-	-5	1,177	3,531	31.75	0.10	366
FY54	5,514	4,666	85%	-	-5	1,168	3,502	32.75	0.10	338
FY55	5,514	4,613	84%	-	-7	1,156	3,464	33.75	0.09	311
FY56**	4,663	3,720	80%	-	-52	932	2,840	34.75	0.08	238
TV	5,514	4,570	83%	-	-	1,146	3,424	34.75	0.08	287
Present Value of Explicit Period Cashflows										47,302
Present Value of Terminal Year Cashflows										3,873
<b>Enterprise Value</b>										<b>51,175</b>

\*for the period 1st January 2021 to 31st March 2021

\*\*for the period ended 30th March 2056

**Appendix III – NERTL – Summary of Approvals & Licences (1/7)**

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
1	Transmission License	27-Jul-17	25	Central Electricity Regulatory Commission
2	<b><u>Transmission Service Agreement</u></b>			
	Transmission Service Agreement between NERTL & Long Term Transmission Customers	27-Dec-16	Valid	
	Transmission Service Agreement between NERTL & Central Transmission Utility	15-Nov-17	Valid	
3	Connectivity permission	22-Oct-20	Valid	Power Grid Corporation of India Limited
4	Registration of NERTL as user under NERLDC	17-Mar-20	Valid	Power System Operation Corporation Limited
5	Share Purchase Agreement between RECTPCL, NERTL and SGL 4	31-Mar-17	Valid	
6	<b><u>Approval for Adoption of Tariff</u></b>			
	Tariff Adoption Order	12-Jun-17	Valid	Central Electricity Regulatory Commission
7	<b><u>Approvals under Electricity Act, 2003</u></b>			
	Approval under section 68(1) of Electricity Act, 2003	7-Feb-17	Valid	Ministry of Power, Government of India
	Approval from GOI under section 164 of Electricity Act, 2003 - Under Gazette of India	31-Aug-18	25	Ministry of Power, Government of India
8	<b><u>Energisation Clearance</u></b>			
	Approval for Energisation of 2 nos. of 132 kV line bays at AGTPP Switchyard under regulation 43 of CEA	1-Dec-20	Valid upto 12-Nov-22	Central Electricity Authority, Ministry of Power, GOI
	Approval for Energisation of 2 nos. of 132 kV line bays at P.K Bari substation under regulation 43 of CEA	1-Dec-20	Valid upto 11-Nov-22	Central Electricity Authority, Ministry of Power, GOI
	Approval for Energisation of 400/132 kV P.K Bari substation under regulation 43 of CEA	1-Dec-20	Valid upto 11-Nov-22	Central Electricity Authority, Ministry of Power, GOI
	Approval for Energisation of 400/132 kV Surajmaninagar substation under regulation 43 of CEA	1-Dec-20	Valid upto 12-Nov-22	Central Electricity Authority, Ministry of Power, GOI
9	<b><u>Defence Clearance</u></b>			
	NOC from aviation angle for construction of 132 kV D/C Bishwanath Chariali Itanagar Transmission line and Lilo of Bishwanath Chariali to Gohpur by NERTL	29-Apr-19	Valid	Air HQ, Ministry of Defence
	NOC from aviation angle for construction of 132 kV D/C AGTPP (NEEPCO) to P.K Bari and 400 kV D/C Surajmaninagar to P.K Bari Transmission line on multi circuit towers under NERTL	22-May-19	Valid	Air HQ, Ministry of Defence
	NOC from aviation angle for construction of 400 kV D/C (Quad) Silchar Misa Transmission line by NERTL	19-Feb-19	Valid	Air HQ, Ministry of Defence

Source: Investment Manager



Appendix III – NERTL – Summary of Approvals & Licences (2/7)

Sr. No.	Approvals	Validity		Issuing Authority
		Date of Issue	(in years)	
10	<b>Aviation Clearance</b>			
	NOC for Height Clearance HOLO/NORTH_EAST/P/020419/369344 HOLO/NORTH_EAST/P/020419/369345 HOLO/NORTH_EAST/P/020419/369348 HOLO/NORTH_EAST/P/020419/369349 HOLO/NORTH_EAST/P/020419/369350 HOLO/NORTH_EAST/P/020419/369351 HOLO/NORTH_EAST/P/020419/369354 HOLO/NORTH_EAST/P/020419/369355 KOLA/NORTH_EAST/P/020419/369338 KOLA/NORTH_EAST/P/020419/369339 KOLA/NORTH_EAST/P/020419/369341 KOLA/NORTH_EAST/P/020419/369342 KOLA/NORTH_EAST/P/020419/369343 HOLO/NORTH_EAST/P/020419/369359 HOLO/NORTH_EAST/P/020419/369360	12-Mar-19	8	Airports Authority Of India
	NOC for Height Clearance HOLO/NORTH_EAST/P/020419/369358	14-Mar-19	8	Airports Authority Of India
	NOC for Height Clearance HOLO/NORTH_EAST/P/052619/400654	6-Jun-19	8	Airports Authority Of India
	NOC for Height Clearance AGAR/NORTH_EAST/P/092719/431566 AGAR/NORTH_EAST/P/092719/431567 AGAR/NORTH_EAST/P/092719/431568 AGAR/NORTH_EAST/P/092719/431569 AGAR/NORTH_EAST/P/092719/431570	14-Oct-19	8	Airports Authority Of India
	NOC for Height Clearance KAMA/NORTH_EAST/P/112119/434560 KAMA/NORTH_EAST/P/112119/434561 KAMA/NORTH_EAST/P/112119/434562	23-Dec-19	8	Airports Authority Of India
	NOC for Height Clearance KAMA/NORTH_EAST/P/112119/434563 KAMA/NORTH_EAST/P/112119/434564	19-Dec-19	8	Airports Authority Of India
	NOC for Height Clearance KHOW/NORTH_EAST/P/112119/434554 KHOW/NORTH_EAST/P/112119/434555	20-Apr-20	8	Airports Authority Of India
	NOC for Height Clearance KHOW/NORTH_EAST/P/112119/434556 KHOW/NORTH_EAST/P/112119/434558 KHOW/NORTH_EAST/P/112119/434559	18-Dec-19	8	Airports Authority Of India

Source: Investment Manager

Appendix III – NERTL – Summary of Approvals & Licences (3/7)

Sr. No.	Approvals	Validity		
		Date of Issue	(in years)	Issuing Authority
11	<b><u>Power &amp; Telecommunication Coordination Committee ("PTCC") Clearance</u></b>			
	Approval to the route of 132 kV Biswanath Chariali - Itanagar D/C transmission line	11-Nov-19	Valid	Power & Telecom Co-ordination Committee, GOI
	Approval to the route of 132 kV Lilo to Gohpur substation from Biswanath Chariali - Itanagar D/C transmission line	11-Nov-19	Valid	Power & Telecom Co-ordination Committee, GOI
	Approval to the route of 132 kV D/C transmission line of AGTPP (NEEPCO) - P.K Bari	20-Sep-18	Valid	Power & Telecom Co-ordination Committee, GOI
	Approval to the route of 132 kV D/C Surajmaninagar - P.K Bari transmission line	13-Feb-19	Valid	Power & Telecom Co-ordination Committee, GOI
	Approval to the route of 400 KV D/C (Quad) Silchar Misa transmission line	24-Jun-19	Valid	Power & Telecom Co-ordination Committee, GOI
12	<b><u>Power Line Crossing</u></b>			
	Approval for power line crossing of 132 kV B.Chariali-Itanagar transmission line at existing 132 kV Sonabil-Gohpur D/C transmission line	28-Sep-18	Valid	Assam Electricity Grid Corporation Limited
	Approval for power line under crossing of existing 400 kV D/C Ranganadi-Biswanath Chariali transmission line in between AP 182 & 183 and AP 255 & 256	31-Dec-18	Valid	Power Grid Corporation of India Limited
	Approval for power line crossing for construction of 132 kV D/C NEEPCO-P.K Bari transmission line	12-Sep-18	Valid	Power Grid Corporation of India Limited
	Approval for power line crossing of up-coming 132 kV D/C NEEPCO-P.K Bari line of NERTL above existing 132 kV S/C Kumarghat-RC Nagar line of Powergrid	14-Sep-19	Valid	Power Grid Corporation of India Limited
	Approval for power line crossing for construction of 132 kV D/C NEEPCO-P.K Bari transmission line	14-May-18	Valid	Tripura State Electricity Corporation Limited
	Approval for crossing of 400 kV D/C Surajmaninagar - P.K Bari transmission line	05-Jun-18	Valid	Tripura State Electricity Corporation Limited
	Approval of power line crossing for construction of 400 kV D/C Surajmaninagar - P.K Bari transmission line	25-Jun-18	Valid	Power Grid Corporation of India Limited
	Approval of power line crossing for construction of 132/400 kV M/C NEEPCO(AGTPP) & Surajmaninagar - P.K Bari transmission line	23-Aug-18	Valid	Tripura State Electricity Corporation Limited
	Approval of power line crossing of 132 kV S/C Ambassa-Kamalpur transmission line for construction of 132/400 kV M/C NEEPCO(AGTPP) & Surajmaninagar - P.K Bari transmission line	31-May-18	Valid	Tripura State Electricity Corporation Limited
	Confirmation regarding overhead power line crossing over existing 132 kV S/C Badarpur-Jiribam transmission line	03-Jan-19	Valid	Power Grid Corporation of India Limited
	Approval for power line crossing over existing 132 kV S/C Badarpur-Jiribam transmission line by proposed 400 kV D/C Silchar-Misa transmission line	27-Dec-19	Valid	Power Grid Corporation of India Limited
	Approval for power line crossing of 400 kV D/C (Quad) Silchar-Misa transmission line with 400 kV D/C Palatana-Silchar and 400 kV D/C Silchar-Bongaigaon transmission line of NETC	22-Feb-19	Valid	North East Transmission Company Limited (NETC)

Source: Investment Manager

**Appendix III – NERTL – Summary of Approvals & Licences (4/7)**

Sr. No. Approvals	Date of Issue	Validity (in years)	Issuing Authority
<b>12 Power Line Crossing</b>			
Approval of placement of dead end tower of proposed Silchar-Misa line at Silchar substation end and power line crossing of 400 kV D/C Silchar-Misa transmission line	11-Oct-19	Valid	Power Grid Corporation of India Limited
Confirmation of High tension power line crossing over the existing 132 kV Haflong-Jiribam transmission line by 400 kV D/C Silchar-Misa transmission line	03-Mar-18	Valid	Power Grid Corporation of India Limited
Approval of under power line crossing of 132 kV D/C Silchar-Hailakandi line by proposed 400 kV D/C Silchar-Misa transmission line	30-Sep-19	Valid	Power Grid Corporation of India Limited
Approval for line crossing of 132 kV D/C Samaguri-Lanka line by 400 kV D/C Silchar-Misa transmission line	27-Sep-18	Valid	Assam Electricity Grid Corporation Limited
Approval for overhead power line crossing of 400 kV D/C Silchar-Misa transmission line with Powergrid lines	30-Sep-19	Valid	Power Grid Corporation of India Limited
Approval for overhead power line crossing of 400 kV D/C Silchar-Misa transmission line and Termination Arrangement at Misa substation	05-Sep-19	Valid	Power Grid Corporation of India Limited
Approval for line crossing of 400 kV D/C Silchar-Mehleriat line of Powergrid by proposed 400 kV D/C Silchar-Misa transmission	15-Nov-19	Valid	Power Grid Corporation of India Limited
Approval for power line crossing of 400 KV D/C Silchar-Misa line with 132 kV S/C Panchgram-Srikona Line	06-Oct-18	Valid	Assam Electricity Grid Corporation Limited
Confirmation for construction of DD type tower of 400 kV D/C Silchar-Misa line over 132 kV S/C Jiribam-Haflong line	13-Jul-18	Valid	Power Grid Corporation of India Limited
Approval for overhead power line crossing of 400 kV D/C Silchar-Misa transmission line with Kopili-Misa Powergrid lines	19-Dec-18	Valid	Power Grid Corporation of India Limited
Approval of under power line crossing of 400 kV D/C Silchar-P.K Bari line by proposed 400 kV D/C Silchar-Misa transmission line	03-Oct-19	Valid	Power Grid Corporation of India Limited
Confirmation for construction of DD type tower of 400 kV D/C Silchar-Misa line over 132 kV S/C Khandong-Haflong line	10-Jul-18	Valid	Power Grid Corporation of India Limited
Permission for crossing 400 kV D/C Silchar-Misa transmission line	20-Aug-18	Valid	Office of Executive Engineer, P.W.D NH Division, Silchar, Government of Assam

Source: Investment Manager

Appendix III – NERTL – Summary of Approvals & Licences (5/7)

Sr. No.	Approvals	Validity		Issuing Authority
		Date of Issue	(in years)	
13	<b>Road Crossing</b>			
	Approval for NH-15 crossing of 132 kV D/C transmission line from Biswanath Chariali to Itanagar	14-Nov-18	Valid	National Highways & Infrastructure Development Corporation Ltd.
	Permission for crossing of 132 kV D/C transmission line	04-Aug-18	Valid	Naharlagun Highway Division, Government of Arunachal Pradesh
	NOC of NH-08 (44) road crossing by 400 kV D/C Surajmaninagar-P.K Bari transmission line	28-Aug-18	Valid	Agartala National Highway Division, Government of Tripura
	NH-37, near village Hathirhat, District Cachar	20-Aug-18	Valid	Silchar National Highway Division, Government of Assam
	NH-54, Silchar to Balachera section, State of Assam	20-Mar-18	Valid	National Highway Authority of India
	NH-54, Jatinga to Harangajao section, State of Assam	17-Jul-18	Valid	National Highway Authority of India
	NOC of NH-27 for construction of 400 kV D/C Silchar-Misa transmission line	30-Oct-18	Valid	National Highway Authority of India
	NH-54, near village Bororampur, District Cachar	20-Mar-18	Valid	National Highway Authority of India
14	<b>Substations Approval</b>			
	Approval of Building Plan of 400/132 kV substation at Purbaganon, West Tripura	14-Aug-20	Valid	Agartala Municipal Corporation
	NOC for construction of Bore Well for 400 kV P.K Bari substation at Masauli	29-Nov-19	Valid	Office of Executive Engineer, Government of Tripura
	NOC for construction of Bore Well for 400 kV substation at East Naogaon (named new Surajmaninagar)	06-May-20	Valid	Office of Sub-Divisional Officer, Government of Tripura
15	<b>Railway Crossing</b>			
	Permission for OH Electrical track crossing of 132 kV D/C between Bishwanath Charali - Monabari Railway Stations	22-Aug-19	10	Northeast Frontier Railway, Rangiya Divisional office
	Agreement for erecting and maintaining an overhead power line crossing over and across railway lines entered into between NERTL and Divisional Railway Manager (Engineering) in respect of the Bishwanath Chariali to Itanagar and associated Gohpur LILo Line.	21-Aug-19	Valid	Northeast Frontier Railway, Rangiya Divisional office
	Agreement for erecting and maintaining an overhead power line crossing over and across railway lines entered into between NERTL and Divisional Railway Manager (Engineering) in respect of the Bishwanath Chariali to Itanagar and associated Gohpur LILo Line.	16-Aug-19	Valid	Northeast Frontier Railway, Rangiya Divisional office
	Permission for overhead railway track crossing between Jogendranagar - Jirania	3-Dec-18	10	Northeast Frontier Railway, Lumding Divisional office
	Agreement for above 220kV and upto 440kV transmission line overhead railway track crossing between Jogendranagar and Jirania	3-Dec-18	Valid	Northeast Frontier Railway, Lumding Divisional office

Source: Investment Manager

Appendix III – NERTL – Summary of Approvals & Licences (6/7)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
15	<b><u>Railway Crossing</u></b>			
	Permission for execution of 400 kV overhead power line crossing between Jogendranagar - Jirania	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
	Agreement for erecting and maintaining an overhead power line crossing over and across railway tracks in respect of Surajmaninagar-P.K Bari transmission line	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
	Permission for overhead railway track crossing between Salchapra - Arunachal	3-Apr-19	10	Northeast Frontier Railway, Lumding Divisional office
	Agreement for above 220kV and upto 440kV transmission line overhead railway track crossing between Salchapra and Arunachal	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
	Permission for overhead railway track crossing between Ditokchera - New Harangajao	3-Apr-19	10	Northeast Frontier Railway, Lumding Divisional office
	Agreement for crossing above 220kV and upto 440kV transmission line overhead railway track crossing between Ditokchera and New Harangajao	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
	Permission for overhead railway track crossing between Abandoned Harangajao - Ditokchera	3-Apr-19	10	Northeast Frontier Railway, Lumding Divisional office
	Agreement for crossing above 220kV and upto 440kV transmission line overhead railway track crossing between Abandoned Harangajao and Ditokchera	3-Apr-19	Valid	Northeast Frontier Railway, Lumding Divisional office
	Permission for overhead railway track crossing between Jamunamukh - Jugijan	24-Jan-19	10	Northeast Frontier Railway, Lumding Divisional office
	Agreement for crossing above 220kV and upto 440kV transmission line overhead railway track crossing between Jamunamukh and Jugijan	23-Jan-19	Valid	Northeast Frontier Railway, Lumding Divisional office
16	<b><u>Diversion of Forest Land/ Permission for felling of trees</u></b>			
	Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Neepco (AGTP) to P.K Bari (TSECL) transmission line - Stage I Clearance	12-Oct-18	Valid	Ministry of Environment & Forest, GOI
	Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Neepco (AGTP) to P.K Bari (TSECL) transmission line - Stage II Clearance	19-Jun-19 12-Jul-19	Valid	Ministry of Environment & Forest, GOI
	Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line with Lilo of one Circuit - Stage I Clearance	12-Oct-18	Valid	Ministry of Environment & Forest, GOI
	Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line - Stage I Clearance	23-Sep-19	Valid	Ministry of Environment & Forest, GOI
	Diversion of Forest land in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line - Stage II Clearance	28-May-20	Valid	Ministry of Environment & Forest, GOI
	Diversion of Forest land in favour of NERTL for construction of 400 kV D/C Multi Circuit Surajmani Nagar to P.K Bari transmission line - Stage I Clearance	21-Jan-19	Valid	Ministry of Environment & Forest, GOI
	Diversion of Forest land in favour of NERTL for construction of 400 kV D/C Multi Circuit Surajmani Nagar to P.K Bari transmission line - Stage II Clearance	20-May-19 9-Jul-19	Valid	Ministry of Environment & Forest, GOI
	Diversion of Forest land in favour of NERTL for construction of 400 kV D/C Silchar to Misa transmission line - Stage I Clearance	29-Aug-18	Valid	Ministry of Environment & Forest, GOI
	Diversion of Forest land in favour of NERTL for construction of 400 kV D/C Silchar to Misa transmission line a part near Misa substation - Stage I Clearance	6-Jun-19	Valid	Ministry of Environment & Forest, GOI

Source: Investment Manager

Appendix III – NERTL – Summary of Approvals & Licences (7/7)

Sr. No. Approvals	Date of Issue	Validity (in years)	Issuing Authority
<b>16 <u>Diversion of Forest Land/ Permission for felling of trees</u></b>			
Working permission for felling of trees in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line	7-Feb-19	Valid	Environment and Forest Department, Government of Assam
Working permission for felling of trees in favour of NERTL for construction of 132 kV D/C AGTPP (NEEPCO) to P.K Bari (TSECL) transmission line	5-Jan-19	Valid	Office of Principal Chief Conservator of Forests Tripura, Government of Tripura
Working permission for felling of trees in favour of NERTL for construction of 400 kV D/C Multi Circuit Surajmani Nagar to P.K Bari transmission line	2-May-19	Valid	Office of Principal Chief Conservator of Forests Tripura, Government of Tripura
Working permission for felling of trees in favour of NERTL for construction of 400 kV D/C Silchar to Misa transmission line	4-Dec-19	Valid	Office of Principal Chief Conservator of Forests and Head of Forest Force, Government of Assam
Working permission for felling of trees in favour of NERTL for construction of 400 kV D/C Silchar to Misa transmission line	6-Oct-18	Valid	Environment and Forest Department, Government of Assam
Working permission for felling of trees in favour of NERTL for construction of 132 kV D/C Biswanath Chariali to Itanagar transmission line	6-Nov-19	Valid	Department of Environment & Forests Itanagar, Government of Arunachal Pradesh
<b>17 <u>Forest Rights Certificate</u></b>			
Certificate issued in respect of Surajmaninagar to P.K Bari transmission line	27-Jun-18	Valid	Office of District Magistrate and Collector, West Tripura, Government of Tripura
Certificate issued in respect of Surajmaninagar to P.K Bari transmission line	26-Jun-18	Valid	District Magistrate and Collector, Dhalai District, Jawaharnagar, Government of Tripura
Certificate issued in respect of Surajmaninagar to P.K Bari transmission line	20-Aug-18	Valid	District Magistrate and Collector, Khowai District, Tripura, Government of Tripura
Certificate issued in respect of Biswanath Chariali to Itanagar transmission line	13-Dec-17	Valid	Office of Deputy Commissioner, Biswanath, Government of Assam
Certificate issued in respect of Biswanath Chariali to Itanagar transmission line	6-Aug-19	Valid	Office of the District Land Revenue and Settlement Officer, Yupia District, Government of Arunachal Pradesh
Certificate issued in respect of NEEPCO (AGTPP) to P.K Bari transmission line	26-Jun-18	Valid	Office of District Magistrate and Collector, West Tripura, Government of Tripura
Certificate issued in respect of Silchar to Misa transmission line	22-Nov-18	Valid	Office of Deputy Commissioner, Hojai, Sankardev Nagar, Government of Assam
Certificate issued in respect of Silchar to Misa transmission line	23-Nov-17	Valid	Office of Deputy Commissioner, West Karbi Anglong Harmen, Government of Assam
Certificate issued in respect of Silchar to Misa transmission line	21-Sep-17	Valid	Principal Secretary, North Cachar Hills Autonomous Council, Dima Hasao District, Haflong
Certificate issued in respect of Silchar to Misa transmission line	17-Nov-17	Valid	Office of Deputy Commissioner, Hojai, Sankardev Nagar, Government of Assam

Source: Investment Manager

Appendix IV – NERTL – Summary of Ongoing Litigations (1/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
1	Shri Dey	Birendra NERTL	District Judge, Unakoti District-Kailashahar	<b>Background of the case:</b> Mr. Birendra Dey, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property .He is claiming damage to the tune of Rs.6 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid. Reply has been filed. <b>Current Status:</b> The matter is currently pending for cross examination after affidavits submitted by the applicant. The next date of hearing is 4 February 2021.	0.60
2	Dipak Paul	Ranjan NERTL	District Judge, Unakoti District-Kailashahar	<b>Background of the case:</b> Mr. Dipak Ranjan, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property .He is claiming damage to the tune of Rs.8 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid. Reply has been filed. <b>Current Status:</b> The matter is currently pending for cross examination after 02 affidavits submitted by the applicant. The next date of hearing is 4 February 2021.	0.80
3	Shri Dutta	Binoy NERTL	District Judge, Unakoti District-Kailashahar	<b>Background of the case:</b> Mr. Binoy Dutta, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property .He is claiming damage to the tune of Rs.4 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid.Reply has been filed. <b>Current Status:</b> The matter is currently pending for cross examination after affidavits submitted by the applicant. The next date of hearing is 4 February 2021.	0.40
4	Shri Dey	Tarapad NERTL	District Judge, Unakoti District-Kailashahar	<b>Background of the case:</b> Mr. Tarapad Dey, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property. He is claiming damage to the tune of Rs.12.50 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid. Tower has been constructed over the land of the owner and owner has received crop/tree compensation at the time of foundation and installation. Reply has been filed. <b>Current Status:</b> The matter is currently pending for cross examination after affidavits submitted by the applicant. The next date of hearing is 4 February 2021.	1.25
5	Bupendra Bhowmik	NERTL	District Judge, Unakoti District-Kailashahar	<b>Background of the case:</b> Mr. Bhupendra Bhowmik, owner of corridor has filed an application u/s 8 of the Indian Telegraph Act, 1885 for grant of compensation for causing damage to his property .He is claiming damage to the tune of Rs.21 lacs along with interest @ 12 % per annum from the date of damage till realization. Owner is claiming that trees have been cut over his land but no compensation has been paid. Tower has been constructed over the land of the owner and owner has received crop/tree compensation at the time of foundation and installation. <b>Current Status:</b> The matter is pending at the stage of written statements/written objections. The next date of hearing is 23 February 2021.	2.10

Source: Investment Manager



Appendix IV – NERTL – Summary of Ongoing Litigations (2/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
6	Jishu Debbarma	NERTL	High court of Tripura, Agartala	<p><b>Background of the case:</b> Mr. Jishu Debbarma, the land owner is demanding compensation for its rubber plants which were cut during construction of transmission line. High Court has observed that it will not intervene on the issue of compensation assessment, though court wants to understand the process initiated to construct the transmission line. Reply has been filed.</p> <p><b>Current Status:</b> The matter is currently pending at the stage of admission and the next date is 10 February 2021.</p>	23.35
7	Md. Taj Uddin Barbhuiya	NERTL	Court of Munsiff No. 3 at Silchar Cachar	<p><b>Background of the case:</b> Mr. Md. Taj Uddin Barbhuiya, the land owner has filed suit for declaration of right, title, interest over his land and for confirmation of possession therein and for permanent/temporary injunction restraining Defendants/O.Ps to draw 400KV High Voltage line adjacent to the homestead of the plaintiff/ petitioner and for other relief or reliefs etc. Plaintiff is claiming that he has constructed one house over his land and defendants are laying the 400 kV line from just 2.5 mtrs to his house and defendants be restrained from drawing the wire.Reply has been filed. The matter was argued on interim order. Interim order dated 23rd December 2020 has been extended. Court has asked OP no 1- PGCIL to file its reply in the matter. Further court has directed NERTL to take necessary steps to take care of open high voltage wires.</p> <p><b>Current Status:</b> The matter is currently pending at the stage of service report and written statement. The next date of hearing is 18 February 2021.</p>	Non Quantifiable
8	Basulal Das and Gyanbala Das	NERTL	Court of Civil Judge, Silchar	<p><b>Background of the case:</b> Mr. Basulal Das and Gyanbala Das, Plaintiff have filed suit for declaration and injunction. Plaintiffs are claiming that they are Occupancy Tenant over an area of land and which was allotted to them by the Govt. of Assam as per provision of The Assam (Temporary Settled. Areas) Tenancy Act, 1971. That the plaintiffs are cultivators and they use their land for the purpose of cultivation of crops and use the fishery for cultivation of fishes which is their prime source of earning their livelihood and they have permanent heritable, and transferable right of use and occupancy over the suit land as provided by express provision of the law. It is alleged that the defendants promised to pay Rs. 6 lacs against the road construction through the land of the plaintiffs plus extra amount for more damages but only paid Rs.71,090 and has not paid differential amount. Now the plaintiffs are claiming that The amount of loss are Rs.5,28,910/- being outstanding money for road construction + Rs.10,00,000/- for destroying tilla land and valuable plantation thereon + Rs.15,00,000/- for causing damage to the fertile land as well as fishery and fishes of plaintiffs. Total Rs.30,28,910/-. That, the plaintiffs pray for a decree-</p> <p>(a) Declaring that the plaintiffs are occupancy tenants over the suit land having permanent occupancy right, title, interest and possession thereon.</p> <p>(b) Declaring that defendants have absolutely no right title interest or possession over any portion of suit land described in schedule below.</p> <p>(c) Declaring that the defendants are trespassers over suit land of plaintiffs .</p> <p>(d) Declaring that the plaintiffs are entitled to get compensation amounting Rs. 30,28,910/- from the defendants.</p> <p>(e) For both temporary &amp; permanent injunction restraining the defendants, their men, agent or any other person claim through them from creating any disturbance in the peaceful possession of the plaintiffs over the suit land described in schedule below.</p> <p><b>Current Status:</b> The matter is currently pending at the stage of written statements. The next date of hearing is 3 March 2021.</p>	3.03

Source: Investment Manager



Appendix IV – NERTL – Summary of Ongoing Litigations – Criminal Cases (3/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
9	NERTL	Shaidul Islam Hq. Mozumder	Borkhola police station	<p><b>Background of the case:</b> An FIR was filed by NERTL under Sections 120-B/384 of Indian Penal Code, 1860 ("IPC") with Borkhola police station against Shaidul Islam Hq. Mozumder for obstructing commencement of construction of tower and demanding high compensation beyond stipulated guidelines. The said FIR was filed pursuant to a letter dated 12 May 2020 written by NERTL to the Officer in Charge, Borkhola Police Station, complaining that Shaidul Islam Hq. Mazumdar has obstructed the project and demanded compensation beyond guidelines.</p> <p><b>Current Status:</b> The investigation is pending and the commissioning of project is awaited.</p>	Non Quantifiable
10	NERTL	Jakir Hussain Laskar	Silchar police station	<p><b>Background of the case:</b> An FIR was filed by NERTL against Jakir Hussain Laskar under Section 341/385 of the IPC with Silchar police station for obstructing construction of 400 D/C (Quad) Transmission Line from Silchar to Misa under NERTL Project by NERTL and demanding high ROW compensation beyond stipulated guidelines. The said FIR was filed pursuant to a letter dated 5 May 2020 by NERTL to the Officer in Charge, Borkhola Police Station, complaining that the accused have obstructed the project and demanded compensation beyond guidelines.</p> <p><b>Current Status:</b> The investigation is pending and the commissioning of project is awaited.</p>	Non Quantifiable
11	NERTL	Harilal Das and Babul Chakrabarty	Silchar police station	<p><b>Background of the case:</b> An FIR was filed by NERTL under Sections 341/325/385/506/341 of IPC with Silchar Police Station against Harilal Das and Babul Chakrabarty in relation to the manhandling of Mr. Rajneesh Pandey at Srikona on 10 August 2019. The said FIR was filed pursuant to a letter dated 11 August 2019 by NERTL to the Officer in Charge, Silchar Sadar Police Station, complaining of mental and physical harassment of Mr. Rajneesh Pandey.</p> <p><b>Current Status:</b> The investigation is pending and the commissioning of project is awaited.</p>	Non Quantifiable
12	NERTL	Basu Lal Das, Kajal Das, Chandan Das, Bisheshwar Goswami, Bidyut Kumar Deb, Khalilur Rahman Baralaskar and Johiruddin Baralaskar	Silchar police station	<p><b>Background of the case:</b> An FIR was filed by NERTL against Basu Lal Das, Kajal Das, Chandan Das, Bisheshwar Goswami, Bidyut Kumar Deb, Khalilur Rahman Baralaskar and Johiruddin Baralaskar under Sections 341/385/506/34 of the IPC for obstructing the work and demanding high ROW compensation beyond guidelines under Section 10 of the Indian Telegraph Act, 1885 and guidelines issued by the Government of Assam. The said FIR was filed pursuant to a letter dated 13 August 2020 by NERTL to the Officer in Charge, Silchar Sadar Police Station, complaining that the accused have obstructed the project and demanded compensation beyond guidelines.</p> <p><b>Current Status:</b> The statement under Section 161 of CrPC has been recorded and chargesheet is yet to be filed.</p>	Non Quantifiable

Source: Investment Manager

Appendix IV – NERTL – Summary of Ongoing Litigations – Criminal Cases (4/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
13	Bashu Lal Das	Employees of Silchar Sterlite Power station Grid Ventures Limited	police	<p><b>Background of the case:</b> An FIR was filed by Bashu Lal Das on 12 August 2020 against Mr. Pandey, Mr. Amit Singh, Mr. Ashok Tata. As per the FIR an agreement was made between the complainant and the accused persons and NERTL for an amount of INR 6,00,000 (Indian Rupees Six Lakhs Only) for the use of the complainant's land for transporting RCC raw materials through JCB and trucks. Further, the Accused assured that the said route will be repaired. It is stated that the accused failed to undertake the repair of the land, crops and vegetables. Further, the Accused threatened and abused the complainant and trespassed on the land.</p> <p><b>Current Status:</b> The statement under Section 161 of CrPC has been recorded and chargesheet is yet to be filed.</p>	Non Quantifiable
14	Employees of Bashu Lal Das Sterlite Power Grid Ventures Limited		Sessions Court, Cachar, Silchar	<p><b>Background of the case:</b> A petition under Section 438 of Code of Criminal Procedure, 1973 was filed by Mr. Amit Kumar, Mr. Ashok Rout, Mr. Rajneesh Pandey (collectively referred to as the "Accused"), employees of SPTL, for seeking pre-arrest bail in connection with the above mentioned case registered with the Silchar Police Station. NERTL and TATA Projects Ltd were given the contract of installation of High Tension Power Line by Govt. of India. NERTL paid compensation for use and occupation of lands of the informant and accordingly, on 25 October 2019, the informant was paid INR 17,700 (Indian Rupees Seventeen Thousand Seven Hundred Only) towards compensation and use of his land. In the petition, the Accused pleaded that the FIR does not disclose any offence u/s 406 of IPC which is the only non-bailable offence. By an order dated 28 August 2020, the Hon'ble Asst. Sessions Judge No. 2 granted interim relief of anticipatory bail to the Accused. By an order dated 10 September 2020, the said interim relief was made absolute.</p> <p><b>Current Status:</b> Anticipatory Bail was granted.</p>	Non Quantifiable
15	NERTL	Mr. Bittu Dev Senior Barma, Mr. Superintendent of Police (SSP), West Tripura, Agartala	Mr. Raju, Mr. Kajal Police (SSP), Dev Barma, Mr. Uttam Barma, Mr. Prashant , Mr. Manoranjan Deb Verma, and Mr. Pulse	<p><b>Background of the case:</b> A complaint dated 6 April 2019 made to Senior Superintendent of Police (SSP), West Tripura, Agartala for reporting an incident against Mr. Bittu Dev Barma, Mr. Raju, Mr. Kajal Police (SSP), Dev Barma, Mr. Uttam Barma, Mr. Prashant , Mr. Manoranjan Deb Verma, and Mr. Pulse ("Accused") for creating issues in the execution of the work. Further, police protection was requested for completion of the work. In this regard, a notice under Section 41A(1) of the CrPC was issued by the police station against the Accused. On 19 April 2019, a notice was issued to the Accused Sri Uttam Debbarma and directed to appear before the Sub-Inspector of Police at the Ranir Bazar Police Station within 7 (seven) days of receipt of that notice. A notice dated 19 September 2019 under Section 41A(1) of the CrPC was issued by the police station against the Accused.</p> <p><b>Current Status:</b> The matter is under investigation.</p>	Non Quantifiable

Source: Investment Manager

Appendix IV – NERTL – Summary of Ongoing Litigations – Criminal Cases (5/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
16	NERTL	Mr. Aklim Raja Barbhuiya, Aftab Uddin Barbhuiya, Taj Uddin Barbhuiya	Srikona Police Outpost, Silchar	<b>Background of the case:</b> FIR was filed by Mr. Rajesh Pandey on 27 December 2020 under sections 341, 294, 385, 506, 34 of the IPC, 1860, against Mr. Aklim Raja Barbhuiya, Aftab Uddin Barbhuiya, Taj Uddin Barbhuiya alleging that the accused had obstructed the work and demanded ROW compensation without any basis. The said FIR was filed pursuant to a letter dated 25 December 2020 by NERTL to the Officer in Charge, Srikona Police Outpost, Silchar, complaining that the accused have obstructed the project and demanded compensation beyond guidelines. <b>Current Status:</b> The matter is under investigation.	Non Quantifiable
17	NERTL	Wahida Akhtar Barbhuiya, Rashid Ahmed Barbhuiya	Borkhola Police Station	<b>Background of the case:</b> FIR was filed by Mr. Gupta on 26 December 2020 against Wahida Akhtar Barbhuiya, Rashid Ahmed Barbhuiya alleging that the accused are demanding higher compensation beyond government guidelines. The said FIR was filed pursuant to a letter dated 25 December 2020 by NERTL to the Officer in Charge, Borkhola Police Station, complaining that the accused have obstructed the project and demanded compensation beyond guidelines. <b>Current Status:</b> The matter is under investigation.	Non Quantifiable
18	NERTL	Shaibur Rahman Laskar, Azad Hussain Laskar, Ifthakar Alom Lakskar and others	Borkhola Police Station	<b>Background of the case:</b> FIR was filed by Mr. Santosh Kumar on 27 October 2020 against Shaibur Rahman Laskar, Azad Hussain Laskar, Ifthakar Alom Lakskar and others, alleging that the accused are obstructing construction. The said FIR was filed pursuant to a letter dated 24 October 2020 by NERTL to the Officer in Charge, Borkhola Police Station, complaining that Shaibur Rahman Laskar, Azad Hussain Laskar, Ifthakar Alom Lakskar and others have obstructed the project and demanded compensation beyond guidelines. <b>Current Status:</b> The matter is under investigation.	Non Quantifiable

Source: Investment Manager

Appendix IV – NERTL – Summary of Ongoing Litigations – Direct Tax Matters (6/6)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
19	Direct Matters	Tax NERTL	Income Tax Department	<b>Background of the case:</b> Notice dated 22nd September 2019 has been issued for selection of case under Income-tax scrutiny assessment <b>Current Status:</b> Adjournment has been filed on 7th October 2020	Non Quantifiable
20	Direct Matters	Tax NERTL	Income Tax Department	<b>Background of the case:</b> Notice dated 26th February 2020 has been issued wherein detailed questions have been asked by the officer <b>Current Status:</b> Adjournment request has been filed on 4th March 2020	Non Quantifiable
21	Direct Matters	Tax NERTL	Income Tax Department	<b>Background of the case:</b> Notice dated 15th October 2020 has been issued regarding the intimation that case has been transferred to the National E-Assessment Centre <b>Current Status:</b> Submission dated 3rd November 2020 has been filed	Non Quantifiable
22	Direct Matters	Tax NERTL	Income Tax Department	<b>Background of the case:</b> Notice issued on 17th December 2019 for selection of cases for TDS scrutiny verification <b>Current Status:</b> Partial response to the notice has been submitted vide submission dated 26th December 2019. Further submission has been filed on 6th January 2020	Non Quantifiable
23	Direct Matters	Tax NERTL	Income Tax Department	<b>Background of the case:</b> 2 notices dated 5th February 2020 have been issued on Director's and Mr. Manish Aggarwal (One of the director of the NERTL) respectively. <b>Current Status:</b> Submission dated 24th February 2020 has been filed in response to both the notices	Non Quantifiable

Source: Investment Manager

## Appendix V – NERTL – Summary of Legal Notices (1/2)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
1	Rajat Kanti Dey and Chaya Rani	NERTL		<b>Background of the case:</b> Notice issued by Rajat Kanti Dey and Chaya Rani Dey dated 23rd November 2020 claiming adequate compensation for felling rubber trees was sent to NERTL. It was also stated that the assessment by the revenue inspector of the SDM Kumarghat, Unakoti of the yield component of the trees, vegetables and plants was insufficient and improper as permanent damage has been caused. <b>Current Status:</b> Reply Notice is yet to be prepared and will be sent based on available fact.	Non Quantifiable
2	Sukumar Debbarma	NERTL		<b>Background of the case:</b> Notice issued by Sukumar Debbarma dated 1st December 2020 demanding additional claim for felling of 240 Rubber tree @ 10,000/- per tree aggregating to Rs. 24,00,000/- <b>Current Status:</b> Reply Notice is yet to be prepared and will be sent based on available facts	2.40
3	Uttam Das	NERTL		<b>Background of the case:</b> Notice issued Mr. Sri Uttam Das dated 3rd October 2020 demanding additional claim for felling of 298 Rubber tree @ 10,000/- per tree aggregating to Rs 29,80,000/-. The land owners have acknowledged that they have received a sum of rs 2,68,200/- compensation towards feeling of the said rubber trees @ 900/- per tree. Now they are demanding compensation @ Rs 10,000/- per tree. Site team negotiating with the land owner to settle amicably. <b>Current Status:</b> Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	2.98
4	Swapna Debnath	NERTL		<b>Background of the case:</b> Notice issued by Ms.Swapna Debnath dated 3rd October 2020 demanding additional claim for felling of 42 Rubber tree @ 10,000/- per tree aggregating to Rs 4,20,000/-. The land owners have acknowledged that they have received a sum of Rs 37,800/- compensation towards feeling of the said rubber trees @ 900/- per tree. Now they are demanding compensation @ Rs 10,000/- per tree. Site team negotiating with the land owner to settle amicably. <b>Current Status:</b> Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	0.42
5	Ramu Kundu	NERTL		<b>Background of the case:</b> Notice issued by Mr. Ramu Kundu dated 3rd October 2020 demanding additional claim for felling of 233 Rubber tree and 4 Teak trees @ 10,000/- per tree aggregating to Rs 23,70,000/-. The land owners have acknowledged that they have received a sum of Rs 2,11,352/- compensation towards feeling of the said rubber trees @ 900/- per tree and @ Rs 413 per Teak Tree. Now they are demanding compensation @ Rs 10,000/- per tree. Site team negotiating with the land owner to settle amicably. <b>Current Status:</b> Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	2.37
6	Nirmal Biswas	NERTL		<b>Background of the case:</b> Notice issued by Nirmal Biswas dated 3rd October 2020 demanding additional claim for felling of 226 Rubber tree @ 10,000/- per tree aggregating to Rs 22,60,000/-. The land owners have acknowledged that they have received a sum of Rs 2,03,400/- compensation towards feeling of the said rubber trees @ 900/- per tree. Now they are demanding compensation @ Rs 10,000/- per tree. Site team negotiating with the land owner to settle amicably. <b>Current Status:</b> Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	2.26
7	Ranjit Deb	NERTL		<b>Background of the case:</b> Notice issued by Ranjit Deb dated 3rd October 2020 demanding additional claim for felling of 51 Rubber tree @ 10,000/- per tree aggregating to Rs 5,10,000/-. The land owners demanding compensation towards feeling of the said rubber trees @ 10,000/- per tree. Site team negotiating with the land owner to settle amicably. <b>Current Status:</b> Reply Notice is being prepared and the team is still discussing the compensation to be paid for damage of trees.	0.51

Source: Investment Manager

Appendix V – NERTL – Summary of Legal Notices (2/2)

Sr. No	Matter	Against	Pending Before	Details of the case	Amount Involved (INR Million)
8	Rabia Para and Saral Das Para	Sardar NERTL		<p><b>Background of the case:</b> Notice issued by Rabia Sardar and Saral Das Para dated 6th July 2020 demanding satisfactory payment for standing tree and crops. Identify on whose behalf notice was issued by the said Advocate not known and in the said Advocate notice did not mention anything about the land in question or the site in question. Accordingly reply sent.</p> <p><b>Current Status:</b> Reply Notice has been sent on 30th July 2020</p>	Non Quantifiable
9	Sri Chakraborty	Sekhar NERTL		<p><b>Background of the case:</b> Notice issued by Sri Sekhar Chakraborty dated 6th August 2019 demanding Rs 15,000/- per rubber tree and Rs 10,000/- per Kani for land. The Notice was sent to Mr. Vivek Sachar, Sterlite ROW Team through Mrs. Rakhi Roy, Advocate on behalf of Mr. Sekhar Chakraborty); Sterlite Project team has gone and met Mr. Sekhar Chakraborty. They discussed with him that there was no damage was done to his rubber plant; so therefore, there need not be any compensation for rubber tree and land for plantation. After this Mr. Sekhar Chakraborty, has not filed any case or followed up on this notice till now and this implies that he was satisfactory with the discussion held by our team. Therefore, no further action was indicated by Sterlite team.</p> <p><b>Current Status:</b> Based on ground negotiations the same was mutually settled by ground team.</p>	Non Quantifiable
10	Uttam Bhattacharjee	NERTL		<p><b>Background of the case:</b> Letter dated 16 July 2020 was written by Bhattacharjee Developers to inform the Deputy Commissioner about non-release of fund against work done for the foundation of 400 KV D/C Silchar Misa Transmission Line at Assam in ref. Work Order No. JME/SPGVL/022/19-20 dated 3 September and payment is due since 6 March 2020. In this regard, by a letter dated 1 October 2020, Sterlite Power Grid Ventures Limited wrote to the Jagamanjari Engineering Private Limited for taking action in this regard. The payment has been made to Mr. Bhattacharjee.</p> <p><b>Current Status:</b> The document acknowledging resolution of dispute between the parties will be shared at the stage of contract closure with JME (SPGVL Contractor).</p>	Non Quantifiable
11	Shri Samiran Dey	NERTL		<p><b>Background of the case:</b> Notice issued by Shri Samiran Dey dated 28th March 2019 demanding compensation for important trees and crops that will be damaged due to construction of proposed Transmission line which will pass through the land owned by Shri Samiran Dey.</p> <p><b>Current Status:</b> The matter is currently pending</p>	Non Quantifiable
12	Jagadish Debanath	NERTL		<p><b>Background of the case:</b> Notice by Mr. Jagadish Debanath, claiming that his land, the DAG No. of which is 14506, has illegally been possessed by Mr. Nirmal Biswas, and that as the purported owner of the land, he is entitled to compensation from NERTL for the cutting of his trees.</p> <p><b>Current Status:</b> The matter is currently pending.</p>	Non Quantifiable

Source: Investment Manager

**ANNEXURE D**

**COPY OF THE BOARD RESOLUTION**

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**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF INDIGRID INVESTMENT MANAGERS LIMITED IN ITS MEETING HELD ON MARCH 16, 2021 THROUGH VIDEO CONFERENCING**

**CONSIDERED AND APPROVED PUBLIC ISSUE OF NON-CONVERTIBLE DEBENTURES**

**I. PUBLIC ISSUE OF NON-CONVERTIBLE DEBENTURES**

**“RESOLVED THAT** in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 read with the circulars, notifications and guidelines issued thereunder including the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India (the “SEBI”) (collectively, “SEBI InvIT Regulations”), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, read with the circulars and guidelines issued thereunder (the “SEBI ILDS Regulations”), the resolution dated July 26, 2019 approving the aggregate consolidated borrowings and deferred payments of India Grid Trust (“IndiGrid”) up to 70% of the IndiGrid’s assets passed at the annual general meeting of the unitholders of IndiGrid (the “Borrowing Limit Resolution”) and other applicable laws, including any statutory modifications, amendments or re-enactments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by any competent regulatory, statutory or governmental authority in India from time to time (to the extent applicable), the requisite approvals (if any) from SEBI, the stock exchanges, any relevant governmental, statutory or regulatory authorities and subject to such terms and conditions as may be prescribed by any such authority while granting such approvals as may be necessary, and subject to the trust deed of India Grid Trust, as amended, and the simplified debt listing agreement to be entered into with the NSE & BSE where IndiGrid intends to get its non-convertible debentures listed (“Stock Exchanges”), the consent of the Board of Directors of IndiGrid Investment Managers Limited (formerly, Sterlite Investment Managers Limited) (the “Board”) acting in its capacity as the Investment Manager of IndiGrid, is hereby granted to IndiGrid, to offer, issue and allot secured, redeemable, non-convertible debentures for an aggregate amount of up to INR 1,000 Crores, (including the right to retain oversubscription) in one or more tranches to be listed on the Stock Exchanges (the “NCDs”), by way of one or more public offer(s) within the overall borrowing limit under Regulation 20 of the SEBI InvIT Regulations and the Borrowing Limit Resolution, to eligible investors (the “Issue”).

**“RESOLVED FURTHER THAT** the powers of the Board be and is hereby delegated to the Allotment Committee to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper without requiring any further approval of the Board or the Unitholders of IndiGrid and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the NCDs (and otherwise pertaining to or in relation to the Issue) including but not limited to:



- (i). negotiate, finalise, enter into, execute, perform and deliver all documents in relation to the proposed fund raising, including but not limited to the debt security trust deed, and such other documents, deeds, notices, letters, agreements (including any addendums or amendments thereto), powers of attorney, declarations, memorandums, indentures, undertakings, instruments and forms as may be required in relation to or in connection with or pursuant to the abovementioned Issue or to give effect to any transactions contemplated thereunder, the power of attorney, the sanction letter, the draft shelf prospectus, the shelf prospectus, the relevant tranche prospectus, the debenture trustee agreement (including any addendum or amendment thereto), the debenture trustee deed (including any addendum or amendment thereto), the registrar agreement (including any addendum or amendment thereto), the issue agreement (including any addendum or amendment thereto), the agreement (including any addendum or amendment thereto) with the public issue account bank, refund bank and sponsor bank, the facility agreement and the circulars and guidelines issued thereunder debt security trust deed, common security trustee agreement (including any addendum or amendment thereto) or any accession to common security trustee agreement, escrow agreement (including any addendum or amendment thereto) or any accession to escrow agreement; confirmation to the inter creditor agreement, security documents, including inter alia the deed of hypothecation, share pledge agreement, the security documents, non-disposal undertaking, project documents, and any other document as designated and required by the lender or the Trustee (collectively, the **"Transaction Documents"**); and
- (ii). amend, novate, supplement, extend, restate or make any other modification to the Transaction Documents, as may be required, from time to time, in relation to or in connection with or pursuant to the Transaction Documents or to give effect to any transactions contemplated thereunder.
- (iii). appoint such consultants, merchant bankers, underwriters, solicitors, registrars and share transfer agents, depositories, custodians, credit rating agencies, advertisement agency, debenture trustee, banker to the Issue, printers and any other advisors, professionals and intermediaries and all such agencies as may be involved or concerned in such offerings of the NCDs and to remunerate them by way of commission, brokerage, fees or the like and to negotiate, modify, enter into, execute, deliver and register all deeds, including amendments and modifications thereto, contracts, agreements (including any addendums or amendments thereto), memorandum of understanding, arrangements, or documents with such intermediaries or agencies as may be required or desirable in connection with the issue of the NCDs including the listing of the NCDs on any Stock Exchanges and creation of security for the NCDs, wherever applicable;
- (iv). negotiate and approve the terms of the Issue including the actual size, timing, pricing and all other terms and conditions of the Issue, and to accept any amendments, modifications, variations or alterations thereto and the Transaction Documents on behalf of the IndiGrid, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future);
- (v). approve the face value of the NCDs, the number of NCDs to be allotted, finalize the basis of allocation and allot the NCDs to the successful applicants, in

**IndiGrid Investment Managers Limited**

**(formerly known as Sterlite Investment Managers Limited)**

**Registered & Corporate Office:** Unit No. 101, First Floor, Windsor, Village Kolkalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India **CIN:** U28113MH2010PLC308857  
**Ph:** +91 72084 93885 | **Email:** complianceofficer@indigrid.co.in | www.indigrid.co.in

accordance with applicable laws and regulations, prior to the filing of the relevant offer documents with the Stock Exchange(s) where the NCDs are intended to be listed, and/or any other statutory or regulatory authority, as may be necessary, and to approve any corrections or alterations therein on behalf of the Board;

- (vi). approve and adopt the draft and final offer document(s), financials of IndiGrid and/or its SPVs in relation to the Issue as required under applicable laws, and to file the relevant offer documents with the Stock Exchanges where the NCDs are intended to be listed, the SEBI and/or any other statutory or regulatory authority, as may be necessary, and to approve any corrections or alterations therein on behalf of the Board;
- (vii). Approved and adopt reformatted financial statements of India Grid Trust and such other financial statements, as may be required, of India Grid Trust, Investment Managers or HoldCos or Project SPVs
- (viii). take decision to open the Issue, decide Issue opening and closing date(s) and amending such date(s) in line with applicable legal requirements;
- (ix). open such bank accounts, demat accounts, escrow accounts with scheduled commercial banks, institutions or agencies as may be required for the Issue;
- (x). apply for and obtain all such necessary lender consents/no objection certificates as may be required from existing lenders, from other individuals and/or entities as may be required, statutory and regulatory authorities and existing security holders in connection with the Issue;
- (xi). do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary, desirable, incidental or ancillary for the purpose of the Issue;
- (xii). to make applications and take necessary actions and steps to receive relevant approvals from SEBI, Stock Exchanges and such other regulatory authorities as may be necessary in relation to the Issue;
- (xiii). make applications for listing of the NCDs on one or more Stock Exchanges and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned Stock Exchanges;
- (xiv). to finalize basis of allotment in consultation with the lead managers, registrar and the designated Stock Exchange;
- (xv). to settle any queries, doubts, difficulty arising in connection with the Issue including issuance, allotment and listing of NCDs;
- (xvi). delegate all or any of the authorities conferred herein to give effect to the aforesaid resolution to any one or more persons, if need be; and
- (xvii). create security inter alia by way of:



- (i) first pari-passu charge on all current assets of IndiGrid, including loans and advances and any receivables accrued/realized from loans and advances extended by IndiGrid to its holding companies / special purpose vehicles (directly held by IndiGrid) (“SPVs”). Step in rights on the loan shall be with the Debenture Trustee. It being understood that loans and advances extended by the IndiGrid will be subordinate to any senior debt availed or to be availed at the holding companies’ / SPVs level;
- (ii) first pari-passu charge on the IndiGrid escrow account, and all its sub accounts including cash trap account / distribution account but excluding ISRA account;
- (iii) first and exclusive charge (with all other debenture holders to the Issue) on the ISRA; and
- (iv) first *pari-passu* charge/pledge over share capital (on a fully diluted basis) of various entities owned and controlled by IndiGrid in one or more tranches. IndiGrid may provide higher pledge also as an additional security with intimation to debenture trustee.

**“RESOLVED FURTHER THAT** in terms of Regulation 6(4) of ILDS Regulations and as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended Mr. Swapnil Patil, Company Secretary of the Company be and is hereby appointed as the Compliance Officer to the Issue.

**RESOLVED FURTHER THAT** the Board of Directors hereby authorise, severally, Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “Authorized Representatives”), to make a request to any person to issue guarantee, enter into a subordination agreement, furnish any undertaking or enter into any other agreements (including any addendums or amendments thereto), as may be required, in connection with the financing facilities.

**RESOLVED FURTHER THAT** the Board of Directors hereby authorize and delegates the power to the Allotment Committee to take the necessary steps as per terms of reference in the aforesaid matter AND any of Directors or Key Managerial Personnel of the Company be and is hereby authorised severally to furnish certified true copy of the above resolutions to any regulatory, statutory or governmental authority as may be required, and other person or entity in relation to the Issue, including but not limited to the Debenture Trustee, and they be requested to act thereon.”

**“RESOLVED FURTHER THAT,** the Authorised Representatives be and are hereby severally authorised for all the matters which are conferred upon Allotment Committee in this resolution including but not limited to issue draft shelf prospectus, shelf prospectus and tranche prospectus; to execute all necessary undertakings, certificates, documents etc. required for the issuance, allotment and listing of the NCDs or matters incidental thereto, to take all steps for giving effect to the aforesaid resolution, including in relation to IndiGrid’s listing applications for the NCDs to be made to the concerned Stock Exchanges for listing and trading approvals, making

depository arrangements in relation to dematerialisation of the NCDs, making arrangements for due stamping and/or any other tax or other dues or payments to regulatory or statutory authorities or bodies, and the filing of all necessary documents, certificates, returns and reports to concerned regulatory authorities and any advisors or intermediaries of IndiGrid, in relation to the issuance and end-use of the NCDs and otherwise as necessary in relation to the Issue.”

**“RESOLVED FURTHER THAT** a copy of the resolution certified to be true by any one of the directors of the Company or the key managerial personnel of the Company be and is hereby given to the Stock Exchanges, authorities, bodies corporate and they be requested to act upon the same.”

**“RESOLVED FURTHER THAT** the acts, deeds and things already done by any designated officer of the Company in connection with the Issue be and are hereby confirmed, approved and ratified.”

## **II. Appointment of lead managers to the issue**

**“RESOLVED THAT** for the purposes of the proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each aggregating up to ₹ 1,000 crores by India Grid Trust (the “**IndiGrid**”) (the “**Issue**”) and in terms of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with the circulars, notifications and guidelines issued thereunder including the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India (the “**SEBI**”) (collectively, “**SEBI InvIT Regulations**”), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, read with the circulars and guidelines issued thereunder (the “**SEBI ILDS Regulations**”), and other applicable laws, the Company hereby appoints JM Financial Limited as the lead manager (“**Lead Manager**”) in connection with the Issue.”

**“RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “**Authorized Representatives**”) be and are hereby authorized severally or jointly to do all such acts, deeds, matters and things and to negotiate, finalize, execute and deliver all engagement letters, memoranda of understanding, agreements (including any addendums or amendments thereto) and such other documents as they may, in their absolute discretion, deem necessary or desirable to implement the above resolution.

## **III. Appointment of the registrar to the issue**

**“RESOLVED THAT** for the purposes of the proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each aggregating up to ₹ 1,000 crores by India Grid Trust (the “**Issue**”) and in terms of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with the circulars, notifications and guidelines



issued thereunder including the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended, and other applicable laws, KFin Technologies Private Limited (the “Registrar”) is hereby appointed as the Registrar to the Issue.”

“**RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “Authorized Representatives”) be and are authorized severally or jointly to do all such acts, deeds, matters and things and to negotiate, finalize, execute and deliver all engagement letters, memoranda of understanding, agreements (including any addendums or amendments thereto) and such other documents as they may, in their absolute discretion, deem necessary or desirable to implement the above resolution.”

#### **IV. Approval of legal counsel to the issue**

“**RESOLVED THAT** for the purposes of the proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each aggregating up to ₹ 1,000 crores by India Grid Trust (the “Issue”) and in terms of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with the circulars, notifications and guidelines issued thereunder including the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and the circulars and guidelines issued thereunder and other applicable laws, Cyril Amarchand Mangaldas is hereby appointed as the legal counsel to the Issue.”

“**RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “Authorized Representatives”) be and are authorized severally or jointly to do all such acts, deeds, matters and things and to negotiate, finalize, execute and deliver all engagement letters, memoranda of understanding, agreements and such other documents as they may, in their absolute discretion, deem necessary or desirable to implement the above resolution.”

**V. Approval of the registrar agreement**

**“RESOLVED THAT** the terms and conditions of the draft of the agreement to be entered into with KFin Technologies Private Limited (the “**Registrar**”) in relation to the proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each aggregating up to ₹ 1,000 crores by India Grid Trust (the “**Issue**”), by Axis Trustee Services Limited (acting in its capacity as the Trustee to India Grid Trust) and the Company and the draft of such agreement, as tabled before the Committee, be and is hereby approved.”

**“RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “**Authorized Representatives**”) be and are hereby severally or jointly authorized to negotiate, finalize, execute and deliver the agreement with the Registrar to the Issue (including any addendum or amendment thereto), and to do all such acts, deeds, matters and things as deemed necessary, proper or desirable, and to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions or additions as may be deemed fit and proper in the best interests of the Company and India Grid Trust.”

**VI. Appointment of the debenture trustee to the issue**

**“RESOLVED THAT** for the purposes of the proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each aggregating up to ₹ 1,000 crores by India Grid Trust (the “**Issue**”) and in terms of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with the circulars, notifications and guidelines issued thereunder including the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and the circulars and guidelines issued thereunder, the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, as amended, and the circulars and guidelines issued thereunder and other applicable laws, IDBI Trusteeship Services Limited (the “**Debenture Trustee**”) is hereby appointed as the Debenture Trustee to the Issue.”

**“RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “**Authorized Representatives**”) be and are authorized severally or jointly to do all such acts, deeds, matters and things and to negotiate, finalize, execute and deliver all engagement letters, memoranda of understanding, agreements (including any



addendums or amendments thereto) and such other documents as they may, in their absolute discretion, deem necessary or desirable to implement the above resolution.”

**VII. Appointment of the security trustee to the issue**

“**RESOLVED THAT** for the purposes of the proposed public issue of secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each aggregating up to ₹ 1,000 crores by India Grid Trust (the “**Issue**”) and in terms of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with the circulars, notifications and guidelines issued thereunder including the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and the circulars and guidelines issued thereunder and other applicable laws, the Company hereby appoints IDBI Trusteeship Services Limited as the security trustee (“**Security Trustee**”) in connection with the Issue.”

“**RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “Authorized Representatives”) be and are hereby authorized severally or jointly to do all such acts, deeds, matters and things and to negotiate, finalize, execute and deliver all engagement letters, memoranda of understanding, agreements (including any addendums or amendments thereto) and such other documents as they may, in their absolute discretion, deem necessary or desirable to implement the above resolution.”

**VIII. To consider listing on BSE Limited and National Stock Exchange of India Limited**

“**RESOLVED THAT** the Company (on behalf of the India Grid Trust) may make applications to BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) for in-principle and final approval for listing of its debentures and file such papers and documents, including a copy of the draft shelf prospectus filed with the Designated Stock Exchange and the BSE/NSE for the purpose of receiving public comments and submitted with the Securities and Exchange Board of India (“**SEBI**”), as may be required for the purpose of the Issue.”

**RESOLVED FURTHER THAT** BSE be and is hereby appointed as the Designated Stock Exchange for the purpose of receiving public comments on the Draft Shelf Prospectus and finalizing the basis of allotment in relation to the Issue.

“**RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “Authorized Representatives”) be and are hereby severally or jointly authorized to



negotiate, finalize, execute and deliver the agreement with BSE and the NSE, and to do all such acts, deeds, matters and things as deemed necessary, proper or desirable, and to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions or additions as may be deemed fit and proper in the best interests of the Company and the India Grid Trust.”

**IX. Appointment of Compliance Officer**

“**RESOLVED THAT** in compliance with the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with the circulars, notifications and guidelines issued thereunder including the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India (collectively, “**SEBI InvIT Regulations**”), the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and the circulars and guidelines issued thereunder and the uniform listing agreement to be entered into between the Company (acting on behalf of India Grid Trust), Axis Trustee Services Limited (acting in its capacity as the Trustee to the India Grid Trust) and the stock exchanges, the company secretary of the Company, Swapnil Patil, will act as the compliance officer of the India Grid Trust for the purposes of the proposed Issue and shall be responsible for monitoring compliance with securities laws and redressal of investor grievances and any other ancillary activities subject to applicable laws.”

“**RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “Authorized Representatives”) be and are authorized severally or jointly to do all such acts, deeds, matters and things and to negotiate, finalize, execute and deliver all engagement letters, memoranda of understanding, agreements and such other documents as they may, in their absolute discretion, deem necessary or desirable to implement the above resolution.”

**X. APPROVAL FOR DETERMINATION OF MATERIALITY THRESHOLD FOR LITIGATION DISCLOSURES INVOLVING THE INVESTMENT MANAGER AND ITS ASSOCIATES**

“**RESOLVED THAT** pursuant to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with the circulars, notifications and guidelines issued thereunder including the Circular bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India (the “SEBI”) (collectively, “SEBI InvIT Regulations”), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, read with the circulars and guidelines issued thereunder (the “SEBI ILDS Regulations”), and other applicable laws, in view of the nature and extent of the



operations of the Investment Manager and its associates (excluding associates of Investment Manager which are associates of Sterlite Power Transmission Limited or Esoteric II Pte. Ltd., the sponsors of IndiGrid (the “Common Associates”)), the outstanding civil litigation involving the Investment and its associates (excluding Common Associates), which involve an amount exceeding 5% of the total consolidated income or the consolidated net worth (being, the paid up capital, securities premium and retained earnings) for the financial year ended March 31, 2020, whichever is higher, shall be considered material for the purposes of disclosures in the draft shelf prospectus and the shelf prospectus, and the board of directors of the Investment Manager (the “Board”) shall have the power and authority to determine suitable materiality threshold for outstanding litigation in the subsequent financial years, or as may be required, on the aforesaid basis or any other basis as may be determined by the Board.”

**“RESOLVED FURTHER THAT** given that the total consolidated income of the Investment Manager was ₹ 202.36 million and the net worth of the Investment Manager was ₹ 130 million for the financial year ending March 31, 2020, the Board approves that all quantifiable litigation involving the Investment Manager and its associates (excluding Common Associates), involving an amount equal to or exceeding ₹ 10.12 million shall be considered material for the Investment Manager and its associates (excluding Common Associates), for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** pursuant to the InvIT Regulations and such other law as may be applicable, in view of the nature and extent of operations of the Investment Manager and its associates (excluding Common Associates), (i) any litigation which is not quantifiable, and if decided against the Investment Manager and its associates (excluding Common Associates), and is likely to have a material adverse effect on the business, prospects, financial condition, results of operations or cash flow, of the Investment Manager and its associates (excluding Common Associates); and (ii) all regulatory actions and criminal matters, which are not in the ordinary course of business, that are pending against the Investment Manager and its associates (excluding Common Associates), shall be considered material for the Investment Manager and its associates (excluding Common Associates), for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the “Authorized Representatives”) be and are hereby severally authorised to do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution.”

**XI. APPROVAL FOR DETERMINATION OF MATERIALITY THRESHOLD FOR LITIGATION DISCLOSURES INVOLVING THE PORTFOLIO ASSETS, TARGET ASSET AND HOLDING COMPANIES**

**“RESOLVED THAT** pursuant to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with the circulars, notifications and guidelines issued thereunder including the Circular



bearing number SEBI/HO/DDHS/DDHS/CIR/P/2018/71 issued by the Securities and Exchange Board of India dated April 13, 2018 entitled “Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)” issued by the Securities and Exchange Board of India (the “SEBI”) (collectively, “SEBI InvIT Regulations”), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, read with the circulars and guidelines issued thereunder (the “SEBI ILDS Regulations”), and other applicable laws, in view of the nature and extent of the operations of the Portfolio Assets, the Target Asset and the Holding Companies (as included below), the outstanding civil litigation involving the Portfolio Assets, the Target Asset and the Holding Companies, which exceed 5% of the revenue, as of March 31, 2020, for each such Portfolio Asset, Target Asset or the Holding Company, shall be considered material, for the Portfolio Assets, Target Asset and the Holding Companies, for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to JTCL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 1,504.96 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 75.24 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to BDTCL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 2,694.19 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 1,34.70 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to PKTCL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 755.98 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 37.79 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to RTCL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 488.23 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 24.41 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to NTL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 5,710.60 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 285.53 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to PTCL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 301.48 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 15.07 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to GPTL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 678.41 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 33.92 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to ENICL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 1,360.71 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 68.03 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to OGPTL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 1,626.85 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 81.34 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to JKTPL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 389.76 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 19.48 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to PrKTCL, being one of the Portfolio Assets, the total revenue as of March 31, 2020 was ₹ 1,894.06 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 94.70 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to NER, being the Target Asset, the total revenue as of March 31, 2020 was ₹ 3.19 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 0.15 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to IGL, being one of the Holding Companies, the total revenue (includes revenue from contracts and other income) as of March 31, 2020 was ₹ 6,065.70 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 303.28 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to IGL1, being one of the Holding Companies, the total revenue (includes revenue from contracts and other income) as of March 31, 2020 was ₹ 5,710.60 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 285.53 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus.”

**“RESOLVED FURTHER THAT** in relation to IGL2, being one of the Holding Companies, the total revenue (includes revenue from contracts and other income) as



of March 31, 2020 was ₹ 1,627.17 million. Accordingly, all outstanding civil cases which involve an amount exceeding ₹ 81.35 million (being 5% of the total revenue) shall be considered material for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus."

**"RESOLVED FURTHER THAT** pursuant to the InvIT Regulations and such other law as may be applicable, in view of the nature and extent of operations of the Portfolio Assets, the Target Asset and the Holding Companies, (i) any litigation which is not quantifiable, and if decided against the Portfolio Assets or the Target Asset or the Holding Companies, and is likely to have a material adverse effect on the business, prospects, financial condition, results of operations or cash flow, of the Portfolio Assets or the Target Asset or the Holding Companies; and (ii) all regulatory actions and criminal matters, which are not in the ordinary course of business, that are pending against the Portfolio Assets or the Target Asset or the Holding Companies, shall be considered material for the Portfolio Assets, the Target Asset and the Holding Companies, for the purposes of disclosure in the draft shelf prospectus and the shelf prospectus."

**"RESOLVED FURTHER THAT** Mr. Harsh Shah, CEO & Whole-time Director or Ms. Meghana Pandit, the authorized signatory or Mr. Jyoti Kumar Agarwal, Chief Financial Officer or Mr. Swapnil Patil, Company Secretary & Compliance Officer or Ms. Divya Bedi Verma, the authorized signatory or Mr. Bigyan Parija, the authorized signatory or Mr. Ayush Goyal, the authorized signatory (collectively, the "Authorized Representatives") be and are hereby severally authorised to do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution."

Certified true copy

For & on behalf **IndiGrid Investment Managers Limited**

Representing India Grid Trust as its Investment Manager



**Swapnil Patil**

Company Secretary & Compliance Officer

ACS-24861

**Date-**March 27, 2021

**Place-**Mumbai

**IndiGrid Investment Managers Limited**

**(formerly known as Sterlite Investment Managers Limited)**

**Registered & Corporate Office:** Unit No. 101, First Floor, Windsor, Village Kolkalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India **CIN:** U28113MH2010PLC308857

**Ph:** +91 72084 93885 | **Email:** complianceofficer@indigrid.co.in | www.indigrid.co.in

**ANNEXURE E**

**COPY OF THE UNITHOLDERS RESOLUTION**

*(The remainder of this page is intentionally kept blank)*

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE UNITHOLDERS OF INDIA GRID TRUST IN THE ANNUAL GENERAL MEETING OF INDIA GRID TRUST HELD ON JULY 26, 2019**

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**AUTHORITY TO BORROW AND CREATE CHARGE ON ASSETS AND MATTERS RELATED THERETO**

**"RESOLVED THAT** in accordance with Regulation 20, 22 and all applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations"), Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2019 ("InvIT Amendment Regulations") and the circulars and guidelines issued thereunder, and other applicable laws, including any statutory modifications, amendments or re-enactments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by any competent authority in India from time to time (to the extent applicable), the requisite approvals (if any) from Securities and Exchange Board of India, the stock exchanges, any relevant governmental, statutory or regulatory authorities including any bank or financial institutions and subject to such terms and conditions as may be prescribed by any such authority while granting such approvals as may be necessary, and subject to the Trust Deed of IndiGrid and in continuation to all earlier resolution passed the consent of the Unitholders, be and is hereby granted to India Grid Trust ("IndiGrid") and/ or Holding Company/ HoldCo and/ or Special Purpose Vehicle/ SPV as defined under SEBI InvIT Regulations ("the IndiGrid Assets") to borrow from time to time, any sum or sums of money not exceeding such amounts that, the aggregate consolidated borrowing and deferred payments of IndiGrid and IndiGrid Assets net of cash and cash equivalent, do not exceed 70% of the aggregate value of IndiGrid's Assets from time to time, in whatever form including but not limited to issuance of debentures, term loans, advances, deposits, bonds etc., on such terms and conditions as the Axis Trustee Services Limited (the "Trustee") and/ or Sterlite Investment Managers Limited ("Investment Manager") may deem fit in the best interest of IndiGrid and the Unitholders, and on such security, including by way of mortgage, hypothecation, pledge, lien and/ or charge, in addition to the mortgage, hypothecation, pledge and/ or charge already created, in such form, manner and ranking and on such terms as the Trustee and/ or Investment Manager may deem fit in the best interest of IndiGrid and the Unitholders, on all or any of the movable and/ or immovable properties of IndiGrid and/ or IndiGrid Assets, both present and future and/ or any other assets or properties, either tangible or intangible, of IndiGrid and/ or IndiGrid Assets, for securing the borrowings availed or to be availed by IndiGrid and/ or IndiGrid Assets, including providing any undertakings and/ or guarantees as may be required in connection therewith, and to do all such acts, deeds and things and to execute all such documents, instruments and writings, and register all charges as may be required in this regard.

**RESOLVED FURTHER THAT** in relation to the aforesaid transactions, the Trustee and/ or Investment Manager be and are hereby severally authorised to do all such acts, deeds, matters and things and execute, modify or amend all such deeds, agreements or other documents, as may be necessary from time to time for giving effect to the above resolution on such terms and conditions as the Trustee and/ or Investment Manager may deem fit in the best interest of IndiGrid and the Unitholders, and to settle any questions, difficulty or doubt that may arise with regard to giving effect to the above resolution, as it may deem necessary in its discretion.

**RESOLVED FURTHER THAT** the Board of Directors of the Investment Manager and/ or Trustee be and is hereby authorised to delegate all or any of the powers herein conferred upon the Investment Manager and/ or Trustee, to any validly constituted committee of its

**IndiGrid Investment Managers Limited**

**(formerly known as Sterlite Investment Managers Limited)**

**Registered & Corporate Office:** Unit No. 101, First Floor, Windsor, Village Kolkalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India **CIN:** U28113MH2010PLC308857  
**Ph:** +91 72084 93885 | **Email:** complianceofficer@indigrid.co.in | www.indigrid.co.in



directors, Chief Executive Officer, Company Secretary and Compliance Officer or any other person authorized by Investment Manager and/or Trustee so as to give effect to the aforesaid resolution."

Certified true copy

For & on behalf **IndiGrid Investment Managers Limited**

Representing India Grid Trust as its Investment Manager



**Swapnil Patil**

Company Secretary & Compliance Officer

ACS-24861

**Date-**March 27, 2021

**Place-**Mumbai

**ANNEXURE F**

**CONSENT OF THE DEBENTURE TRUSTEE**

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# IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154

Ref. No: 26252/ITSL/OPR/2020-21

Date: 30<sup>th</sup> March, 2021



To:

**India Grid Trust**

Unit No. 101, First Floor

Windsor, Village Kolkalyan

Off CST Road

Vidyanagari Marg

Kalina

Santacruz East

Mumbai 400 098

(the "Trust")

**IndiGrid Investment Managers Limited** (acting on behalf of the Trust)

(formerly Sterlite Investment Managers Limited)

Unit No. 101, First Floor

Windsor, Village Kolkalyan

Off CST Road

Vidyanagari Marg

Kalina

Santacruz East

Mumbai 400 098

(the "Investment Manager")

Dear Sir,

**Re: Proposed public issue by the Trust of secured, rated, listed, redeemable, non-convertible debt securities of face value of Rs. 1,000 each (the "NCDs") aggregating up to Rs. 1,000 Crore through one or more tranches (the "Issue")**

We, IDBI Trusteeship Services Limited, hereby give our consent to our name being included as Debenture Trustee to the Issue in accordance with Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 in the (i) draft shelf prospectus ("**Draft Shelf Prospectus**") / draft prospectus ("**Draft Prospectus**") with the stock exchange(s) where the NCDs are proposed to be listed ("**Stock Exchanges**") and forwarded to the Securities and Exchange Board of India ("**SEBI**") for its records (ii) the shelf prospectus ("**Shelf Prospectus**") / prospectus ("**Prospectus**") with the stock exchange(s) where the NCDs are proposed to be listed ("**Stock Exchanges**") and forwarded to the Securities and Exchange Board of India ("**SEBI**") for its records in respect of the Issue and all related advertisements, and subsequent periodical communications sent to the holders of the NCDs pursuant to the Issue.

We hereby authorise you to deliver this letter of consent to the Stock Exchange(s), the SEBI and/or such other regulatory authority, as may be required by law

The following details with respect to us may be disclosed:

Name:	IDBI Trusteeship Services Limited
Address:	IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
Tel:	(91) (22) 40807000
Fax:	66311776/40807080
Email:	itsl@idbitrustee.com





Website: [www.idbitrustee.com](http://www.idbitrustee.com)  
Contact Person: Mr. Ritobrata Mitra / Mr. Jatin Bhat  
Investor Grievance e-mail: [response@idbitrustee.com](mailto:response@idbitrustee.com)  
SEBI Registration No: IND000000460

We confirm that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We further confirm that no enquiry/investigation is being conducted by SEBI on us. Copy of our SEBI registration certificate and declaration regarding our registration with SEBI in the required format is attached as Annexure A.

We shall immediately intimate the Lead Managers and Issuer of any changes, additions or deletions in respect of the aforesaid details till the date when the NCDs of the Issuer offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and commencement of trading of the NCDs on the Stock Exchanges

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Trust or the Investment Manager (acting on behalf of the Trust in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the Issue of the Trust.

Yours faithfully,

**For IDBI Trusteeship Services Limited**

  
**Authorised Signatory**  
**Name: Ritobrata Mitra**  
**Designation: Assistant Vice President**



**Cc:**

**Cyril Amarchand Mangaldas**  
5th Floor, Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013

**JM Financial Limited**  
7th Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
(the "Lead Manager")

**Annexure A**30<sup>th</sup> March, 2021

To:

**India Grid Trust**

Unit No. 101, First Floor  
Windsor, Village Kolkalyan  
Off CST Road  
Vidyanagari Marg  
Kalina  
Santacruz East  
Mumbai 400 098  
(the "Trust")

**IndiGrid Investment Managers Limited** (acting on behalf of the Trust)  
(formerly Sterlite Investment Managers Limited)

Unit No. 101, First Floor  
Windsor, Village Kolkalyan  
Off CST Road  
Vidyanagari Marg  
Kalina  
Santacruz East  
Mumbai 400 098  
(the "Investment Manager")

Dear Sir / Madam,

**Re: Proposed public issue by the Trust of secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000 each (the "NCDs") aggregating up to Rs. 1000 Crore through one or more tranches (the "Issue")**

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee are true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000460
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	February 14, 2017
3.	Date of expiry of registration	<i>The Certificate of registration shall be valid unless it is suspended or cancelled by the Board</i>
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NIL
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NIL
6.	Details of any penalty imposed by SEBI	NIL






We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely,

**For IDBI Trusteeship Services Limited**

  
**Authorised Signatory**

**Name: Ritobrata Mitra**

**Designation: Assistant Vice President**





डिबेंचर न्यासी

फॉर्म B  
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड  
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993  
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 263

(विनियम 8)  
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र  
CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उन अधिनियम को प्रांग-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,  
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

IDBI TRUSTEESHIP SERVICES LIMITED  
ASIAN BUILDING, GROUND FLOOR  
17, R. KAMANI MARG  
BALLARD ESTATE  
MUMBAI-400 001

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।  
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड  
2) Registration Code for the debenture trustee is

IND000000460

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र  
3) Unless renewed, the certificate of registration is valid from

तक विधिवत है।  
This certificate of registration shall be valid unless it is suspended or cancelled by the board.

स्थान Place: MUMBAI

तारीख Date: FEBRUARY 14, 2017



आदेश से  
भारतीय प्रतिभूति और विनियम बोर्ड  
के लिए और उसकी ओर से  
By order  
For and on behalf of  
Securities and Exchange Board of India

MEDHASONPAROTE

अधिकृत हस्ताक्षरकर्ता Authorised Signatory